



BOARD OF DIRECTORS MEETING

October 11, 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 October 11, 2023, at 9:30 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, Dean Klute, Neal Katzberg, Curtis Rohrich, Wayne Anderbery, Dana Meyer and Bob Kieborz. President/CEO Chad Waldow and attorney Dave Jarecke were also present.

Directors absent: Joe Gustafson

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

There were no revisions made to the minutes of the September 13, 2023 regular Board meeting.

A motion was duly moved by Director Kieborz, 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 September 13, 2023 regular Board meeting.

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

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 Gustafson)

COMMENTS FROM THE PUBLIC

There were no comments made.

DIRECTOR AND MANAGEMENT REPORTS

DIRECTOR REPORTS:

- Directors Klute, Grove and Anderbery attended an Energy Park Committee meeting on September 27th.
- Director Klute attended the NPPD Customer/Board Forum Meeting on September 19th.
- Director Kieborz attended the NRECA 2023 Region 7 Meeting in Omaha, September 26th-28th.

MANAGEMENT REPORTS:

President's comments:

- CEO Waldow attended the following meetings and activities during the past month:
 - Attended the SPPD Safety Meetings held at the Grand Island office.
 - Met with Kelsey Bergen with the Aurora Development Corporation.
 - Toured the Energy Park with Neal Niefeldt.
- NPPD Issues:
 - September Financials – Results for September were not available at the time of this writing. Updates will be provided at the Board meeting.
 - 2024 General Firm Power Service Rate Study – NPPD is working through the process to approve the 2024 rates. There have been no requests for rate hearings from wholesale customers or the NE G&T. I believe NPPD is going to take the proposed rates to their board in either November or December. The impact to Southern is minimal. The Production Cost Adjustment (PCA) is scheduled to increase and expected to generate additional funds for the District in 2024.
- Economic Development – Management continues to work with several projects on locating to our service area. We have been working through the transition from Neal to myself updating contact information and getting on the phone with several developers. This process is going rather well. Some of these contacts are familiar faces from my time at Stanton.
- Personnel – I began on October 2nd following Neal's retirement on September 30. There were no other personnel changes since the September Board meeting.

Financial Reports:

- Summary of Revenues. CFO Shannon Peard provided a comparison of revenues between August 2022 and 2023. Year-to-date revenues through August 2023 amounted to \$68.7 million as compared to \$67.7 million in 2022.
- Power Costs. CFO Peard provided a summary of the power bill for August 2023 indicating a peak demand of 331,773 kW as compared to 350,146 kW recorded in August 2022. The District purchased 159.99 million kWh's in July 2023 as compared to 185.21 million kWh's in August 2022.
- Balance Sheet and Income Statement. CFO Peard provided a comparison of income statements from August 2023 and August 2022. Year-to-date net margins as of August 31, 2023, were \$11,879,290 as compared to \$12,155,977 as of August 31, 2022.
- Cash Flow Summary. CFO Peard provided a summary of the statements of cash flows. Cash and investments at August 31, 2023 were \$46.9 million compared to \$62.1 million at August 31, 2022.

Customer Service and Collection Report:

- The District's disconnect day was Wednesday, September 27th. District personnel worked 68 accounts, with 64 accounts being disconnected remotely.

Engineering/Operations Report:

- Engineering and Operations Manager Aaron Brown reported that the District has received 50 or more Landis & Gyr refurbished load control units.
- Drawings have been approved for Contract 23-01 Virginia Transformers.
- Mr. Brown met with Tallgrass Energy and KAAPA to discuss potential carbon sequestration sites.
- Osmose pole testing services have inspected 7,363 poles with 335 poles rejected. The failure rate is 4.5%.

Energy Services Report:

- Energy Services Manager Sam Reinke participated in the Efficient Electrification Subcommittee meeting.
- During the month of September, the District issued 13 water heaters and provided incentives totaling \$11,933 to customers through the Energy Efficiency Program. Year-to-date Energy Efficiency incentives totaled \$104,325. The District provided \$3,955 in Efficient Electrification incentives during September.
- Irrigation department worked on the September Energy billing for irrigation and will continue on the well list and are anticipating releasing more applications for estimating.

Communications and Public Relations Report:

- Public Relations Manager Amanda Groff reviewed upcoming promotional efforts that are planned through the end of October.
- Area crews finished up participating in Community Fall Festival.
- Mrs. Groff attended the Secretary of Transportation Press Conference at Cathcart Rail.
- Harvest Safety Radio ads are currently being played.

Safety Report:

- Safety Manager Todd Bailey reported on various personnel and vehicle claims that occurred during the month of September.
- A safety demo was conducted for the Utility Network of Agriculture.
- Underground Locating training was held in Central City.
- Seven linemen attended the Hotline School in Manhattan, Kansas.

CUSTOMER REPORTS:

DIRECTORS:

- Director Jacobitz stated that a customer from Trumbull has been expressing issues regarding late payment fees.
- Director Anderbery was asked by a customer if an electric forklift could be considered as an electric vehicle.
- Director Rohrich stated that an electrician out of Hampton stated that Southern has been a great company to work with especially when dealing with the installation of transformers.

MANAGEMENT:

- CEO Waldow gave an update on the visit with KAAPA regarding carbon sequestration.

- Waldow also spoke about the District's attendance at a Hall County Commissioners meeting regarding the District's Doniphan project with ArchGreen in a request for a special use permit.

COMMITTEE REPORTS:

FINANCE COMMITTEE:

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

ENERGY PARK COMMITTEE:

- Energy Park Committee Chairman Klute reported that the committee met on September 27th with an updated tour of the Energy Park. The committee also met with Werner Construction on a potential land sale in the northern portion of the Energy Park.

MOTIONS & RESOLUTIONS:

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 \$4,484.07.

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 charge-offs of delinquent accounts totaling \$4,484.07 as recommended by management.

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

Application for Authority to Modify Existing Service Area Agreement No. 51 with the City of Grand Island

CEO Waldow stated that the City of Grand Island Utilities Department is seeking to serve the newly subdivided tract of land recorded and filed as Wildwood Business Park Subdivision located in Hall County.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the execution of the application and location map to modify the existing Service Area Agreement No. 51 with the City of Grand Island.

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

District's Banking Resolutions for Authorized Signature

CFO Peard recommended the execution of new banking Resolutions for a new authorized signature for Chief Executive Officer (CEO) Chad Waldow.

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

RESOLUTION

RESOLVED, that the Board of Directors of Southern Public Power District approves the execution of new banking Resolutions for a new authorized signature for Chief Executive Officer (CEO) Chad Waldow.

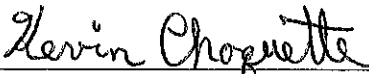
Roll call vote: Yes 13, No 0, Absent 1 (Director Gustafson)

MISCELLANEOUS BUSINESS:

The next Board of Directors meeting will be held on Wednesday, November 8th.

There will be a Budget Board meeting on October 26, 2023, at 9:00 a.m.

There being no other business, the meeting was adjourned at 12:00 p.m.



Kevin Choquette, *Secretary*



Dana Meyer, *Chairman*

