



BOARD OF DIRECTORS MEETING

February 14, 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 February 14, 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, Joel Kuehn, Rick Bergman, Arlon Jacobitz, Neal Katzberg, Joe Gustafson, Wayne Anderbery, Dean Klute, Dana Meyer and Bob Kieborz. President/CEO Chad Waldow and attorney Dave Jarecke were also present.

Directors absent: Kevin Choquette

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.

MINUTES

No revisions were made to the minutes of the January 17, 2024 regular Board meeting.

A motion was duly moved by Director Kieborz, 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 January 17, 2024 regular Board meeting.

Roll call vote: Yes 12, No 0, Abstain 1 (Director Retzlaff) Absent 1 (Director Choquette)

SPECIAL MEETING - 2024 STRATEGIC PLANNING

There were no revisions made to the minutes of the January 24th, 2024 Special meeting of the Board of Directors.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the minutes of the January 24th, 2024 Special meeting of the Board of Directors.

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

SAFETY MESSAGE/SYSTEM STATUS

CEO Waldow reported on safety and emergency protocols and the current status of the SPPD system.

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, seconded by Director Katzberg, 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 Choquette)

COMMENTS FROM THE PUBLIC

There were no comments made.

GRAND ISLAND AREA ECONOMIC DEVELOPMENT CORPORATION

Mary Berlie, President of the Grand Island Area Economic Development Corporation, was present to explain how becoming a member of the GIAEDC would benefit the District by focusing and assisting the District on obtaining new business attractions out at Energy Park.

DIRECTOR AND MANAGEMENT REPORTS

Excused Absence for Director Choquette

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

RESOLUTION

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

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

DIRECTOR REPORTS:

- Directors Bergman, Grove, Rohrich, Benson, Gustafson, Klute, Meyer, Jacobitz, Kieborz, Kuehn and Anderbery all attended the Strategic Planning meeting on January 24, 2024.
- Director Bergman attended the Bertrand and Loomis village board meetings on Tuesday, February 13th.
- Director Rohrich attended the Alda village board meeting on Tuesday, February 6th.
- Director Anderbery attended the NREA Legislative Event on Tuesday, February 6th and the Legislative Committee meeting on Wednesday, February 14th.
- Director Grove attended the NREA Legislative Event on Tuesday, February 6th and the Funk village board meeting on Monday, February 12th.
- Director Kieborz attended the Legislative Committee meeting on Wednesday, February 14th.
- Director Kuehn attended the Heartwell village board meeting on Tuesday, February 6th.
- Director Gustafson attended the Legislative Committee meeting on Wednesday, February 14th.
- Director Meyer attended the NREA Legislative Event on Tuesday, February 6th and the Legislative Committee meeting on Wednesday, February 14th.

MANAGEMENT REPORTS:

President's comments:

- NREA Legislative Event was held in Lincoln on February 6th. Dana, Wayne and Lee joined me for committee meetings followed by a Legislative Event. We started the day off with Job Training and Safety (JT&S) Committee meeting discussing training topics for 2024, reviewing what type of accidents the industry is seeing and various programs offered by NREA. Next the Legislative Committee met to discuss the bills of interest and taking positions on a handful of bills. After lunch the Policy and Resolution Committee met and I gave a quick report on the NRECA Resolutions that will be considered at the NRECA Annual Meeting in March. The final meeting was an actual board meeting reporting the financials of the organization and taking any action on items discussed in committees earlier in the day. The Legislative Event was held that evening and Southern hosted Senator Lowe for dinner. He offered a good inside track on LB 837. He also discussed the demands of being a senator. I was impressed with Senator Lowe and thanked him for carrying LB 837 for Public Power.
- NPPD Committee Meetings were held prior to the February Board meeting in Columbus on February 8th. A capital budget amendment was presented to the committee. They are looking at an increase of \$628.2M for new generation resources, battery storage and extending the license at Cooper Nuclear Station.
- NPPD Financials for the month of November were once again positive. There was a monthly surplus of \$2.0M increasing the year-to-date total to \$77.3M. This surplus is again due to the off-system sales, interest income and favorable O&M expenses. NPPD's days of cash remained steady at 301 days.
- NPPD Wholesale Customer meeting in January was postponed to February 15th due to weather.

Additional Items:

- Strategic Planning Review document has been emailed out and uploaded on Call to Order. Please review and let me know if there is anything missing on this document or something misinterpreted. This document is intended to be shared company-wide once we all have had a chance to review. Again, this was very informative for all of the staff as we look into the future of Southern.
- Legislative Update: Several new bills have made the bill tracker. Here are a couple of bills that may impact Southern and Public Power that I am following:
 - LB 837 (Lowe) Election precinct bill-Hearing 2/8
 - Dave and Ellen testified in support, Tim Texel was neutral and no opposition.
 - To no surprise, Senator Bostelman had many questions for the testifiers. He is the roadblock for our bill and I continue to look for options.
 - LB 969 (DeKay) Change provisions related to sealed bids-Hearing 2/7
 - LB 1369 (J Cavanaugh) Self-generation by ag facilities-Hearing 2/8
 - LB 1370 (Bostelman) Retirement requirements for generation facilities-Hearing 1/31

- NRECA Resolutions Committee (the national committee I sit on) has recommended amendments to three resolutions and several minor non-substantive changes on the consent agenda. Listed below are the amendments that will be voted on at the annual meeting in San Antonio. I voted in favor of these three amendments in the committee meeting. The committee also approved a consent agenda with several minor changes. One of these items is removing “rural” when referring to “rural electric cooperatives” or “rural electrics”. I am concerned and I received feedback from others in Nebraska that feel this should not be happening.

3.46-A Support for Equitable Treatment in Energy **Incentives and** Tax Policy

We **urge NRECA to** support equitable treatment for cooperatives with other energy providers when tax-exempt financing, interest free loans, or energy incentives exist, or are considered by Congress. ~~Programs, such as the Clean Renewable Energy Bonds, that provide comparable benefits should be available for electric cooperatives.~~

3.65-A Support for Nuclear Power

We urge NRECA to undertake legislative and regulatory initiatives to support the continuation and expansion of nuclear power., ~~including increased funding for research and development such as advanced designs of nuclear reactors capable of reusing spent nuclear fuels, and timely licensing and permitting for both large scale and modular units.~~ **Funding for research, development, and construction of our next generation of nuclear power, a low-carbon, dispatchable resource, is critical for reliability of our nation’s power supply. We urge NRECA to work with the Administration, Congress, and appropriate federal entities to continue to support funding and develop a streamlined licensing and permitting process for existing and future nuclear power units.**

5-A Support for Responsibly Addressing Spent Fuel and Nuclear Waste

We urge NRECA to undertake appropriate federal legislative and regulatory initiatives to responsibly address spent nuclear fuel and nuclear waste, including, but not limited to, ~~allowing the reprocessing of spent nuclear fuel, and~~ **encouraging** funding for (1) interim storage that prioritizes the removal of fuel from permanently shut down sites. **and (2) research and development of spent nuclear fuel reprocessing technologies.**

Consent Agenda Item

Resolved, in the 2024 member resolutions adopted on March 5, 2024, the term “electric cooperative[s]” will replace “rural electric cooperative[s]”, “rural electric[s]”, and “rural electric system[s]”.

- Employment changes: None to report.

Financial Reports:

- **Summary of Revenues.** CFO Shannon Peard provided a comparison of revenues between December 2022 and 2023. Year-to-date revenues through December 2023 amounted to \$92.9 million as compared to \$89.8 million in 2022.
- **Power Costs.** CFO Peard provided a summary of the power bill for December 2023 indicating a peak demand of 124,978 kW as compared to 152,585 kW recorded in December 2022. The District purchased 82.74 million kWh’s in December 2023 as compared to 84.68 million kWh’s in December 2022.

Safety Report:

- Safety Manager Todd Bailey reported on personnel and equipment claims that occurred during the month of January.
- Mr. Bailey conducted a safety presentation with Holdrege Aviation.

CUSTOMER REPORTS:

DIRECTORS:

- Director Benson stated that a customer who had a concern regarding a power factor and an issue with a purchase of a pole.

MANAGEMENT:

- CEO Waldow gave an update on the District's economic development projects.

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 \$934.51.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$934.51 as recommended by management.

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

Membership in the Grand Island Area Economic Development

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 membership with the Grand Island Area Economic Development with an annual economic developer fee of \$5,000.00 accompanied with NPPD to match 50% of the annual membership fee each year.

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

Membership Renewal in the Phelps County Development Corporation

CEO Waldow recommended that the District renew its membership with the Phelps County Development Corporation with membership dues for 2024 totaling \$2,000.00.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the renewal of 2024 membership in the Phelps County Development Corporation with a membership fee of \$2,000.00.

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

Membership Renewal in the Aurora Development Corporation

CEO Waldow recommended that the District renew its membership with the Aurora Development Corporation with membership dues for 2024 totaling \$2,000.00.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves renewal of membership with the Aurora Development Corporation with 2024 dues totaling \$2,000.00.

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

Demand Response Resource Rate Schedule

CFO Peard stated that this rate is a pilot program in conjunction with NPPD. This rate allows customers to enter load as a demand response resource into the SPP market. SPP may then call on them from time to time to interrupt their load. The customer bids their load into market so control is on the customer on when they want to control. This rate spells out the specific terms of the rate as well as the administrative fee collected from NPPD and the District.

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 Demand Response Resource Rate Schedule.

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

Membership in the Nebraska Rural Electric Association (NREA)

Following previous discussions and an additional review, CEO Waldow asks the Board to consider applying for membership in the Nebraska Rural Electric Association. Once the applications process is completed and accepted by the NREA at the May Board Meeting, the District will begin its membership starting on August 1, 2024.

A motion was duly moved by Director Bergman, 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 applying for the membership in the Nebraska Rural Electric Association (NREA).

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

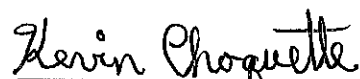
MISCELLANEOUS BUSINESS:

There will be Safety Council meeting on February 21, 2024, starting at 10:00 a.m.

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

The next Board of Directors meeting will be held on Wednesday, March 13th.

There being no other business, the meeting was adjourned at 1:45 p.m.



Kevin Choquette, *Secretary*



Dana Meyer, *Chairman*