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## BOARD OF DIRECTORS MEETING

### *November 8, 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 November 8, 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, Dana Meyer and Bob Kieborz. President/CEO Chad Waldow and attorney Dave Jarecke were also present.

Directors absent: Dean Klute

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**

A minor revision was made to the minutes of the October 11, 2023 regular Board meeting.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the revised minutes of the October 11, 2023 regular Board meeting.

Roll call vote: Yes 12, No 0, Abstain 1 (Director Gustafson) Absent 1 (Director Klute)

#### **SPECIAL BUDGET MEETING MINUTES**

There were no revisions made to the minutes of the October 26, 2023 Special Budget meeting.

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

#### **RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the minutes of the October 26, 2023 Special Budget meeting.

Roll call vote: Yes 11, No 0, Abstain 2 (Directors Benson and Grove) Absent 1 (Director Klute)

## **BILLS AND CLAIMS**

Management and staff answered questions regarding bills and claims.

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 all bills and claims.

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

## **COMMENTS FROM THE PUBLIC**

There were no comments made.

## **EXCUSED/UNEXCUSED ABSENCES**

A motion was duly moved by Director Katzberg, 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 Gustafson from the October 11, 2023 regular Board meeting and Directors Benson and Grove from the October 26, 2023 Special Budget meeting.

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

## **DIRECTOR AND MANAGEMENT REPORTS**

### **DIRECTOR REPORTS:**

- Directors Meyer, Choquette and Jacobitz attended a meeting with CEO Chad Waldow on October 31<sup>st</sup> in Campbell.
- Directors Kieborz and Katzberg attended a meeting with CEO Chad Waldow on November 2<sup>nd</sup> in Doniphan.

### **MANAGEMENT REPORTS:**

#### *President's comments:*

- Southern Public Power District Budget Meeting – As you all know, we held the budget meeting on October 26<sup>th</sup>. We discussed the revenue, expense and capital budget. Any changes will be communicated to the Board. We will suspend our regular meeting and open a public hearing for the budget. After closing the hearing, the board will be asked to take action on the proposed budget. If you have any questions or concerns, please let me know.
- I attended the Southwest MDM group in McCook. The managers welcomed me to the group, and a variety of topics were discussed. These meetings are great for discussing everything in our industry. I plan to attend these meetings as well as the Eastern MDM group.
- Call with NRECA CEO Jim Matheson  
Jim reached out and wanted to wish me well on my transition to Southern. He wanted to know how things were going here in Nebraska and we discussed supply chain, availability in workforce and load growth. I am serving on the NRECA National Resolutions Committee and got to know Jim through those meetings.

- NPPD Wholesale Customer Meeting was held in York.

#### The 2024 NPPD Proposed Budget

The budget has no rate increases and the PCA will be increased to \$59.9M. The overall revenue is expected to grow by 2% due to native load growth and increased revenue from market sales. The new generation is not included in the 2024 budget. NPPD has included a significant investment to increase salaries for specific job functions. They are making these adjustments to maintain current and recruit new employees.

#### New Project Across the NPPD Footprint

- 35 wholesale projects that have over a 50% chance of being built
- Total load of those projects is 2,061MW
- Expected date to energize this load is 2026 and later
- Hydrogen and Green Ammonia are the leading industries (over doubling data center load)

#### New Generation Capacity

- Phase 1-2026
- Capacity Purchase Options
- Utility-Scale Storage
- 2-RICE Units
- 50MW of storage at Ainsworth Wind

#### Phase 2- 2027

- Looking for 600MW of generation
- Generator Study submitted to SPP

#### Additional Items:

- Irrigation List  
We have spent some time looking at the irrigation list and evaluating our plan for 2024. I have asked we consider materials, manpower to build and capacity on the system prior to committing to the new load. We have released well over 200 positions on the list and those are at various stages of the buildout. That number is changing often but currently sits at 86. We are also developing the messaging as we manage the list going forward. Sam will provide an update at the meeting with the plan for the remaining wells.
- NPPD PRAB Meeting  
NPPD asked for PRAB board approval to offer Northwest PPD a contract (2016 GFPS Rate). The PRAB must approve this by a  $\frac{3}{4}$  vote. The details were discussed. There will be a catch-up payment for rate stabilization funds and NWPPD will not receive PCA credit for the first two years on the contract. I did ask Todd Swartz to consider the debt service pre-payment and I do not believe they had considered this. After all the discussion, I voted to approve.

#### Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between September 2022 and 2023. Year-to-date revenues through September 2023 amounted to \$76.6 million as compared to \$73.9 million in 2022.
- Power Costs. CFO Peard provided a summary of the power bill for September 2023 indicating a peak demand of 281,271 kW as compared to 269,419 kW recorded in September 2022. The

District purchased 99.69 million kWh's in September 2023 as compared to 93.12 million kWh's in September 2022.

- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from September 2023 and September 2022. Year-to-date net margins as of September 30, 2023, were \$10,563,645 as compared to \$10,445,535 as of September 30, 2022.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at September 30, 2023 were \$50.5 million compared to \$60.3 million at September 30, 2022.

#### Customer Service and Collection Report:

- The District's disconnect day was Wednesday, October 26<sup>th</sup>. District personnel worked 59 accounts, with 56 accounts being disconnected remotely.

#### Engineering/Operations Report:

- Engineering and Operations Manager Aaron Brown reported that the District will be receiving the updated invoices from Landys & Gyr.
- Watts Construction continues to work on the nine mile sub-transmission project from NPPD's Grand Island 115kV substation towards Chapman.
- Mr. Brown met with Arch Green at the Energy Park site to review the project schedule.
- Osmoste pole testing services have inspected 8,925 poles with 407 poles rejected. The failure rate is 4.6%.
- Mr. Brown attended the Nebraska Wind and Solar Conference and NPPD's wholesale meeting.

#### Energy Services Report:

- Energy Services Manager Sam Reinke participated in the Sustainable Energy meeting held in York.
- During the month of October, the District issued two (2) water heaters and provided incentives totaling \$12,159 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$123,377. The District provided \$779 in Efficient Electrification incentives during September.
- Irrigation department released 100 well applications on October 20<sup>th</sup> and are working to complete the estimating processes. Work continues on the irrigation list and inventory items to determine where the District stands on releasing more applications.

#### Communications and Public Relations Report:

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of November.
- The Operation RoundUp Board met on November 7<sup>th</sup> approving five grants out of the eight that were received for the third quarter, totaling \$10,650.00.
- Mrs. Groff attended the NPA Communications Subcommittee meeting on November 3<sup>rd</sup>.
- The Social Committee will hold a meeting on November 16<sup>th</sup> to review items for the District's Employee Recognition Party set for January 19, 2024.

#### Safety Report:

- Safety Manager Todd Bailey reported on various personnel and vehicle claims that occurred during the month of October.
- Pole Top Rescue will be conducted in Central City this week.

**CUSTOMER REPORTS:**

**DIRECTORS:**

- No report from the Directors.

**MANAGEMENT:**

- CEO Waldow gave an overview of potential economic development projects that have an interest in coming to the Midwest and how the District is handling these new projects with concerns regarding generation to serve new loads.

**COMMITTEE REPORTS:**

**FINANCE COMMITTEE:**

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

**PUBLIC HEARING – PROPOSED 2024 WORK PLAN AND BUDGET**

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves to suspend the regular Board meeting and open the public hearing to consider the 2024 proposed Work Plan and Budget.

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

CFO Shannon Peard reported slight changes to the preliminary budget that was presented on October 26, 2023.

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

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves to conclude the public hearing and resume the regular Board meeting.

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

**MOTIONS & RESOLUTIONS:**

**2024 Work Plan and Budget**

A motion was duly moved by Director Bergman, seconded by Director Jacobitz, to approve the 2024 Work Plan and Budget as presented during the public hearing held on November 8<sup>th</sup>, 2023.

**RESOLUTION**

*RESOLVED*, that the Board of Directors of Southern Public Power District approves the 2024 Work Plan and Budget as presented.

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

**District Rate Schedules**

CFO Peard indicated the required adjusted changes to the Interruptible Service Rider Rate Schedule, the Production Cost Adjustment Rate Schedule, the Economic Development Rate schedule, the Distributed Generation Rate schedule, the Simultaneous Buy/Sell Rate schedule and the Subtransmission and Substation Transformation Service Rate schedule.

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 revised changes to “INTR-RIDER”, “PCA”, “LP-ECDV”, “DG”, “SBS” and “STS” Rate schedules as presented by management.

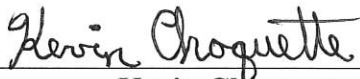
Roll call vote: Yes 13, No 0, Absent 1 (Director Klute)

**MISCELLANEOUS BUSINESS:**

The next Board of Directors meeting will be held on Wednesday, December 13<sup>th</sup>.

There will be a Safety Council meeting on November 22, 2023, at 10:00 a.m.

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

  
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Kevin Choquette, *Secretary*

  
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Dana Meyer, *Chairman*