



BOARD OF DIRECTORS MEETING

February 12, 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 February 12, 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, Rick Bergman, Arlon Jacobitz, Dana Meyer, Justin Katzberg, Wayne Anderbery, Kevin Choquette (absent in afternoon) and Bob Kieborz. President/CEO Chad Waldow was present and attorney Dave Jarecke joined the meeting virtually.

Directors absent: None.

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.

BOARD MEETING MINUTES

There were no revisions made to the minutes of the January 8, 2025 regular Board meeting.

A motion was duly moved by Director Meyer, 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 January 8, 2025 regular Board meeting.

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

SPECIAL BOARD MEETING MINUTES

There were no revisions made to the minutes of the January 22, 2025 Special Board meeting.

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 the minutes of the January 22, 2025 Special Board meeting.

Roll call vote: Yes 12, No 0, Absent 0, Abstain 2 (Directors Grove and Gustafson)

BILLS AND CLAIMS

Management and staff answered questions regarding bills and claims.

A motion was duly moved by Director Grove, seconded by Director Kieborz 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.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Bergman, Rohrich, Benson, Klute, Meyer, Jacobitz, Retzlaff, Katzberg, Choquette, Kieborz, Kuehn and Anderbery attended the Strategic Planning meeting in Kearney on January 22nd.
- Directors Gustafson, Meyer, Choquette, Katzberg, Kieborz, Rohrich and Anderbery attended the 2025 NREA Legislative Event February 3 – 6th.
- Directors Gustafson and Klute attended the Marquette Village Board meeting on February 10th.
- Directors Grove, Kuehn, Meyer and Anderbery attended the Legislative Committee meeting on February 12th.
- Director Grove attended the Funk Village Board meeting on February 10th.

MANAGEMENT REPORTS

President's Activities:

- CEO Conference in Florida: Chad attended the NRECA CEO Close-Up in conjunction with the National Resolutions Committee Meeting on January 13-15th. The conference is job specific and the topics create very good discussions. Chad also attended sessions on Smart Rate Making, Leading Organizational Change and two sessions on artificial intelligence (AI). One of the sessions took a deep dive into the technology and how it is built out. The second session was a use case of an actual AI model built to predict peaks for a G&T in North Carolina.
- NPPD Small Contract Meeting in Columbus: Chad was present at another contract meeting in Columbus to discuss the exit provision. Tom concluded the meeting with two contract options for us to consider:

- 1) Exit provision with 40-year term
- 2) Current contract with 40-year term
- 3) By default the District could remain on the current contract for the final 10 years

- NE Chamber Hall of Fame Banquet: The annual NE Chamber hosted the Hall of Fame Banquet with the Governor and several Senators attending. Chad attended with NREA representatives and other CEOs across the state. The attraction to this event is the access to the State Senators. Chad visited with Senators about some of the bills and also had a chance to meeting with Senator Margo Juarez of Omaha who is a member of the Natural Resources Committee.
- NREA Quarterly Meeting and Legislative Banquet: NREA held their quarterly meeting and legislative banquet on Tuesday, February 4th. The committee and board meetings were held. The majority of the meeting focused on Legislative issues. The board voted on a compensation package for Rick Nelson to continue as the full-time CEO.

NREA Legislative Banquet: Tuesday, February 4th, NREA held the Legislative Banquet with 23 State Senators and the Lt. Governor in attendance. The senators were divided up among the Districts participating in attendance. Southern hosted Senator Stan Clouse and Senator Dan Lonowski. Chad discussed LB 526 with the Lt. Governor as he asked some good questions and requested additional information on the bill. Historically, this event has been an excellent opportunity to visit with the senators and educate them on the issues facing our industry. For more information, please check out the Nebraska Legislature website: www.nebraskalegislature.gov

Additional Items:

- Conflict of Interest Disclosure Forms need returned. Any questions about this form or how it will be used, please let Chad know.
- NPPD Financials: NPPD had a \$2.3M surplus for the month of November moving the YTD surplus up to \$51.8M. The driving factor for this increase in surplus was due to favorable off-system sales and lower power purchase expenses. The YTD margin earned will determine the PCA for 2027.
- Strategic Planning Review will be moved to the March board meeting due to time limitations.

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

RESOLUTION

RESOLVED, the Board of Directors of Southern Public Power District approves going into executive session at 10:40 a.m. to discuss contract negotiations.

Roll call vote: Yes 14, Absent 0

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

RESOLUTION

RESOLVED, the Board of Directors of Southern Public Power District approves coming out of execution session at 12:08 p.m.

Roll call vote: Yes 14, Absent 0

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

Financial Reports:

- Summary of Revenues. CFO Peard provided a comparison of revenues between December 2023 and 2024. Year-to-date revenues through December 2024 amounted to \$103.0 million as compared to \$92.8 million in 2023.
- Power Costs. CFO Peard gave a summary of the power bill for December 2024 indicating a peak demand of 134,525 kW as compared to 124,978 kW recorded in December 2023. The District purchased 128.43 million kWh's in December 2024 as compared to 82.74 million kWh's in December 2023.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from December 2024 and December 2023. Year-to-date net margins as of December 31, 2024 were \$9,567,907 as compared to \$8,415,400 as of December 31, 2023.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at December 31, 2024 were \$40.84 million compared to \$50.46 million at December 31, 2023.

Customer Service and Collection Report:

- The District's disconnect day was Wednesday, January 29th. District personnel worked 33 accounts.

Operations Report:

- Operations Manager Zeb Graham reported that the meter audit has been completed for the District's Large Power customers.
- Area offices continue to work on the Winter Data Collection project, budget projects, osmose poles, new irrigation services, sub maintenance and tree trimming.
- Construction Crew will assist working on the Upland sub and are starting on their next 5-mile project.
- Mechanics have been working on trucks, hardware installs for the telematic system and preparing for the RESAP inspection.
- Graham reviewed the results of the Commitment to Zero Contact 2.0 survey.

Energy Services Report:

- Energy Service Manager Sam Reinke attended a meeting regarding the expansion in the Mission Critical Area in Aurora.
- During the month of January, the District issued three (3) water heaters and provided incentives totaling \$20,131 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$1,100 and has provided \$1,100 in Efficient Electrification incentives during January.
- The Irrigation Department continues to work with customers on new and upgrading irrigation services, begun working on items for the upcoming irrigation year and is preparing the Irrigation Interruptible Service agreements and the 2025 Irrigation Rate brochure.

Communications and Public Relations Report:

- Communications Manager Amanda Groff reviewed upcoming social platform promotions that are planned through the end of March.
- Applications were reviewed and approved for Quarter 4 of Operation Round Up.

Resolution 2025-7.1 RESAP Commitment

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the elements of the RESAP in a continuing effort to provide a safe environment for all District employees, customers and general public.

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

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 \$850.00.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves charge-offs of delinquent accounts totaling \$850.00 as recommended by management.

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

Amending District Policy "U" – Cash Reserve Policy

CFO Peard explained the proposed changes to District Policy "U" for the annual cash reserves calculated based on the 2025 Budget.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the proposed changes to District Policy "U" for annual cash reserves calculated based on the 2025 Budget.

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

Adoption of the District's 2025 Safety Improvement Plan

Operations Manager Graham introduced the 2024 Safety Improvement Plan Objectives recommended by employees and approved by the District's Safety Council.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the adoption of the 2025 Safety Improvement plan as recommended by management.

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

MISCELLANEOUS BUSINESS:

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

The next Board of Directors meeting will be held on March 19th, 2025 at 10:00 a.m.

There being no other business, the meeting was adjourned at 2:20 p.m.



Joel Kuehn, *Secretary*



Wayne Anderbery, *Chairman*