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## BOARD OF DIRECTORS MEETING

*July 10, 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 July 10, 2024, 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, Vice-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, Kevin Choquette, Dean Klute and Bob Kieborz. President/CEO Chad Waldow and attorney Dave Jarecke were also present.

Directors absent: Chairman, Dana Meyer.

Vice-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 reported on safety and emergency protocols and an update on the current status of the SPPD system.

### MINUTES

There were no revisions made to the minutes of the June 12, 2024 regular Board meeting.

A motion was duly moved by Director Benson, 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 June 12, 2024 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.

A motion was duly moved by Director Bergman, 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 13, No 0, Absent 1 (Director Meyer)

### **COMMENTS FROM THE PUBLIC**

There were no comments from the public.

### **GWEN KAUTZ**

Gwen Kautz, General Manager of Dawson Public Power District, was present to announce her candidacy for Nebraska Public Power District, Subdivision 6. The NPPD board seat is up for election in 2024 and is currently being held by Ed Schrock who has indicated he will not seek re-election. Kautz has also announced her retirement from DPPD after 28 years effective the end of December 2024.

### **LEGAL REQUIREMENTS OF RATE MAKING**

Attorney, Dave Jarecke, gave a presentation to the Board and staff regarding general requirements under Nebraska Law of rate making.

### **DIRECTOR AND MANAGEMENT REPORTS**

#### **DIRECTOR REPORTS:**

- Directors Katzberg, Klute, Bergman and Anderbery attended an Irrigation Committee meeting on Wednesday, July 10<sup>th</sup>.

#### **MANAGEMENT REPORTS:**

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

- NPPD Load Queue-NPPD Board of Directors took action at their June meeting to set the process for the new Load Queue. In brief, this process is for load 5MW and above firm power. This process leads a new load through a series of checkpoints to ensure the new load is "real" prior to assigning generation resources. This process also incorporates transmission study and securities to keep NPPD from stranding assets. The securitization for generation is a total of \$12,000/megawatt of load.
- NPPD Financials-April 2024 was a good month for NPPD. They recorded a \$5.5M of margin pushing the overall Year-to-Date margin to \$8.4M. The NPPD forecast shows an annual deficit of \$6.5M. We have a long way to go to make any assumptions, but that is what the forecast shows. The weather can change this outlook rather quickly in the summer. The margin was primarily due to the high pricing for energy for off-system sales.
- NPPD Generation-I have included information sheets on the new generation proposed by NPPD. There are 3 tranches shown below. These projects are higher priority and are very likely. Additional pieces of generation include renewables, small modular nuclear and other unique forms of generation. I have included the New Generation Key Points sheet as a reference.
- Labor Contracts discussions began with an exchange of letters on July 2, 2024. We have set the first meeting date for July 16<sup>th</sup> here in the Grand Island office. I will be sharing more information as we get the discussion started. Our current contract expires October 31, 2024.
- NPPD Contract Discussions will take place in Executive Session.

Additional Items:

- Legislative Resolution 432 Interim Study of Data Mining-I met with Legislative Aid Joe Murray from Senator Jacobsen’s office. We discussed the study and talked through some of their concerns. I shared with him the different ways we protect Southern from financial risk and shared some of the benefits this industry brings to the utility. He noted multiple times how impressed he was with the way we covered the risk. He did ask the very common question that I get, will we control irrigation to allow a mining operation to run. I tried to explain the difference and how they are looked at separately due to the Interruptible Rate or Economic Development Rate that they are served under. He asked and I agreed to meet with Senator Jacobsen at a later date.
- Irrigation Policy Review-the review process has begun with multiple Irrigation Committee Meetings over the next few months. We will identify what needs to be reviewed at the June meeting, discuss these items at the July meeting and then bring any suggested changes in policy, rates, etc. to the full board in August. This review was discussed at Strategic Planning and at various board meetings throughout the year. Please let me know if you have any questions or concerns.
- NREA Committee Openings-Rachael has sent out the open seats on various committees at NREA. These seats are either Director or Manger positions. We are in Region 2 and would be selected by other Region 2 voting delegates. If anyone is interested in a position, I will nominate you and the vote will be at the Scottsbluff meeting in August.
- Upcoming meetings: NREA at Scottsbluff and NRECA Region 7 Meeting in Sacramento are both open for registration. Please let me know if you would like to attend either of these meetings.

NPPD WHOLESALE CONTRACT

A motion was duly moved by Director Choquette, 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 11:56 a.m. for discussions pertaining to the NPPD Wholesale Contract.  
Roll call vote: Yes 13, No 0, Absent 1 (Director Meyer)

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

RESOLUTION

*RESOLVED*, the Board of Directors of Southern Public Power District approves coming out of execution session at 12:30 p.m.  
Roll call vote: Yes 13, No 0, Absent 1 (Director Meyer)

***LUNCH RECESSED AT 12:00 P.M.,  
THE MEETING RECONVENED AT 12:45 P.M. IN OPEN SESSION.***

MANAGEMENT REPORTS: *(cont.)*

Financial Reports:

- Summary of Revenues. CFO Peard provided a comparison of revenues between May 2023 and 2024. Year-to-date revenues through May 2024 amounted to \$39.7 million as compared to \$35.0 million in 2023.

- Power Costs. CFO Peard gave a summary of the power bill for May 2024 indicating a peak demand of 118,170 kW as compared to 139,921 kW recorded in May 2023. The District purchased 97.26 million kWh's in May 2024 as compared to 74.85 million kWh's in May 2023.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from May 2024 and May 2023. Year-to-date net margins as of May 31, 2024, were \$6,014,552 as compared to \$4,660,596 as of May 31, 2023.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at May 31, 2024 were \$45.1 million compared to \$58.98 million at May 30, 2023.

#### Customer Service and Collection Report:

- The District's disconnect day was Wednesday, June 26<sup>th</sup>. District personnel worked 55 accounts, with 53 accounts being disconnected remotely.

#### Operations Report:

- Operations Manager Zeb Graham stated that due to this year's storm damage, some budget projects will not get completed this year and will be pushed into the 2025 Budget.
- Working with NPPD and the District's 69kV conversion in the Central City area which should be completed in January of 2027.
- Osmose has inspected 7,000 poles with 360 poles being rejected, making the failure rate 5.1%.
- Construction Crew started on the Tyler Sub to North Hampton Tap and once complete they will conduct six miles of new Sub-T line with T2 1/0 under build.
- The Lineman Rodeo will be held in Broken Bow on July 19<sup>th</sup> with eight apprentices and one journeyman team competing from the District.
- The District has received all the Virginia Transformers for the District's 69kV conversion in the Central City/Aurora area.
- Weed spraying has started out west and will continue to work east throughout the District.

#### Energy Services Report:

- Energy Services Manager Sam Reinke attended the NPPD Sustainable Energy working group meeting in Norfolk.
- Provided power monitor equipment with the assistance of the area linemen for customers with power quality issues.
- During the month of June, the District issued six (6) water heaters and provided incentives totaling \$17,346 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$127,967. The District provided \$317 in Efficient Electrification incentives during June.
- The Irrigation Department continues to receive and update the load control messaging notifications listing and also participates in weekly NPPD Billable Demand meetings.

#### Communications and Public Relations Report:

- Communications Manager Amanda Groff reviewed upcoming social platform promotions that are planned through the end of July.
- The Customer Magazine for July/August will hit mailboxes early next week.
- Groff is working with NPPD on the Public Power State Fair booth and is working with the Nebraska Lineworkers Rodeo Committee as a communication liaison.
- The Operation Round Up board meets on July 16<sup>th</sup>, reviewing 11 applications for Quarter 2.
- Groff will be creating a Strategic Communications Plan over the next few months conducting multiple focus groups for this plan.

- The District held a Summer Family Event for all employees with 106 participants.

Safety Report:

- Safety Director Todd Bailey reported on personnel and equipment claims that occurred during the month of June.
- District-wide crew visits were conducted.
- Bailey attended the Quad States Safety Seminar and a Nebraska Safety Network meeting.
- Central City lineman Myles Butt spoke about a Safety Summit which he and others attended in Kansas City. There they listened to various keynote speakers, discussing latest safety resources and overall safety issues within the industry.

IT Report:

- IT Director Travis Doht gave a cyber tip update on 'ad' links on Google, the purchasing of a virtual server and an NISC Member Information Conference that will be held in September.

**CUSTOMER REPORTS:**

DIRECTORS:

- There were no reports from the Directors.

MANAGEMENT:

- CEO Waldow reiterated on the District large customer projects and familiarizing them with NPPD's Load Queue.

**COMMITTEE REPORTS:**

FINANCE COMMITTEE:

- Director Kuehn reported that all funds were adequately covered by FDIC insurance and joint custody receipts.
- Director Bergman reported on an Irrigation Committee meeting which was held prior to the Board meeting discussing various issues that will be presented to the Board for approval at the August Board meeting. Topics that were reviewed: a) new application period for services, b) applications fees, c) capping the number of wells to build per year and d) contribution in aid of construction.

**MOTIONS & RESOLUTIONS:**

Extension of Services of Edwards Westerhold Moore

CEO Waldow reviewed the lobbying service agreement between Edwards Westerhold & Moore and the District for the 2025 and 2026 Sessions of the Nebraska Legislature. CEO Waldow stated that NREA, NPPD and NPA have dependable and reliable lobbying services available to the District. There was no motion permitted, therefore the continuation of services from Edwards Westerhold & Moore has been denied due to the lack of support.

Electric Service Agreement with CC Hastings Capture Company LLC

CEO Waldow reviewed the standard service agreement with CC Hastings Capture Company LLC.

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


**RESOLUTION**

July 10, 2024

Please be advised that the three Electric Service Agreements for consideration with CC Hastings Capture Company LLC, Green Plains Central City Capture Company LLC and Green Plains Wood River Capture Company LLC may ultimately do business with the Trailblazer Pipeline.

I or my family have granted easements to the Trailblazer Pipeline to construct the necessary pipelines for carbon capture.

Therefore, I do not believe that I have a direct conflict of interest related to the aforementioned Electric Service Agreements, but due to my indirect relationship with those entities and the newly adopted L.B. 287, I found it necessary to make this disclosure.

A handwritten signature in black ink, appearing to read "C. Rohrich". The signature is stylized and cursive.

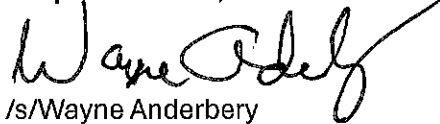
/s/Curtis Rohrich

July 10, 2024

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Therefore, I do not believe that I have a direct conflict of interest related to the aforementioned Electric Service Agreements, but due to my indirect relationship with those entities and the newly adopted L.B. 287, I found it necessary to make this disclosure.

A handwritten signature in black ink, appearing to read "Wayne Anderbery". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

/s/Wayne Anderbery

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Electric Service Agreement between the District and CC Hastings Capture Company LLC as presented by management.

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

*Electric Service Agreement with Green Plains Central City Capture Company LLC*

CEO Waldow reviewed the service agreement with Green Plains Central City Capture Company LLC and authorized CEO Waldow to finalize this agreement after review of final terms from legal counsel.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Electric Service Agreement between the District and Green Plains Central City Capture Company LLC as presented by management.

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

*Electric Service Agreement with Green Plains Wood River Capture Company LLC*

CEO Waldow reviewed the service agreement with Green Plains Wood River Capture Company LLC and authorizes CEO Waldow to finalize this agreement after review of final terms from legal counsel.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the Electric Service Agreement between the District and Green Plains Wood River Capture Company LLC as presented by management.

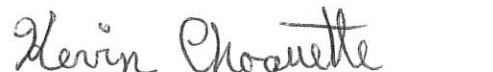
Roll call vote: Yes 13, No 0, Absent 1 (Director Meyer)

**MISCELLANEOUS BUSINESS:**

The next Board of Directors meeting will be held on Wednesday, August 14<sup>th</sup>.

CEO Waldow reviewed upcoming meeting dates for the months of July, August and September.

There being no other business, the meeting was adjourned at 2:15 p.m.

  
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Kevin Choquette, Secretary

  
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Dana Meyer, Chairman