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## BOARD OF DIRECTORS MEETING

*December 11, 2024*

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 December 11, 2024, at 10:00 a.m. pursuant to the mailed notice of the meeting sent to all Directors of the District and notice posted. Dana Meyer, 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, Rick Bergman, Arlon Jacobitz, Dana Meyer, Neal Katzberg, Wayne Anderbery, Kevin Choquette, Dean Klute and Bob Kieborz. President/CEO Chad Waldow and attorney Dave Jarecke were also present.

Directors absent: None

Chairman Meyer 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**

Safety Director Todd Bailey reported on safety and emergency protocols and CEO Chad Waldow gave an update on the current status of the SPPD system.

### **MINUTES**

There were no revisions made to the minutes of the November 13, 2024 regular Board meeting.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the minutes of the November 13, 2024 regular Board meeting.

Roll call vote: Yes 14, No 0, Absent 0

### **BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, seconded by Director Anderbery, 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 14, No 0, Absent 0

### **COMMENTS FROM THE PUBLIC**

There were no comments from the public.

### **DAN BUMAN**

Dan Buman, Director of Nuclear Oversight and Strategic Asset Management at NPPD, gave a presentation on small modular nuclear generation and the advancements made in the industry and how NPPD is exploring sites to prepare.

### **JAMES DUKESHERER**

James Dukesherer, Director of Government Relations at NREA, gave a legislative report on the 2024 legislative session and preview of what matters to expect out of the legislature in 2025. Mr. Dukesherer also discussed both the Nebraska ACRE and the NREA PAC which are Political Action Committees that support the industry searching for candidates that align with Public Power.

***LUNCH RECESSED AT 12:10 P.M.,  
THE MEETING RECONVENED AT 12:45 P.M. IN OPEN SESSION.***

### **DIRECTOR AND MANAGEMENT REPORTS**

#### **DIRECTOR REPORTS:**

- Directors Anderbery, Bergman, Grove, Kieborz and Meyer attended the NREA Annual meeting in Kearney on December 4<sup>th</sup> – 6<sup>th</sup> in Kearney.
- Director Meyer attended a meeting with Lincoln Premium Poultry on December 10<sup>th</sup> in Grand Island.

#### **MANAGEMENT REPORTS**

##### ***President's comments:***

- NPA Annual Meeting in Kearney: The meeting was well attended by other utilities all across the state. Shannon, Amanda and I along with Dana, Wayne, Rick and Curtis all represented Southern.
  - The meeting started with an update from Lieutenant Governor Joe Kelly. He discussed the Governor's activities including the appointments and the BioEconomy.
  - NE Chamber Energy Study discussion. This study highlighted the value of Public Power and some of the upcoming challenges. It has been relatively positive for the industry.
  - Election preview was given by a government relations consultant. This discussion was a high energy discussion that painted a very different picture than what actually happened on election day.
  - Large Customer Perspective Panel spoke to the various needs each customer may have for the different loads being served in Nebraska. This included panelists from Google, Trenton Agri Products (ethanol) and Farm Bureau.
  - State of Public Power was discussed by NPPD, OPPD, LES and NREA CEOs. They touched on several issues including new generation challenges, customer needs and priorities going forward.

- NPPD Committee and Board-The 2025 budget and rates was reviewed and passed at their November board meeting. Some of the highlights of the budget include:
  - Large capitol budget increase to cover new generation
  - Increases in cost of workforce including incentives, new full time employees and increased health benefit
  - PCA was reduced as of a smaller margin in 2023
- NPA Meeting- This meeting was held at the LES office on November 20<sup>th</sup>. Here are some of the highlights:
  - The 2025 NPA Budget and Dues structure was passed.
  - The upcoming legislative session was discussed including expected legislation that will impact this industry. James reported from the NREA and he noted that LB 837 has a sponsor (Senator Hughes) and expects this bill to have a good shot. With all the new Senators, the committees will look much different.
  - Officers were elected by the NPA board and I will be joining the slate of officers serving as Treasurer in 2025.
- NPPD Small Contract-There are no new developments as far as contract talks. We reviewed some options for financing the new debt for generation. We also discussed the options on purchasing new generation vs securing generation. This gives NPPD some flexibility and offers existing customers some protection.
- NREA Annual Meeting-The meeting was held in Kearney at the new Younes Center. Southern was well represented with the following directors attending: Dana, Bob, Lee, Arlon, Rick and Wayne. And Shannon, Amanda, Zeb and I attended from the staff. The meeting had a theme of leadership with multiple speakers discussing leadership traits of employees and directors. It's very clear we need leaders in this industry at all levels of our organizations. There were also updates from NPPD, OPPD and Tri-State G&T highlighting the load growth of their utility and what they are doing to address future needs.

Rick Nelson announced his retirement from Custer in late 2025 and NREA Board of Directors voted to engage in discussion to make him the full time General Manager of the NREA.

We also heard a very inspiring speech from 17-year-old Youth Leadership Council delegate, Myles Bishop. He attended the NREA Youth Leadership Camp and was selected to represent Nebraska. This was a good reminder why we need to promote this opportunity to the youth of our District.

#### **Additional Items:**

- NPPD Financials through September: In general, the native load was good in September with the warmer temperatures and late irrigation. The off-system sales were below budget with overall margins at \$23.7M YTD. However, if this remains steady, the PCA will decrease in 2026.
- Strategic Planning scheduled for January 22<sup>nd</sup> at 9:00am. I am putting this meeting together over the next couple of weeks with the help of staff and Director input. If you have any topics you would like to cover in this discussion, please let me know. I want this day to be productive and helpful for both directors and staff.

#### **Financial Reports:**

- Summary of Revenues. CEO Waldow provided a comparison of revenues between October 2023 and 2024. Year-to-date revenues through October 2024 amounted to \$89.1 million as compared to \$82.3 million in 2023.

- Power Costs. CEO Waldow gave a summary of the power bill for October 2024 indicating a peak demand of 134,538 kW as compared to 131,576 kW recorded in October 2023. The District purchased 59.86 million kWh's in October 2024 as compared to 54.62 million kWh's in October 2023.
- Balance Sheet and Income Statement. CEO Waldow provided a comparison of income statements from October 2024 and October 2023. Year-to-date net margins as of October 31, 2024 were \$11,135,821 as compared to \$9,824,401 as of October 31, 2023.
- Cash Flow Summary. CEO Waldow provided a summary of the statements of cash flows. Cash and investments at October 31, 2024 were \$47.43 million compared to \$52.44 million at October 31, 2023.

**Customer Service and Collection Report:**

- The District's disconnect day was Tuesday, November 26<sup>th</sup>. District personnel worked 50 accounts.

***Operations Report:***

- Operations Manager Zeb Graham attended the NREA Annual meeting; worked with Todd Bailey on obtaining safety/training dates for 2025; met with the District's new tree contractor to set expectations and safety rules and will be meeting with the company who will be conducting the District's meter audits in 2025.
- The Construction Crew continues to work on the Tyler Sub to N Hampton Tap with a mid-January completion date.
- All areas are working on the District's Winter Data Collection Project.
- Mechanics have been working on service jobs and installing hardware for the District's new telematics system.

***Engineering Report:***

- Engineering Manager Travis Dahlin gave an update on the N Hampton 76-18 to N Aurora Tap 69kV Sub-T project.
- Travis attended the NREA Engineering seminar in Kearney and the NPPD Joint Sub-T meeting in Kearney.

***Energy Services Report:***

- Energy Services Manager Sam Reinke attended the Annual Sustainable Energy Workshop and is preparing the water heater analysis for the 2025 Water Heater Program for the District.
- During the month of November, the District issued four (4) water heaters and provided incentives totaling \$44,367 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$198,778 and has provided \$10,216 in Efficient Electrification incentives during November.
- The Irrigation Department continues to work with well desktops and irrigation applications. The District has prepared the first notification for the new irrigation billing process.

***Communications and Public Relations Report:***

- Communications Manager Amanda Groff reviewed upcoming social platform promotions that are planned through the end of December.
- Amanda attended the NREA PIC Committee meeting; implemented Holiday greets spots on various radio stations and is in contact with local media confirming District contact information is current.

- The Strategic Communications Plan was introduced to all employees through the employee newsletter.
- The District's Employee Recognition party is slated for January 31<sup>st</sup>.

***Safety Report:***

- Safety Director Todd Bailey reported on personnel and equipment claims that occurred during the month of November.
- November safety meetings were held in Grand Island with Altec conducting Sentry training with all linemen receiving certified operating aerial devices.
- Meetings were held in Funk and Franklin with a representative from Vermeer Chippers being present.
- Participation was had from linemen on a survey with NRECA on Commitment to Zero Contacts 2.0. Results were compiled and the District will be implementing a plan moving forward to address the obstacles that need to be addressed.

**CUSTOMER REPORTS:**

**DIRECTORS:**

- Director Jacobitz reported on a vendor from Adams County who had raised concerns regarding the explanation of the District's tree trimming bidding process.
- Director Retzlaff stated that a board member from the Village of Palmer requested clarification on a billing issue. That billing issue has been resolved.

**MANAGEMENT:**

CEO Waldow discussed economic development adjustments and new potential proposals for the District.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

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

**MOTIONS & RESOLUTIONS:**

**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 \$885.39.

A motion was duly moved by Director Kieborz, 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 \$885.39 as recommended by management.

Roll call vote: Yes 14, No 0, Absent 0

**District Policy G**

CEO Waldow gave an overview of District Policy G which sets forth the policy for Director compensation and reimbursement procedures for Director expenses. Discussions were had in regards to adjustments in the compensation policy.

A motion was duly moved by Director Klute, seconded by Director Benson, to approve the following resolution:

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves increasing Director's compensation from \$400 to \$500 for monthly scheduled Board meetings and increasing the Chairman of the Board's compensation from \$500 to \$650 for monthly scheduled Board meetings, taking affect January 1, 2025.

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

*District's Banking Resolutions for Authorized Signature*

CFO Peard recommended the execution of a Resolution for new signature cards removing Neal Niedfeldt and adding CEO Chad Waldow as a signatory for the Cornerstone Bank.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the execution of a Resolution to remove Neal Niedfeldt and add CEO Chad Waldow to the signature card for Cornerstone Bank.

Roll call vote: Yes 14, No 0, Absent 0

*Adjustments to the District's Water Heater Program for 2025*

Energy Service Manager Reinke reviewed the proposed summary of changes to the District's 2025 incentive program for water heaters.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves all changes to the District's Water Heater Incentive program for 2025 as recommended by management.

Roll call vote: Yes 14, No 0, Absent 0

*Resolution of Appreciation for Neal Katzberg*

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

**WHEREAS**, Neal Katzberg, a member of the Southern Public Power District Board of Directors representing customers from Adams County, Nebraska, has exemplified outstanding dedication, commitment and service to the public and to the electric utility industry in Nebraska; and

**WHEREAS**, Neal was elected to the Board of Directors for the Southern Public Power District and served from 1986 through 2024; and

**WHEREAS**, Neal served on numerous special Board committees during his 38 years with the Southern Public Power District; and

**WHEREAS**, Neal will retire from the Board of Directors on December 11, 2024, after faithfully serving his customers and Public Power for a total of 38 years.

**NOW, THEREFORE BE IT RESOLVED**, that we, as the Board of Directors of Southern Public Power District, do hereby extend to Neal, our sincere and grateful appreciation for his leadership and dedicated service to the electric consumers in Adams County and extend our congratulations on his retirement, and our best wishes to him for continued success, happiness and good health in the years to come.

Roll call vote: Yes 14, No 0, Absent 0

**MISCELLANEOUS BUSINESS:**

S.I.D. Annual Meeting will be held on January 8<sup>th</sup>, 2025 at 9:00 a.m.

The next Board of Directors meeting will be held on January 8<sup>th</sup>, 2025 at 10:00 a.m.

CPR/First Aid Training will be held on January 21<sup>st</sup>, 2025 at 1:00 p.m. in Grand Island

Strategic Planning Meeting will be on January 22<sup>nd</sup>, 2025 at Great Platte River Road Archway

NRECA Meeting will be held on March 7<sup>th</sup>-12<sup>th</sup>, 2025 in Atlanta, Georgia

There being no other business, the meeting was adjourned at 2:25 p.m.

  
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Joel Kuehn, *Secretary*

  
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Wayne Anderbery, *Chairman*