



BOARD OF DIRECTORS MEETING

April 9, 2025

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 April 9, 2025, at 10:00 a.m. pursuant to the mailed notice of the meeting sent to all Directors of the District and notice posted. Wayne Anderbery, Chairman of the District, called the meeting to order.

Directors present were as follows: Larry Benson, Lee Grove, Courtney Retzlaff, Curtis Rohrich, Joe Gustafson, Joel Kuehn, Dean Klute (absent in afternoon), Rick Bergman, Arlon Jacobitz, Justin Katzberg, Wayne Anderbery, Kevin Choquette and Bob Kieborz. President/CEO Chad Waldow was present and attorney Dave Jarecke joined the meeting virtually.

Directors absent: Dana Meyer.

Chairman Anderbery 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.

SAFETY MESSAGE/SYSTEM STATUS

CEO Chad Waldow gave an update on the current status of the SPPD system.

Excused Absence for Director Meyer

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the excused absence of Director Meyer.

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

BOARD MEETING MINUTES

There were no revisions made to the minutes of the February 12, 2025 regular Board meeting.

A motion was duly moved by Director Klute, seconded by Director Gustafson, to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the February 12, 2025 regular Board meeting.

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

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims pertaining to the months of February and March.

A motion was duly moved by Director Grove, seconded by Director Rohrich to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves all bills and claims from the months February and March, 2025.

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

COMMENTS FROM THE PUBLIC

There were no comments from the public.

DIRECTOR REPORTS

DIRECTOR REPORTS:

- Directors Jacobitz, Katzberg, Retzlaff and Anderbery attended the Audit Committee meeting on March 24th.
- Directors Grove and Kieborz attended the Safety Council meeting on March 13th.
- Director Gustafson attended the Phillips Village Board meeting on April 1st.
- Director Bergman attended the Loomis Village Board meeting on March 10th; the Bertrand Village Board meeting on March 11th and the Atlanta Village Board meeting on March 12th.
- Director Katzberg attended the Kenesaw Village Board meeting on April 8th.
- Director Retzlaff attended the Palmer Village Board meeting back in February and the Chapman Village Board meeting on April 1st.
- Director Anderbery attended the NRECA Annual meeting March 7-12th in Atlanta, Georgia.

MANAGEMENT REPORTS

President's Comments:

- NPPD Committee and Board Meeting in Columbus on February 13th: Chad and Bob Kieborz attended these meetings. Chad had concerns that NPPD's board was acting on a contract and was much too early in the process and the customers were not being heard.
- NPPD "Mini" Contract Meeting in Lincoln March 26th: Chad met with Tom Kent with NPPD, Neil Suess from Loup Power, Bruce Vitoch from Norris and Darin Bloomquist with the NE G&T. There were several items discussed pertaining to the contract. There was also a Small Contract Meeting in Columbus on March 14th to discuss the contract with full group.
- NRECA Annual Meeting in Atlanta on March 10-12: Chad and Wayne Anderbery attended the NRECA PowerXchange in Atlanta. The main theme for the annual meeting was innovation and inspiration for the utilities. There was also discussion centered around large loads and the impacts on rural utilities. Some of the highlights were:
 - Secretary of Ag discussed the vision of the Trump Administration and let everyone know the PACE, IRA, and many other programs are under review. The fate of these programs will be revealed soon.

- CFC hosted a panel with AJ Sabatelle, a managing director at Moody's and Dennis Pidherny, a managing director for ratings at Fitch. These two gentlemen described the future of generation utilities (like NPPD) as challenging. This is being caused by extreme weather events, explosive load growth and effects of AI. These factors all result in rating pressure. The question was specifically asked about long-term contracts and NPPD was referenced. They both said that NPPD needs a long-term contract but that does not eliminate the possibility of a bond rating downgrade.
- Discussions of large loads came up in several discussions and heard from a coop outside of Atlanta that has several requests for large data centers and now 4 customers make up over 85% of their load. They now pick and choose what loads they want on their system including data centers. Some facts to consider: The top 7 tech companies have a net worth of \$13.4T while the top 100 utility companies have a net worth of \$2.84T. This statistic shows they can build out the infrastructure to put these large loads in service.
- Phil Erwin, CEO of Federated Insurance, discussed the challenges going forward with re-insurance. They specifically called out the wildfires as primary reason for issues with re-insurers. The number of policies are increasing while the claim count is steady.
- Eastern Manager's Meeting: Managers hosted Senator Brandt, Chairman of the Natural Resources Committee. He explained several procedural items including the bill assignment process. He also discussed the multiple stages of a bill and what to expect. The conversation was very informative. A discussion was had pertaining to several bills of interest including LB 526. He was unaware of the benefit we receive from the data mining load.

Additional Items:

- Winter Storm Job: District sat down as a management team and discussed some of the gaps we needed to fill prior to the next storm. Communication flow is the challenge with some opportunities there. Also had issues with the generator serving the Grand Island campus. District also had an issue with our response to a fire call in the Hastings area. This was discussed internally and with the Minden Fire Chief.
- Discussions with the Village of Campbell: Chad and Sam visited the Village on Tuesday March 11th, looking at agreements for Southern to take over the village and provide retail service. The District is also looking at options for the existing generator at Campbell. If Southern were to keep this generator, Southern would need to create a revenue stream through a capacity purchase agreement through NPPD. The electric system needs repair, like many smaller villages, but this will be valuable over time. After the discussion, the village board agreed to continue moving forward.

The onsite generator inspection will be on Monday, April 7th. Clint Loving, with Cypress Engine Accessories will be looking at the generator and estimating the cost of compliance and determine the reliability of the engine.

- Chad attended Gwen Kautz' retirement celebration in Lexington on April 2nd and met Alyssa Clemens Roberts, the new CEO at Dawson, who started on April 1st.

- LB105 clears final reading and is headed to the Governor’s desk for signature. This bill is the fix to our voting districts and will allow us access to bond financing if necessary.
- NPPD Financials: In the month of December, NPPD saw significant deficits due to O&M and A&G expenses as you can see in the first graph below. These were primarily contributed to incentive bonus payouts. This drives down the overall surplus for the year to \$33.8M and that will make up the 2026 PCA.

2025 AUDIT

Bob Beran, Auditor from Dana Cole, was present to review the 2024 Audit Report and was available to answer any questions from the Directors. Mr. Beran noted that the District is receiving an unmodified opinion which indicates the financial statements are presented fairly in all material respects.

President’s Comments: (cont.)

Chad reviewed the 2025 Strategic Plan action items pertaining to facilities plan, future of Southern’s rates, future capital projects and the wholesale power contract.

***LUNCH RECESSED AT 12:00 P.M.,
THE MEETING RECONVENED AT 12:40 P.M. IN OPEN SESSION.***

Financial Reports:

- Summary of Revenues. CFO Peard provided a comparison of revenues between February 2024 and 2025. Year-to-date revenues through February 2025 amounted to \$14.3 million as compared to \$11.1 million in 2024.
- Power Costs. CFO Peard gave a summary of the power bill for February 2025 indicating a peak demand of 155,590 kW as compared to 124,830 kW recorded in February 2024. The District purchased 122.61 million kWh’s in February 2025 as compared to 91.92 million kWh’s in February 2024.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from February 2025 and February 2024. Year-to-date net margins as of February 28, 2025 were (\$2,003,121) as compared to (\$2,228,482) as of February 28, 2024.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at February 28, 2025 were \$39.40 million compared to \$42.10 million at February 28, 2024.

Customer Service and Collection Report:

- The District’s disconnect day was Thursday, March 27th. District personnel worked 34 accounts.

Operations Report:

- Operations Manager Zeb Graham reported that area offices continue to work on budget projects, osmose poles, data collection for OMS and new irrigation services.
- Construction Crew continues work on the 5-mile project and replaced Sub-T poles in the Grand Island area due to strong winds and a fire.
- Anixter provided Southern with an audit meter report.
- Mechanics continue routine maintenance with a few call-outs installing new truck beds.

- Graham reported on the number outages and broken poles the District experienced from February through the end of March.
- Southern had sent 24 linemen to assist in mutual aid to other surrounding power districts during the aftermath of winter storms.

Engineering Report:

- Engineering Manager Travis Dahlin stated that work continues with RVW on the line layout and easement acquisitions on the Central City 115kV to Central City 69kV Sub-T Project.
- A construction estimate has been sent out on the Minden Mining 7MW expansion.
- Southern is waiting on AAIM to provide the final layout for the Prosser Data Center.
- Dahlin went over several carbon sequestration projects.

Energy Services Report:

- Energy Service Manager Sam Reinke attended several village board meetings along with various District staff and Board members.
- During the month of March, the District issued one (1) water heater and provided incentives totaling \$5,436 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$3,936 and has provided \$2,234 in Efficient Electrification incentives during March.
- Reinke attended the NPPD Demand Waiver Program workshop which covered the history of the program, financial savings, potential SPP changes in the future and the SPP Energy market.

Communications and Public Relations Report:

- Communications Manager Amanda Groff reviewed the past winter storm social media communication responses.
- Operation Round Up received 21 applications with requests totaling \$51,500. The program awarded 15 for a total of \$32,200.
- Groff gave an overview of marketing platforms that were held in March
- Lineworker Appreciation breakfasts are planned at each of the five area locations.
- The Social Committee will meet to discuss a summer family fun event for the District.

Safety Report:

- Operations Manager Zeb Graham reported on personnel and equipment claims that occurred during the months of March and April.
- A representative from NREA presented at the safety meetings in Grand Island on February 25th and 26th.
- Todd Baily attended an NPA Rodeo Committee meeting and an NREA Safety Director meeting.
- RESAP Team will be conducting safety audits in each area April 15th-17th.

IT Report:

- IT Manager Travis Doht gave an update on the District's new phone system that is being implemented.
- Doht gave a presentation regarding AI to the staff during the February safety meetings.
- Doht and Tyson Coble will be attending the NREA Energy and IT Conference in Kearney on April 22nd and 23rd.

CUSTOMER REPORTS:

DIRECTORS:

- Director Choquette received a call from a customer who experienced issues when making a payment over the phone after hours.
- Director Kuehn received call from the Minden Fire Chief stating the call into the District was not suitably responded to regarding a bale fire.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

- Director Rohrich reported that all funds were adequately covered by FDIC insurance and joint custody receipts.

AUDIT COMMITTEE:

- Director Retzlaff indicated that the Audit Committee met on March 24th to review the 2024 Audit.

MOTIONS & RESOLUTIONS:

Acceptance of the 2024 Audit Report

A motion was duly moved by the Audit Committee to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District accepts the District's 2024 Audit Report including the Auditor's opinion from Dana Cole.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Meyer and Klute)

Charge Off Uncollectible Accounts

CFO Peard provided a review of accounts recommended for charge-off. CFO Peard reported that the list of recommended charge-offs totaled \$259.01.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$259.01 as recommended by management.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Meyer and Klute)

Acceptance of Contractor Bid for Roof Repairs

Energy Service Manager Rienke reviewed the two bid estimates the District has received for the roof repair project in Grand Island.

A motion was duly moved by Director Rohrich, seconded by Director Jacobitz to adopt the following resolution:

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the acceptance of the bid which includes supply and installation of new R-35 sag and bag Insulation System totaling \$749,290.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Meyer and Klute)

CFO Peard explained the merger between Nebraska Class and NPAIT due to the reorganization of both entities.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the authorization of the reorganization of Nebraska Class and integration with NPAIT (Nebraska Public Agency Investment Trust).

Roll call vote: Yes 12, No 0, Absent 2 (Directors Meyer and Klute)

Lineman Scholarships

CFO Peard presented seven (7) scholarships for the Lineman Scholarship Program for the year 2025. The seven applicants include: Lane Conway from Campbell, Landon Siebke and Jack Spiels from Aurora, Eli Arends from Grand Island, Grant Henery from Wilcox, Chase Brinkman from Holdrege and Kristopher Price from Rockville.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves awarding six (6) lineman scholarships for the year 2025. The recipients being: Lane Conway from Campbell, Landon Siebke and Jack Spiels from Aurora, Eli Arends from Grand Island, Grant Henery from Wilcox and Chase Brinkman from Holdrege.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Meyer and Klute)

Resolution for Lineman Appreciation Day

A motion was duly moved by the Board of Directors, to adopt the following resolution:

WHEREAS, the Southern Public Power District's linemen are responsible for building and maintaining a complex system of more than 7,099 miles of subtransmission and distribution lines, which contributes to the livelihood of our region and the local economy as electricity is delivered to homes, businesses, farms, churches and schools; and

WHEREAS, the electrical grid must be maintained and operated twenty-four hours a day, seven days a week and three hundred sixty-five days a year in all weather conditions; and

WHEREAS, the District's 52 linemen have demonstrated outstanding skill and dedication to safe work practices, while building and maintaining the electric grid and learning new skills as new technologies are introduced into their profession; and

WHEREAS, the linemen of Southern Public Power District risk their lives daily to ensure the reliable delivery of electricity to the customers, and are deserving of honor, respect and gratitude of the public.

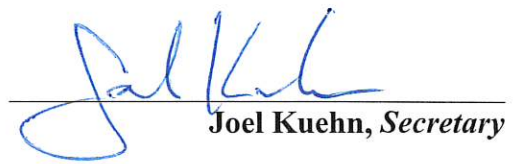
THEREFORE, BE IT RESOLVED, that we, the Members of the Board of the Southern Public Power District, recognize the significant contributions and efforts of our linemen who work in challenging conditions to power a brighter future for our customers, and we express our appreciation to them, as we recognize April 18, 2025 as Lineman Appreciation Day.

Roll call vote: Yes 12, No 0, Absent 2 (Directors Meyer and Klute)

MISCELLANEOUS BUSINESS:

The next Board of Directors meeting will be held on May 14th, 2025 at 10:00 a.m.

There being no other business, the meeting was adjourned at 2:45 p.m.


Joel Kuehn, *Secretary*


Wayne Anderbery, *Chairman*