



BOARD OF DIRECTORS MEETING

September 14th, 2022

The Board of Directors of Southern Public Power District met in regular session in the Boardroom of the District's corporate office at 4550 West Husker Highway, Grand Island, Nebraska, on September 14, 2022, at 10:00 a.m. pursuant to the mailed notice of the meeting sent to all Directors of the District and notice posted. Arlon Jacobitz, Chairman of the District, called the meeting to order.

Directors present were as follows: Larry Benson, Neal Katzberg, Kevin Choquette, Rick Bergman, Mike Lowry, Joel Kuehn, Kevan Reeson, Lee Grove, Marvin Fishler, Bob Kieborz, Wayne Anderbery, Dana Meyer and Arlon Jacobitz. President/CEO Neal Niedfeldt and attorney Dave Jarecke were also present.

Directors absent: Dean Klute

Chairman Jacobitz publicly stated to all in attendance that a current copy of the Nebraska Open Meetings Act was available for review and indicated the location of such copy in the room where the meeting was being held.

AGENDA

There were no additions requested to the agenda.

MINUTES

There were slight revisions made to the minutes of the August 17, 2022 regular Board meeting.

A motion was duly moved by Director Benson, seconded by Director Kuehn, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the August 17, 2022 regular Board meeting as amended.

Roll call vote: Yes 13, No 0, Absent 1 (Director Klute)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Anderbery, seconded by Director Fishler, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves all bills and claims.

Roll call vote: Yes 13, No 0, Absent 1 (Director Klute)

COMMENTS FROM THE PUBLIC

There were no comments made.

SAGE COLLABORATIVE

CEO Niedfeldt introduced Marie de Martinez from Sage Collaborative who has started working with Southern's management team to provide temporary human resource functions and leadership training. Ms. Martinez reported that she had met with most of the employees and provided assistance to management in planning and communicating with all District employees.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Grove, Meyer, Benson, Katzberg and Chairman Jacobitz attended the Labor Committee on Wednesday September 14th.
- Directors Choquette, Kuehn and Kieborz attended the Safety Council meeting in Funk on Tuesday, August 23rd.
- Director Anderbery attended the 2022 NPA Annual Conference in Kearney on August 30th and 31st.
- All Directors (excluding Fishler, Kuehn and Reeson) attended the Funk Open House on Thursday, September 1st.
- Director Kieborz attended NPPD's Annual meeting in Columbus on August 19th and will be attending the NPPD Customer/Board Forum meeting in McCool Junction on Thursday, September 15th.

MANAGEMENT REPORTS:

President's comments:

- CEO Niedfeldt attended the following meetings and activities during the past month:
 - SPPD – Hosted the Small Group Employee meetings with personnel from Hastings, Central City, Funk and Mechanics/Stores during August. Attended the Safety Council meeting in Funk on August 23rd. Attended the Western Region's Managers meeting on August 25th at Dawson PPD. Attended the Funk Open House on September 1st. Attended the Union meeting in Grand Island on September 13th.
 - NPPD – Attended NPPD's Annual Meeting in Columbus on August 18th and 19th. Participated in the NPPD virtual meeting on September 9th regarding NPPD's Demand Response program.
 - NPA – Attended the NPA Annual Conference in Kearney on August 30th and 31st.
- NPPD Issues:
 - August 2022 Rate Stabilization Fund – NPPD has reported a \$7.7 million deficit for August and a YTD surplus of \$54.1 million through August 31, 2021. The Wholesale Production share of the forecasted surplus is \$43.7 million with the remainder assigned to NPPD's retail division.
- Response to Culture Assessment Survey – Management has met with all employees through small group assemblies during July and August. Issues will be addressed through action plans developed at the September 7th Manager's meeting. Those plans have been communicated to all employees with appropriate feedback requested. Sage Collaborative has been involved in attending several of the small group meetings and assisting Management in the response.
- Bluestem Wind Project – The Commercial Operation Date for the two turbines was September 7, 2022. The turbines have been delivering energy since that date and are scheduled to be in continuous normal operation.

- Funk Open House – The Customer Appreciation Day and Open House at the Funk Service Center was held on September 1st. Approximately 200 customers and business associates attended. Staff served lunch, provided demonstrations and shared information on various District programs.
- Personnel – Kelly Gappa started on August 22nd as the new Customer Service Representative in Grand Island. Justine McMurray started on September 12th as the new Payroll Specialist. Amanda Groff will start on October 10th as our new Public Relations Manager. The search continues for a staking engineer and one additional lineman for the Subtransmission construction crew.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between July 2021 and 2022. Year-to-date revenues through July 2022 amounted to \$55.41 million as compared to \$54.52 million in 2021.
- Power Costs. CFO Peard provided a summary of the power bill for July 2022 indicating a peak demand of 308,468 kW as compared to 301,502 kW recorded in July 2021. The District purchased 145.56 million kWh in July 2022 as compared to 140.94 million kWh in July 2021.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from July 2022 and July 2021. Year-to-date net margins as of July 31, 2022 were \$9,710,483 as compared to \$9,885,215 as of July 31, 2021.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at July 31, 2022 were \$59.7 million compared to \$58.97 million at July 31, 2021.

Customer Service and Collection Report:

- The District's disconnect day was scheduled for Monday, August 29th. District personnel worked 32 accounts, with 31 accounts being disconnected remotely using the AMI disconnect collar.

Engineering/Operations Report:

- Engineering/Operations Manager Aaron Brown reported on supply chain and manufacturing issues with load control devices and the delay in deliveries these issues may cause.
- A study for available load capacity at the Aurora Power Park has been submitted to NPPD and SPP.
- Brown reported on the progress of the subtransmission crew and the completion of Project 301.
- Osmose pole testing started this year with 4,624 poles being inspected and 157 poles being rejected. The failure rate is 3.4%.

Energy Services Report:

- Energy Services Manager Sam Reinke reported the department continues to process new service inquiries, work orders and estimates for new electric services.
- Department personnel are preparing for the Irrigation Energy bills to be mailed out by October 1st.
- During the month of August, the District issued three (3) water heaters and provided incentives totaling \$12,729 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives total \$114,978. The District provided \$8,000 in Efficient Electrification incentives during July. Year-to-date Efficient Electrification incentives total \$17,838.

- During August, the Irrigation department controlled irrigation loads for seven days for a total of 72 hours.

Safety Report:

- Safety Manager Todd Bailey reported that there were no incidents for the month of August.
- District personnel operated the safety trailer at Husker Harvest Days on September 15th and also presented issues with the 200 amp disconnect panel that was involved in the recent fatality in Merrick County.

CUSTOMER REPORTS:

DIRECTORS:

- Director Benson received a call from a Palmer customer regarding an account on the Idle Service Rate Schedule. Management has made attempts to resolve the issue and Director Benson will follow up by contacting the customer in the near future.

Attorney Jarecke gave an update on the District's EEOC complaint.

MANAGEMENT:

- No report.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

- Finance Committee Chairman Choquette reported that all funds were adequately covered by FDIC insurance and joint custody receipts.

LABOR COMMITTEE:

- Labor Committee Chairman Grove indicated that the committee met on Wednesday, September 14th, to review and discuss the ongoing negotiations with Union representatives on the new labor agreement.

SEARCH COMMITTEE:

- Search Committee Chairman Meyer indicated that the contract with Ken Holmes from Holmes Executive Search LLC has been executed. Director Meyer indicated the search schedule provided by Mr. Homes has a tentative start date of April 2023 with the completion scheduled for September, 2023.

MOTIONS & RESOLUTIONS:

NRECA Insurance Plans for 2023

CFO Shannon Peard reported that the District has received the renewal billing rates from NRECA for the District's health insurance plan for 2023. The renewal for 2023 is based on claims incurred during April 1, 2020, through March 31, 2022. The renewal results in an increase of 7.1% for the NRECA insurance plans. Management recommends the Board of Directors approve the renewal of the insurance program with NRECA for 2023.

A motion was duly moved by Director Kieborz, seconded by Director Kuehn to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the renewal of insurance coverage through NRECA and the health insurance options for 2023 as presented by management.

Roll call vote: Yes 13, No 0, Absent 1 (Director Klute)

Nowka & Edwards Agreement

CEO Niedfeldt reviewed the lobbying service agreement between Nowka & Edwards and the District for the 2023 and 2024 Sessions of the Nebraska Legislature. CEO Niedfeldt recommended approval.

A motion was duly moved by Director Bergman, seconded by Director Anderbery to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the Nebraska Lobbying Services Proposal between Nowka & Edwards and Southern Public Power District for the 2023 and 2024 legislative session in the amount of \$34,500.00.

Roll call vote: Yes 13, No 0, Absent 1 (Director Klute)

Appointment of Voting Delegate for the CFC 2022 Business Meeting

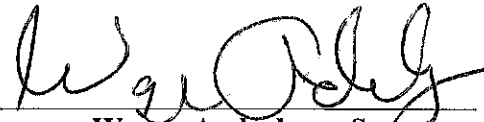
There was no action taken on this motion due to the absence of attendance at the 2022 CFC Business meeting.

MISCELLANEOUS BUSINESS:

Next Board meeting is scheduled for Wednesday, October 12th.

There will be a Budget Committee meeting on October 26th starting at 9:00 a.m.

There being no other business, the meeting was adjourned at 12:00 p.m.


Wayne Anderbery, Secretary


Arlon Jacobitz, Chairman