



BOARD OF DIRECTORS MEETING
December 13, 2023

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 13, 2023, 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, Kevin Choquette, Joel Kuehn, Rick Bergman, Courtney Retzlaff, Arlon Jacobitz, Neal Katzberg, Joel Gustafson, Curtis Rohrich, Wayne Anderbery, Dean Klute, Dana Meyer and Bob Kieborz. President/CEO Chad Waldow and attorney Ellen Kreifels 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.

NPPD

Todd Swartz, Director of Pricing, Rates and Wholesale Billing and Jason Rosenkranz, Resource Planning and Risk Manager, provided an overview of NPPD's Interruptible Service Rate Schedule and potential changes to the Southwest Power Pool's Demand Response Resource Adequacy requirements and how it may impact NPPD's customers who are on the Interruptible Service Rate Schedule

MINUTES

No revisions were made to the minutes of the November 9, 2023 regular Board meeting.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the revised minutes of the November 9, 2023 regular Board meeting.
Roll call vote: Yes 13, No 0, Abstain 1 (Director Klute)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Benson, seconded by Director Grove, 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

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Director Bergmann attended NPPD's Customer/Board Forum meeting on Thursday, December 7th.
- Director Rohrich attended the Safety Council meeting on Tuesday, November 21st.
- Director Jacobitz attended the NREA Annual meeting on Thursday, November 30th.
- Director Kieborz attended the Safety Council meeting on Tuesday, November 21, and the NREA Annual meeting on Thursday, November 30th.
- Director Grove attended NPPD's Customer/Board Forum meeting on Thursday, December 7, and the NREA Annual meeting on Thursday, November 30th.
- Chairman Meyer attended the NPPD's Customer/Board Forum meeting on Thursday, December 7, and the NREA Annual meeting on Thursday, November 30th.

MANAGEMENT REPORTS:

President's comments:

- Southern Public Power District Budget Meeting – were held November 20-22. I briefed everyone on the 2024 Budget and rates. I also discussed NREA membership with the group and hope to answer questions and concerns with a decision coming in the months ahead. We opened it up to questions and had some good discussions with several employees.
- NREA Annual Meeting was held in Kearney and Southern PPD attended on Thursday, November 30th. The speaker lineup was very good and included Governor Pillen, NRECA President Tony Anderson and Robert Bryce talked about the energy transition. We also heard from some in our industry such as Phil Erwin and Dave Jarecke. We ended the evening with a banquet and dinner. Our attendees were Dana Meyer, Bob Kieborz, Arlon Jacobitz and Lee Grove and I would encourage everyone to ask these guys how the day went.
- I was invited by NPPD to tour SPP and TEA Energy Authority headquarters. NPPD is a member of SPP and an owner of TEA. We spent about a half day at each with senior staff and Vice-Presidents. They each gave a short presentation about their businesses and what they do. They also gave us some of their challenges and what they see coming with the energy transition. We had the opportunity to ask questions and that was very informative. We ended with a tour of their control room and trading floor. It was very interesting to witness these groups in action. I have a much greater appreciation for what they both do.

- NPPD Board Forum was held in Kearney. I attended along with Dana, Rick, Wayne and Lee. The discussion was led by NPPD Directors Derek Rusher and Ed Schrock and NPPD staff including Mick Spencer. He did a good job discussing the future of NPPD generation-types of generation, location of generation and the pricing in the market. He is very knowledgeable and willing to share information. There was discussion about all the new load projected here in Nebraska. The NPPD board is moving to 10 board meetings rather than 12. This was to allow for more time to visit customers. This idea was generated by the board and will be reviewed after one year.
- NPPD September Financials - NPPD had another good month in September with a \$8.2M surplus. This surplus was due primarily to favorable variances for firm and off-system sales. September native loads were higher than budget due to weather driven energy sales. Market prices and off-system sales were higher than budgeted. NPPD has updated the 2023 forecast and now expects a Year-End \$63.3M surplus. This surplus will create a significant PCA for 2025 if all remains the same. Capital costs are currently under budget. Days of cash at NPPD remain very strong at 273.

Additional Items:

- Nowka & Edwards has announced the renaming of their firm as Edwards/Westerhold/Moore (EWM) with the retirement of Trent Edward. Russ Westerhold joined the firm in 2017 and Scott Moore is new. Scott is a former Nebraska State Senator. Scott served two terms in the 24th legislative district. He then served as Nebraska's Secretary of State from 1994 to 2000. He most recently worked for the Union Pacific Railroad.
- PACE - We received notice from RUS that we have been invited to submit the full application for the PACE grant. This means the funds have been awarded for the project if we meet the requirement in the application process. Our application is for a total of 4 solar projects at \$2.1M each. We are looking at approximately 20% loan forgiveness along with direct pay ITC and Buy American incentive. We will discuss the scope of this project along with some challenges. We need to determine at this board meeting to meet an application deadline in late January.
- I will be attending the NRECA Legislative Committee meeting in Phoenix on January 10th. The committee has elected me as the chair for the upcoming year. My committee will forward recommendations to the National Resolutions Committee which I also represent Region 7 (Nebraska, Kansas, Wyoming and Colorado). This committee has the ultimate say in what gets forwarded to the full membership for approval at the annual meeting in March.
- Southern PPD Strategic Planning is tentatively scheduled for January 24th. **Please let me or Terri know as soon as possible if this will not work for you.** I would like to accommodate everyone if possible.
- CEO residency discussion - I would like some clarity for my residency requirements prior to making any purchase. I will provide details at our meeting.
- Employment changes: Clint Rhodes' last day was November 30. We will miss Clint and wish him well in his new employment! The position is open and remains unfilled.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between October 2022 and 2023. Year-to-date revenues through October 2023 amounted to \$82.3 million as compared to \$79.1 million in 2022.
- Power Costs. CFO Peard provided a summary of the power bill for October 2023 indicating a peak demand of 131,576 kW as compared to 132,399 kW recorded in October 2022. The District purchased 83.77 million kWh's in October 2023 as compared to 80.94 million kWh's in October 2022.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from October 2023 and October 2022. Year-to-date net margins as of October 31, 2023, were \$9,824,401 as compared to \$9,775,728 as of October 31, 2022.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at October 31, 2023 were \$52.4 million compared to \$69.5 million at October 31, 2022.

Customer Service and Collection Report:

- The District's disconnect day was Wednesday, November 29th. District personnel worked 35 accounts, with 34 accounts being disconnected remotely.

Engineering/Operations Report:

- Engineering and Operations Manager Aaron Brown reported that Arch Green has installed their transformers and have mining containers on-site with the District's substation being installed this week.
- Watts Construction continues to work on the 9-mile sub-transmission project from NPPD's Grand Island 115kV substation towards Chapman.
- Construction Crew is working on Budget 304 North Aurora to North Hampton 3-mile sub-transmission project.
- Engineering department continues the search for an Electrical Engineer.

Energy Services Report:

- Energy Services Manager Sam Reinke is preparing for the 2024 Village Board meetings and is compiling a schedule for those meetings.
- During the month of November, the District issued four (4) water heaters and provided incentives totaling \$17,435 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$140,812. The District provided \$779 in Efficient Electrification incentives during November.
- Irrigation department released an additional 128 well applications on October 31st and continues to complete the process getting estimates mailed out to irrigation customers.

***LUNCH RECESSED AT 12:00 P.M.,
THE MEETING RECONVENED AT 12:50 P.M. IN OPEN SESSION.***

Communications and Public Relations Report:

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of December.
- The District is currently running Holiday greeting spots on various radio stations.

- Mrs. Groff displayed a social platform growth chart of the District from December of 2022 to current.

Safety Report:

- Safety Manager Todd Bailey reported that there were no personnel or vehicle claims that occurred during the month of November.
- Mr. Bailey and Steve Wilshusen attended Fall Arrest Certification Training

IT Report:

- IT Director Travis Doht gave an overview of a meeting that was held between the District and CRC discussing a reboot and ways to better serve District customers during outage calls.
- The IT Department is hiring for an IT Support Technician.

CUSTOMER REPORTS:

DIRECTORS:

- Director Jacobitz stated that a customer from Adams County had requested a copy of December’s Board meeting minutes.

MANAGEMENT:

- CEO Waldow gave an update on Werner’s interest out at Energy Park and other potential upcoming projects 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 of Uncollectible Accounts

CFO Peard provided a review of accounts recommended for charge-off. CFO Peard reported that the list of recommended charge-offs totaled \$592.72.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$592.72 as recommended by management.

Roll call vote: Yes 14, No 0

Voting Delegate and Alternate Delegate for 2024 NRECA and CFC Annual Meetings

CEO Waldow recommended that the Board select voting representatives for both the NRECA and CFC Annual meetings to be held in San Antonio, Texas, March 2nd – 6th, 2024.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District appoints CEO and

President Chad Waldow as the 2024 voting delegate and Chairman Meyer as the alternate delegate for the NRECA and CFC Annual meetings.

Roll call vote: Yes 14, No 0

Electric Service Agreement with Specialty Ag Formulations, LLC

Energy Service Manager Sam Reinke reviewed the large power Electric Power Service Agreement with Specialty Ag Formulations, LLC, a micro-processing warehouse consuming a 1,000 kVa service.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the Electric Power Service Agreement with Specialty Ag Formulations, LLC, as recommended by management.

Roll call vote: Yes 14, No 0

2024 Board Meeting Dates

CEO Waldo provided a list of recommended Board meeting dates for each month of 2024. All meeting dates would be set for the second Wednesday of each month except for the month of January avoiding a scheduling conflict.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the 2024 Board meeting date schedule as presented.

Roll call vote: Yes 14, No 0

MISCELLANEOUS BUSINESS:

Attorney Ellen Kreifels updated the Board on District's Charter Amendment bond language clauses that are requested to be modernized.

CFO Peard gave an update on the PACE program which the District has now been approved for and loan applications that are made available to the District starting in January.

EXECUTIVE SESSION

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves going into executive session at 2:21 p.m. to discuss an employee complaint filed with the Nebraska Equal Opportunity Commission.

Roll call vote: Yes 14, No 0

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves coming out of executive session at 2:40 p.m.

Roll call vote: Yes 14, No 0

The next Board of Directors meeting will be held on Wednesday, January 17th.

There will be a Strategic Planning meeting on January 24, 2024, starting at 9:00 a.m.

An S.I.D. meeting will be held on January 24th at 9:00 a.m.

NRECA and CRS Annual meetings will be held on March 2nd – 6th in San Antonio, Texas

There being no other business, the meeting was adjourned at 1:50 p.m.



Kevin Choquette, *Secretary*



Dana Meyer, *Chairman*