

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

**D I S T R I C T
B Y L A W S**

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

BY-LAWS

ARTICLE I

DIRECTORS

Section 1. Powers. The corporate powers of the Butler Public Power District (hereinafter called the "District") shall be vested in the board of directors, subject to laws of the State of Nebraska and the provisions of the District's Petition for Creation as the same may be amended from time to time. The powers of the District shall be exercised in such manner as to confer upon the District's customers the benefits of a successful and financially healthy operation and conduct of its business, and to distribute electric power and energy, and service relative thereto, available at the lowest cost consistent with sound economy and good management. The number of directors shall be as specified in the District's Petition of Creation as the same may be amended from time to time.

Section 2. Qualifications and Tenure. The persons presently serving as directors of the District shall compose a board of directors until their successors have been elected and shall have qualified, as provided by law.

No person shall be qualified to hold office as a member of the board of directors unless he or she shall be an elector of the District or otherwise eligible under the laws of Nebraska. Before entering upon the duties of office, every member shall take the oath of office.

Section 3. Removal. Members of the directors may be removed from office for the reasons and in the manner provided by the laws of the State of Nebraska.

Section 4. Vacancies. A vacancy on the board of directors shall exist in the event of the death, disability, resignation, failure to qualify or removal from the District of any director, removal for unexcused absence from two or more consecutive board meetings, forfeiture of office, conviction of a felony or of any public offense involving the violation of the oath of office, or assuming another elective office contrary to law or for any other reason specified in the statutes of the State of Nebraska. Vacancies shall be filled in accordance with the statutes of the State of Nebraska.

Section 5. Compensation. Members of the board of directors shall be paid their actual expenses while engaged in performing the duties of their office or while otherwise engaged in the business of the District, and in addition shall receive compensation not exceeding the compensation allowable under the statutes of Nebraska, at a rate to be determined from time to time by the board of directors.

Section 6. Rules and Regulations. The board of directors shall have power to make and adopt such rules and regulations, not inconsistent with law or these by-laws as it may deem advisable for the management, administration and regulations of the business and affairs of the District.

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Section 7. Accounting System and Reports. The board of directors shall cause to be kept accurate minutes of their meetings and accurate records and books of account, conforming to approved methods of bookkeeping, clearly setting out and reflecting the operation, management and business of the District. Said books and records shall be kept at the principal place of business of the District and at reasonable hours shall be open to public inspection. The accounting system shall conform to the accounting system, which may from time to time be designated by the Administrator of the Rural Utilities Service of the United States of America. The board of directors shall, at the close of each year's business, cause an audit of the books, records and financial affairs of the District to be made by a certified public account or firm of such accountants, who shall be selected by such board. Written copies of the audit shall be placed and kept on file at the principal place of business of the District and shall be filed with the Auditor of Public Accounts and the Nebraska Power Review Board within one hundred twenty days after December 31 of each year.

ARTICLE II

OFFICERS

Section 1. Number. The officers of the District shall be a President, Vice-President, Secretary and Treasurer.

Section 2. Election and Term of Office. The officers of the District shall be elected annually by and from the board of directors at the first regular monthly meeting thereof in January of each year. The secretary need not be a member of the Board of Directors. Each officer shall hold office until the next succeeding regular monthly meeting in January and until his or her successor shall have been elected and shall have qualified, subject to the provisions of these by-laws with respect to removal of officers. If election of officers shall not be held at such regular monthly meeting, a special meeting shall be called for such purpose.

Section 3. Removal. Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the District will be served thereby.

Section 4. Vacancies. A vacancy in any office appointed by the board may be filled by the board of directors for the unexpired portion of the term of such officer.

Section 5. President. The President shall:

- a. be the principal executive officer of the district and shall preside at all meetings of the board of directors;
- b. sign, with the Secretary, all instruments authorized by the board of directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the board of directors or by these by-laws to some other officer or agent of the District, or shall be required by law to be otherwise signed or executed; and

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- c. in general, perform all duties incident to the office of President and such other duties as may be prescribed by the board of directors from time to time.

Section 6. Vice President. In the absence of the President, or in the event of his/her inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all powers of and be subject to all restrictions upon the President and shall perform such other duties as from time to time may be assigned to him/her by the Board of Directors.

Section 7. Secretary. The Secretary shall:

- a. cause the minutes of the board of directors to be kept in one or more books provided for that purpose;
- b. see that all notices are duly given in accordance with these by-laws or as required by law;
- c. be custodian of the corporate records and of the seal of the District;
- d. sign with the President or the Vice President, in the name of the District, all contracts, notes, debentures, warrants or other obligations authorized by the board of directors;
- e. in general, perform all duties incident to the office of Secretary and such other duties as may from time to time be.

Section 8. Treasurer. The Treasurer shall:

- a. have charge and custody of and be responsible for all funds and securities of the District;
- b. receive and give receipts for money due and payable to the District from any source whatsoever, and deposit all such moneys in the name of the District in such bank or banks as shall be selected in accordance with the provisions of these bylaws; either directly or by an agent authorized by the board of directors to act on behalf of the Treasurer;
- c. in general, perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him or her by the board of directors.

Section 9. Bonds of Officers. The board of directors shall require the Treasurer or any other officer of the District charged with responsibility for the custody of any of its funds or property, to furnish and maintain a corporate bond in an amount sufficient to cover all moneys coming into his or her possession or control, but not to exceed the amount of \$100,000, or such amount determined by the board. The bond shall be satisfactory in form and with sureties approved by the board. The approved bond shall be filed as provided by law.

Section 10. Other Officers. The powers, duties and compensation of any other officers, agents and employees shall be fixed by the board of directors, subject to provisions of law.

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ARTICLE III

MEETINGS

Section 1. Regular Meetings. A regular meeting of the board of directors shall be held monthly at the principal office of the District. Notice of the time and date of meeting shall be given as provided by law.

Section 2. Special Meetings. Special meetings of the board of directors may be called by the President or any three- (3) directors. The person or persons authorized to call special meetings of the board of directors may fix the time and place for the holding of any special meeting of the board of directors called by them.

Section 3. Notice. Notice of the time, place and purpose of any special meeting of the board of directors shall be given as provided by law. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail properly addressed, with postage thereon prepaid. The attendance of a director shall attend a meeting for the express purpose of objecting the transaction of any business because the meeting shall not have been lawfully called or convened.

Section 4. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided that if less than a majority of the directors is present at said meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 5. Manner of Action. The act of the majority of directors present at a meeting at which a quorum is present shall be the act of the board of directors.

Section 6. Order of Business. The order of business at the regular meetings of the board of directors shall be essentially as follows:

- a. call of the roll;
- b. Acknowledge Open Meeting Law Act;
- c. review previous meeting minutes;
- d. election of officers (when appropriate);
- e. act on Work Order Report;
- f. Financial Report;
- g. consider and review policy amendments;
- h. Managers' Report;
- i. Reports;
- j. Public comment;
- k. old business;
- l. new business;
- m. Director comments;
- n. General Legal Matter;
- o. adjournment

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Section 7. Rules of Order. Robert's Rules of Order shall be the rules governing all meetings of the Board of Directors, whether regular, special or committee meetings.

ARTICLE IV

CONTRACTS, CHECKS AND DEPOSIT

Section 1. Contracts. Except as otherwise provided by law or in these by-laws, the board of directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver and Instrument in the name and on behalf of the District, and such authority may be general or confined to specific instances.

Section 2. Checks. Drafts, etc. All checks, drafts or other orders for the payment of money issued in the name of the District may be signed by the President or Vice President and Treasurer of the District or such other persons as may be designated by the Board of Directors. The authority of such authorized persons to sign checks, drafts or other orders for the payment of money may be general or may be confined to specific instances. Unless otherwise directed by the Board of Directors, the use of facsimile signatures with the permission of a person having authority to sign shall be lawful.

Section 3. Deposits. All funds of the District shall be deposited from time to time to the credit of the District in such bank or banks, as the board of directors shall select.

ARTICLE V

WAIVER OF NOTICE

Any director may waive, in writing any notice of meetings required to be given by these by-laws.

ARTICLE VI

FISCAL YEAR

The fiscal year of the District shall begin on the first day of January of each year and end on the thirty-first day of December of the same year.

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ARTICLE VII

SEAL

The corporate seal of the District shall be in the form of a circle and shall have inscribed thereon the name of the District and words "Corporate Seal".

ARTICLE VIII

AMENDMENTS

These by –laws may be altered, amended or repealed by the members of the board of directors at any regular, and at a special meeting provided the notice of such special meeting shall have contained a copy of the proposed alteration, amendment or repeal.

ARTICLE IX

INDEMNIFICATION

If any legal action shall be brought against any person who is or was a director, officer, or employee, based upon the negligent error or omission of such person while in the performance of such person's lawful duties, the district shall defend such person and shall pay any final judgment rendered against such person in the action. To the extent not covered by any liability insurance policy, or policies, each person who is or was a director, officer, or employee of the District, shall be indemnified and held harmless by the District, to the full extent permitted or authorized by law, for any costs, charges, expenses, attorneys fees, settlements approved by the District, and judgments, which may be imposed upon or incurred by each such person, arising by reason of any act or omission in any manner relating to the performance, attempted performance, or failure of performance of such person's official duties as such director, officer, or employee. Neither the District nor any insurance company shall have any right or restitution or subrogation against any such director, officer, or employee.

ARTICLE X

OPEN MEETINGS / CLOSED SESSIONS

Section 1. Open Meeting Laws. In all respects sessions of the board and action in relation to closed sessions shall be in accordance with the open meeting laws of the State of Nebraska, including all requirements as to notices, agenda, minutes, public participation and conduct of meetings.

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Section 2. Closed Sessions. Any regular or special meeting of the Board of Directors duly convened, may be closed to the public upon the affirmative vote of the majority of the members present, taken in open session. Any such meeting may be closed where clearly necessary for the protection of the public interest or for the prevention of needless injury to the reputation of an individual and if such individual has not requested a public meeting. Closed sessions may be held for, but not limited to (a) strategy sessions with respect to collective bargaining, real estate purchases, pending litigation; or litigation which is imminent as evidenced by communication of a claim or threat of litigation to or by the public body, (b) discussions regarding deployment of security personnel or devices; (c) investigative proceedings regarding allegations of criminal misconduct; or (d) evaluation of the job performance of a person when necessary to prevent needless injury to the reputation of a person and if such person has not requested a public meeting. A closed session may not be held for discussion of the appointment or election of a new member to any public body.

Section 3. Voting. The vote to hold a closed session will be by roll call taken in open session. In addition to recording the vote of each board member on the question of holding a closed session, the reason for the closed session, and the time when the closes session commenced and concluded shall be recorded in the minutes. The board of directors shall restrict its consideration of matters during the closes session to only those purposes set forth in the minutes as the reason for the closed session. The meeting shall be reconvened in open session before any formal action is taken. For purposes of this section, formal action shall mean a collective decision or a formal commitment or promise to make a decision on any question, motion, proposal, resolution, order, or ordinance or formation of a position or policy, but shall not include negotiating guidance given by members of a public body to legal counsel, or other negotiators in closed sessions authorized under the above provisions as to strategy sessions.

Section 4. Challenge. Any member of the Board may challenge the continuation of a closed session if the member determines that the session has exceeded the reasons stated in the original motion to hold a closed session or if the member contends that the closed session is neither clearly necessary for (a) the protection of the public interest of (b) the prevention of needless injury to the reputation of an individual. Such challenge shall be overruled only upon a roll call vote by majority of the members present. Such challenge and its disposition shall be recorded in the minutes.

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**I D E A L S
A N D
O B J E C T I V E S**

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

STATEMENT OF DISTRICT IDEALS

The Butler Public Power District was established to provide a vitally needed service, not otherwise available, which would improve economic and social standards with significant long-range benefits to the well being of the various communities and counties with which it is associated.

We believe:

1. That it is the right of the public to provide a vitally needed service, and that the District effectively provides this service in a manner consistent with the highest objectives of free enterprise.
2. That the District exists primarily to serve its customers and that the services it provides are essential to the people of our area, of the State of Nebraska.
3. That the District exists for the mutual benefit of its customers, directors, employees, and of the public and recognizes that full participation, understanding and support by each of these groups is necessary for its continued success.
4. That the District at all times must provide safe, reliable electric service at the lowest cost consistent with sound business practices.
5. That the opportunities in the enterprise carry with them both economic and social responsibilities; our obligations and responsibilities as a local business enterprise are to the community, that public and our employees, as well as to our customers, and those groups other than customers also will benefit from leadership in economic and social development within and adjacent to the service area of the District.
6. That the ability of the District to continue to provide this essential service depends upon its attracting and retaining capable employees who must be adequately paid and given every opportunity for personal development and for advancement within the limits of their demonstrated capabilities.
7. That the natural resources of this state should be developed to provide an abundance of power consistent with other resource development needed and a cost which is equitable for all who benefit from such development.
8. That the economic future of the State of Nebraska depends upon having an abundance of low cost, safe, reliable electric power available to all persons who can use it, and that all organizations engaged in the generation or distribution of electricity have the responsibility

of cooperating fully with each other to make certain that this is accomplished by the most efficient means possible.

9. That the District must exemplify leadership in the communities by doing all things essential to good management, including proper organization, sound financing, leader development, adequate research, and by continuing to provide abundant electric energy and high quality service.
10. That the attaining of these ideals will require our constant and untiring effort and a high degree of competence in performance and a high order of good citizenship.
11. That the individual and corporate relationships should be governed by the highest standards of conduct and ethics.

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STATEMENT OF DISTRICT OBJECTIVES

WITH CUSTOMERS

1. To operate the District on a continuing and progressive basis in strict accordance with its corporate documents and other legal and contractual requirements.
2. To assure the availability of safe, low cost, reliable electric service to all its customers and to all persons within its service area.
3. To stimulate the creation of new and enlarged markets by contributing to the promotion of new uses of electrical energy in the home, on the farm, and in business and industry and to obtain the maximum possible share of available markets for our services.
4. To enhance the District's reputation for fair dealings, prompt and efficient service, dependability, integrity, courtesy, production ability, and technical competence.
5. To strive constantly for ever higher standards of service through progressive management, utilization of new equipment and techniques, and improved methods of operation and also to use these factors in lowering costs of distributing electric power.
6. To stimulate and support rural area development programs, especially those which will increase and stabilize the economic level of the District's service area by adding value to the raw materials and products supplied and processed, by providing job opportunities for its people, and by furnishing goods and services required but not now available within or immediately adjacent to the area which the District serves.
7. To so develop, operate, and maintain the system at optimum performance, both electrical and physical, as to assure the quality of service the customers want while maintaining investment at a reasonable level and minimizing premature obsolescence.
8. To assure customers of the District, that the District will take all reasonable steps to protect customer information from all cyber security threats.

WITH EMPLOYEES

1. To recognize that our greatest assets are our human assets and that these must be developed and improved as a matter of moral obligation as well as one of material advantage.

2. To obtain acceptance of the ideals which emphasize the obligations involved in doing a job well.
3. To reward, encourage progress, inform, train, develop and assign properly all employees in order to attract and keep in its service those who seek a career with the District so that their lives and work will be given meaning, dignity, satisfaction and purpose both on and off the job.

WITH THE PUBLIC

1. To develop understanding, acceptance and support of the District's objectives, plans and programs.
2. To foster and develop the acceptance of the District as an effective citizen and as a respected member of the business communities that the District serves.
3. To provide leadership and to cooperate with other communities and civic groups in furthering programs of mutual interest.

WITH SUPPLIERS

1. To maintain adequate and reliable sources of supply of electric power, materials, and equipment at lowest cost consistent with necessary quality.
2. Accord prompt, fair and courteous treatment of suppliers representatives.

IN REASEARCH

To determine what new products, methods and uses in the electrical field have been developed and apply them to the needs of our customers.

DIRECTORS POLICIES AND PROCEDURES

**BUTLER PUBLIC POWER DISTRICT
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DIRECTORS POLICY AND PROCEDURES

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BUTLER PUBLIC POWER DISTRICT

David City, Nebraska 68632

POLICY MANUAL FORWARD**1 OBJECTIVE:**

The following policies, as set forth in this Manual, are intended to be of assistance to all concerned in having a complete understanding of Board, Manager, and Employee relationship one to the other.

2 RESPONSIBILITY:

The Board of Directors of Butler Public Power District "District" as a policy making body, finds it necessary, for the purpose of providing leadership and encouraging effective management, to review and update old policies and adopt new policies consistent with the changing times and the growing industry. The General Manager is responsible for reviewing all policies, making revisions to existing policy or proposing new policy and presenting such policies to the Board. Following approval by the Board, policies will be signed and dated by the Secretary, and disseminated to the proper personnel as soon as practical. The General Manager shall be responsible for ensuring compliance with all policies. Department Managers will be responsible for the implementation of all policies.

3 POLICY:

- (a) Each employee shall become familiar with and comply with the policies set forth in this handbook or will be subject to discipline, up to and including dismissal.
- (b) The policies in this handbook are of information for employees who have questions about District Personnel Policies. These policies are not contractual in nature and may be unilaterally rescinded, revised, or added to by the District from time to time. Additionally, although management generally will follow these policies, the Board of Directors may, in its sole discretion, authorize deviations from or exceptions to these policies if, in the Board's opinion, such a deviation or exception is warranted under the circumstances. The adoption of these policies supersedes and rescinds any previously published policies and these policies shall remain in effect until amended or rescinded by the Board of Directors. Moreover, these policies control over any contrary statements, representations or assurances by supervisory personnel.
- (c) Policies are to be maintained in a Manual distributed to all District Supervisory Personnel. It shall be the responsibility of Management to keep the Manuals updated, and to review and/or post as might be required new or updated policies with all employees.

NOTE: Any reference throughout this policy manual to 'he' or 'his' could also mean 'she' or 'her'.

DIRECTORS POLICIES AND PROCEDURES

SERIES 1 0 0

FUNCTIONS OF THE BOARD

**BUTLER PUBLIC POWER DISTRICT
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BUTLER PUBLIC POWER DISTRICT DAVID CITY, NEBRASKA

Policy Number 101

FUNCTIONS OF THE BOARD OF DIRECTORS

I. CORE DUTIES AND FUNCTIONS OF THE BOARD

A director has a fundamental responsibility to represent prudently the interest of all of the customers of the District in directing and overseeing the business and affairs of the system. Basic law provides that a director shall, among other things, undertake the following duties:

- **Duty of Care** – Exercise due care and diligence that an ordinarily prudent person in a like position would exercise under similar circumstances, devoting such time and effort to the duties of a board member as may be necessary to oversee the District’s business and affairs;
- **Duty of Loyalty** – Be loyal to the District, acting at all times in good faith for its best interests and unaffected by any personal interest that is in conflict with the best interests of the District; and
- **Duty of Obedience** – Be obedient to the District by adhering to all applicable requirements of law, the District’s articles and bylaws, board policies, contracts, and the District’s duly made decisions.

Other responsibilities of board members are that they have the minimum knowledge and skills necessary to manage the affairs of the District and be actively involved in board meetings and decision making. This duty has been singled out and is sometimes referred to as the “duty of attention.” This duty generally requires that board members ask questions, not automatically defer to management or advisors, and not ignore facts before them. The duty of attention perhaps speaks most directly to the board’s oversight role. While this duty is the focus of significant attention, it is important to remember the following practical suggestions:

- Directors can establish a record of diligence by attending board meetings and carefully reviewing materials provided to them by management, staff, auditors, attorneys and other providing services or information to the District; and
- Directors generally can rely in good faith on reports that they receive unless they have reason to know that such reliance is not appropriate.

Generally, the governance role of directors can be summarized as being responsible for setting the overall policy and monitoring the business affairs of the District. Those governance and oversight roles encompass certain essential board functions, including the followings:

- Providing advice and counsel to management;
- Authorizing major District actions, required either by law or by contract;
- Selecting independent financial auditors and ensuring effective auditing procedures are in place;
- Ensuring the District has an effective legal compliance program;
- Authorizing or amending an appropriate budget as proposed by management which takes into account all essential concerns of the system, including safety; and
- Monitoring the performance of management, including setting objectives and measuring management's results against them, evaluating the accomplishments of management and their results and being responsible for the selection or removal of the General Manager.

II. EVALUATING A BOARD'S STRENGTHS AND WEAKNESSES REGARDING KEY DUTIES AND FUNCTIONS

Having reviewed the key duties and functions, how should the District board of directors assess whether it consistently acts in line with its fiduciary responsibilities and performs its essential functions in an effective manner? One can look at a series of standards to which a board should hold itself and judge its actions against:

- **Legal, Bylaw and Contractual Requirements** – The Board consistently acts to maintain and fulfill all federal, state, contractual, bylaw and policy requirements by following and abiding by applicable local, state, and federal laws and codes, service rules and regulations, contracts, and policies.
- **Fiduciary Responsibility, Confidentiality and Conflict of Interest** – Directors work for the best interests of the organization and its customers by following standards of prudent judgment and confidentiality and by dealing with potential conflicts of interest in a fair and open manner. To demonstrate compliance with District conflicts-of-interest policy, Directors shall file conflict of interest statements when required by the Nebraska Accountability and Disclosure Act.
- **Maintaining an Effective Relationship with the General Manager** – The Board ensures effective system performance by hiring a qualified General Manager and by delegating management and operational responsibilities. The Board conveys clear performance expectations and provides systematic performance feedback.
- **Relationships with Attorneys, Auditors and Consultants** – The Board ensures that basic legal, financial, and operational requirements are met by retaining the professional services of attorneys, auditors, and consultants.
- **Director Education and Development** – Directors participate in regular training and educational programs to keep apprised of matters affecting the operations and business of the District, including financial condition, significant risks, industry and regulatory changes, and performance measures for the District. Each Director is encouraged to become certified under the

Credential Cooperative Director (CCD) program through the National Rural Electric Cooperative Association.

- **Regularly Engaging in Self-Assessment** – The Board continually strives to find ways of improving performance of its core duties and functions. Critical to that endeavor is a regular evaluation of the Board’s organization and performance, including effectiveness of committees, policies, and procedures for conducting Board business, sufficiency of resources and information, and relationships with management and consultants.
- **Business Ethic** - The Board shall not receive or solicit from beneficiary organizations, related organizations, or other persons having business with the District. Anything of value as a gift, loan, favor, or gratuity for themselves or any other person or organizations with which they are associated which would serve to influence any decision-making regarding business. It is expected that the Board will maintain high standards of integrity, impartiality, and conduct necessary to maintain customer and public confidence in the District

III. BOARD CONDUCT

Board Members shall conduct themselves, personally and professionally in accordance with the highest of moral and ethical standards. And, regardless of the personal relations and differences of the Board Members, they should respect each other by, 1) allowing ample opportunity for each Director to be heard on any matter being considered and listen to the judgmental views as well as the factual observations of each.

IV. RESPONSIBILITY

A. The Officers of the Board of Directors.

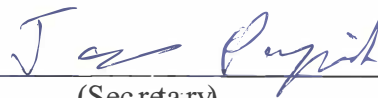
Dated: June 10, 1996

Revised: September 15, 2005

Revised: February 10, 2017

Revised: January 11, 2021

Attested: _____



(Secretary)

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

Policy Number 102

DIRECTOR DUTIES AND STANDARDS OF CONDUCT

I. PURPOSE

To identify the qualifications to serve on the Board of Directors of Butler Public Power District and to clarify the standards of conduct for which each board member will be held accountable when serving on the board.

II. POLICY CONTENT

Qualifications to become and remain a Director of the District are identified by law or by District bylaws and policies. If the Board of Directors should determine that an incumbent Director, nominee, or potential appointee to the Board lacks or has lost any of the necessary qualifications, it is the duty of the Board of Directors to remove such incumbent or to declare such nominee or potential appointee ineligible for election or appointment.

III. PROVISIONS

A. General Requirements

Any person, to become and remain a Director of the District, shall:

1. Comply with applicable requirements of law, District bylaws and duly adopted policies, contractual agreements, and the Board's duly made decisions;
2. Assume the legal standards of fiduciary responsibility to act, in good faith, in the best interests of the District and its customers;
3. Be loyal to the District and not have conflicting commercial or personal interests which have not been legally disclosed;
4. Be willing to devote such time and effort to the duties of a Director and possess the minimum knowledge and skills as may be necessary to direct District affairs;
5. Be able and willing to attend regularly scheduled and special meetings of the Board of Directors, national, state, or other meetings that further the public power movement, or educational opportunities which may aid in keeping informed on matters affecting the District;
6. Not use or cause to be used the position as Director to further any political or business ambition; and
7. Represent and support the interests of the District to elected and public officials.

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B. Conduct with Respect to Fellow Directors

Regardless of any personal difference's directors should:

1. Demonstrate mutual respect;
2. Support all official decisions and actions made or taken by a majority of the Board;
3. Allow opportunity for each director to be heard on any matter being considered by the board;
4. Review the Board packets made available for download on the district website ahead of time to be prepared for meetings; and
5. Abstain from revealing to persons other than directors, the General Manager or the system's attorney any differences of positions among directors on matters considered and acted upon by the board, except for matters readily available in the public records.

C. Director Access to District Information

Any Director is entitled access to District data or information, at reasonable times during business hours, for a proper purpose that is germane to their standing as a director. This principle is subject to the following:

1. All requests for information shall be made to and through the General Manager. In no case shall such information be sought through other employees, agents, or independent contractors (*unless after consultation with and being advised by the District's attorney because an actual or potential criminal activity of the General Manager is involved*).
2. In any instance in which a director has sought access to information not generally made available or reported to the board, the General Manager shall report on this at the next meeting of the board.
3. Information received by a director pursuant to this policy shall not be revealed by them to any other persons (the remaining directors, General Manager and system attorney excepted) unless they are sincerely convinced that they are compelled to so by legal considerations.
4. In no case should a director reveal to others information and data they receive, if the actual or potential effect of such revelation is to damage the District, including its image, or to enable them and/or others to personally profit there from.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

D. Good Faith and Fair Play

Every director shall deal in good faith and fair play with every other director and the General Manager in expressing their views, questions and concerns relating to district policies, rates and programs. Good faith and fair play require:

1. All directors should reveal all information or interests that they may have and that may bear upon action being considered by the district;
2. Those directors will not so pursue a position, inquiry or motion as to unduly harass or annoy other directors, the General Manager, employees or independent contractors;
3. That director communications with employees other than the General Manager shall be casual and conducted on a courteous basis, but not for the purpose of influencing an employee's position or attitude concerning their District related activities; and
4. Conduct in the eyes of the general public shall be in such a manner as to reflect credit to the District and personify the position of trust held by the Director, including refraining from such conduct which would subject the Director to indictment for a felony or crime of moral turpitude or from conduct representing disregard of the standard of behavior which customers can rightfully expect from a Director.

III. RESPONSIBILITY

1. Each candidate, nominee or appointee to the board shall receive a copy of this policy and attest by signature (Appendix 703) to having received the policy.
2. Butler Public Power District or its legal counsel shall inform each candidate, nominee or appointee to the board regarding the terms and conditions of this policy and the personal liability implications resulting from policy violations.
3. The Board of Directors shall review this policy from time to time and discuss any personal liability implications resulting from violations.
4. The President of the Board shall ensure that this policy is followed.

Dated: December 10, 2003,
January 10, 2006,
August 12, 2013
August 5, 2019

Revised: December 12, 2025

Attest:



(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 103

SELECTION OF A NEW DIRECTOR

I. PURPOSE

To provide a means of filling a vacancy on the Board of Directors of the Butler Public Power District created when a seated director cannot serve out the remainder of his/her term.

II. PROVISIONS

A vacancy on the Board will be filled by the remaining Directors subject to the provisions of this Policy and the District's Bylaws.

- A) Should a vacancy occur on the Board of Directors, the Board President shall appoint three or more Directors to form a Director Search Committee responsible for locating and interviewing candidates to fill said vacancy. This committee must ensure that the candidate(s) being considered for the vacancy meet the qualifications and eligibility requirements set forth in State Statutes (70 – 619), in District Bylaws, and as per existing Policies. Any candidate who does not meet all of these requirements will not be considered further. Each candidate must affirm his/her qualifications by signing the “Affirmation of Director Qualifications” (Appendix 703).
- B) The Director Search Committee, after interviewing the qualified candidate(s), shall recommend to the Board the best suited candidate to fill the vacancy for the remainder of the term.
- C) The candidate must receive more than a majority vote of the Board to become the newly appointed Board Member. Upon receiving majority vote the new board member shall take and subscribe to the oath as per State Statute 70 – 616.

III. RESPONSIBILITY

- A) The Director Search Committee is responsible for conducting any search to fill any board vacancy, including interviewing potential candidates, and ensuring each meets all qualifications and eligibility requirements.
- B) The Board of Directors is responsible for the administration of this policy.

Dated: March 10, 2006, February 10, 2017
Reviewed: May 7, 2024

Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 104

FISCAL POLICY

I. PURPOSE

To provide a summary which outlines the fiscal policy of Butler Public Power District and the responsibilities of the Board of Directors as it relates to this policy.

II. PROVISIONS

Fiscal Policy is the economic term which describes the behavior of Butler Public Power District's Board of Directors in raising revenue to fund current spending for the purposes of operating, maintaining, and constructing transmission and distribution systems that provide safe, low cost and reliable electric service to its customers in Butler and western Saunders Counties in Nebraska. Revenues are raised from electric services provided to said customers and the sale of other products and services, or by borrowing from Cooperative Finance Corporation (CFC), any of the local banks, or the issuance of Bonds.

Responsibilities of the Board of Directors include:

- A) The Board is responsible for review and approval of the financial budget annually.
- B) The Board balances the need for a highly reliable electric system that meets the needs of its customers with the desire to keep costs as low as possible and to meet the financial requirements of our bond resolutions.
- C) The Board reviews and understands the key principles of the district's accounting, financial reporting, and auditing processes. The Board meets monthly with the General Manager and staff to review the financial status of the District.
- D) The Board is directly responsible for appointing and overseeing the District's independent auditor, including resolving disagreements between management and the auditor regarding financial reporting for the purpose of approving and responding to the issued audit report.
- E) The Board sets rates to assure that costs are allocated properly and that sufficient revenues are produced to cover all District costs and debts.

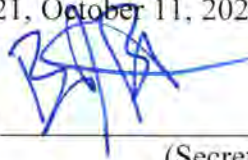
III. RESPONSIBILITY

The Board of Directors is responsible for the administration of this policy.

Dated: December 10, 2015, December 9, 2016, November 10, 2017, November 9, 2018, October 10, 2019, October 9, 2020, November 10, 2021, ~~October~~ 11, 2022, September 11, 2023, October 10, 2024

Revised: September 10, 2025

Attested: _____



(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 105
BOARD PRESIDENT RESPONSIBILITIES

I. PURPOSE

To provide a summary which outlines the responsibilities of Butler Public Power District's Board President.

II. PROVISIONS

The Board President ensures that the Board of Directors is aware of its governance responsibilities and applicable laws and bylaws and is accountable for its performance.

Responsibilities of the Board President include:

- A) Is a member of the Board of Directors.
- B) Leads effective and efficient meetings of the Board.
- C) Reviews agenda with General Manager while making sure that information is received well in advance of decision making.
- D) Actively seeks input from all Board Members prior to voting.
- E) Provides leadership to the Board of Directors, which sets policy and to whom the General Manager is accountable.
- F) Encourages the Board's role in strategic planning.
- G) Appoints delegates and committees, in consultation with other Board members.
- H) Helps guide and mediate Board actions with respect to organizational priorities and governance concerns.
- I) Reviews with the General Manager regarding any issues of concern to the Board.
- J) Reviews General Managers expense report prior to Board approval of the Managers Report.
- K) Assures the performance of the General Manager is evaluated annually, informally evaluates the effectiveness of the Board members and evaluates annually the performance of the District in achieving its mission.
- L) From time to time represents the Board and is the spokesperson for the Board.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

III. ACCOUNTABILITY

The Board President is accountable to the Board of Directors as specified in the bylaws. The Board President may delegate specific duties, however, the accountability for them remains with the Board President.

Dated: October 11, 2010
Revised: September 15, 2017
April 10, 2018
August 4, 2025

Attested: _____


(Secretary)

DIRECTORS POLICIES AND PROCEDURES

SERIES 200

DIRECTORS POLICY

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

POLICY NUMBER 201

DIRECTOR PER DIEM AND EXPENSES

I. OBJECTIVE

To establish a fair and equitable basis whereby each director is compensated appropriately for per-diem, and properly reimbursed for travel and other expenses when on District business or attending other functions that have been determined to be in the best interest of the District.

II. PROVISIONS

A. Per Diem

1. While engaged in the performance of duties, members of the Board of Directors shall be compensated, in addition to actual expenses, a per diem \$825.00 for the President and \$700.00 for all other board members, for each advertised District meeting attended, and a per diem of \$350.00 for any other meeting attended.
2. Butler Public Power District (District) directors represent the District by serving on boards and committees of other state, regional and national organizations of which the District is a member. Some of these organizations compensate their directors directly on a per diem basis. District directors shall have the right to make an election to attend such meetings, to be compensated by the sponsoring organization or by the District. In the event a director elects to be compensated by the District, any funds which the director receives from the sponsoring organization shall be endorsed over and belong to the District. In the event the director elects to be compensated by the sponsoring organization, and provides documentation of payment, the District shall then compensate the Director the difference in daily per diem.
3. The number of per diem days depends on the mode of travel. With air travel the standard – how long it takes to get there and back by air.
4. The aggregate sum of such compensation from the District shall not exceed an amount as specified by State Statute 70-624.02 R.R.S., as amended. *(currently \$13,400.00 / President \$15,120.00)*

B. Expenses

1. Tuition and/or registration for workshops, seminars and other activities pertaining to the District shall be paid at actual cost.
2. All expenses incurred by the director's spouse or guest shall be paid by the director, not the District. The general rule shall not apply to the cost of meals wherein the spouse or guest of an individual director is invited to attend dinners and banquets along with the director and the expense is de-minimum and beneficial to the District.
3. Directors' work headquarters will be considered their home office, where they receive correspondence and other communications from the manager and District

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

customers, and, where they prepare for meetings and perform the majority of their Director responsibilities. Travel allowances to regular and special Board of Directors meetings shall be at the amount as fixed by the Internal Revenue Service from time to time for personal vehicle miles.

4. Travel allowances to state, regional and national meetings shall be determined as follows:
 - A. Individuals may opt to fly via commercial airlines with coach fare being paid for by the director only.
 - B. In the event a director travels to and from national meetings by means other than air, reimbursement will be based on the average round-trip air coach fare in lieu of all other meals, lodging, travel, and out-of-pocket expenses while traveling to and from the meeting. In addition to the average round trip air coach fare, the director traveling by means other than air shall also be reimbursed for those incidental expenses incurred by those directors traveling by air. Such incidental expenses shall include but not be limited to round trip mileage to and from the director's residence to the airport, round trip travel expenses incurred by other directors from the airport to the hotel and meeting sight. The purpose of this policy is to reduce the cost of travel to national meetings incurred by the District and to equalize the amount of expense reimbursement to those directors using different means of travel.
 - C. In lieu of air travel to a regional meeting, mileage will be paid at a rate established by the Internal Revenue Service for personal automobile transportation by direct route to the destination provided it does not exceed the average individual air fare. Lodging and meals will be paid for in this case.
 - D. For other travel related expenses (i.e. meals, lodging, etc.) refer to Director Policy 218 – Director Expense Reimbursement.
 - E. To qualify for expenses and per diem during authorized meetings, it is expected that individuals attend all the meetings. Expenses and per diem will be adjusted for meetings not attended unless extenuating circumstances occur as determined by the Board of Directors.
 - F. Travel Cancellation: In the event a Director cancels a trip he/she must give sufficient notice to cancel reservations so as not to incur expenses for the cancellation. If failure to give sufficient notice to cancel, the Director is responsible for those expenses. Should the cancellation be due to a medical or other emergency, the Director will not be responsible for cancellation incurred expenses.

C. Health Insurance

1. Major medical insurance shall be available to active directors and-their dependents.

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2. The District will contribute the same percentage as it provides for its employees of a single premium rate for active directors. The director shall be responsible for the payment of the remaining premium and all deductibles.
3. Dental insurance shall be available to active directors and their dependents.
4. The District will contribute the same percentage as it provides for its employees of a single premium rate for active directors for dental insurance. The director shall be responsible for the payment of the remaining premium and all deductibles.
5. When a director is disabled, the District will continue to provide major medical health insurance for a period of thirty (30) days. At the expiration of the 30-day period, the director will have the option of remaining under the major medical plan, so long as the director reimburses the District for the full cost of such coverage.
6. Retired directors shall be responsible for payment of all premiums and deductibles. Should the retired director become more than thirty (30) days late on his/her insurance premium payment the District may choose not to pay future premiums.

D. Tax Liability

Federal Wage and Tax Statements, Form W-2, shall be used by the District to report director's compensation to the Internal Revenue Service.

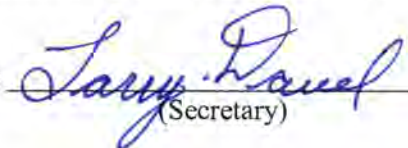
III. RESPONSIBILITY

It shall be the responsibility of the Board of Directors to revise this policy.

Dated: June 10, 1996, December 10, 1996, December 10, 1998, July 9, 1999, November 12, 2002, December 11, 2006, December 12, 2008, December 10, 2010, December 10, 2012, February 10, 2017, December 10, 2018, December 14, 2020, November 10, 2022

Revised: October 10, 2024

Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

POLICY NUMBER 202

BOARD OFFICERS

I. OBJECTIVE

To establish officers through an election process for the Butler Public Power District Board of Directors.

II. PROVISIONS

- A. Officers shall be elected annually by and from the Board of Directors at a regular meeting of the Board of Directors in January of each year as required in the By-Laws of the District. If an officer position becomes vacant, it will be filled at the next regular meeting.
- B. The Board will appoint a Recording Secretary who is not a member of the Board.

III. RESPONSIBILITY

The Board President shall ensure the enforcement of this policy.

Date Adopted: 06/10/96
Date Amended: 01/10/05
Date Amended: 04/10/17
Date Amended: 07/09/2025

Attested: _____



(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

POLICY NUMBE 203

BOARD MEETING ATTENDANCE

I. OBJECTIVE

This policy is intended to support the full contribution of all board members.

II. PROVISIONS

- A. Members of the Board of Directors shall be expected to attend all regularly scheduled and special meetings of Butler Public Power District for the conduct of business in order to fully represent their constituents.
- B. Recognizing that continuous changes occur within the utility business and the need for Directors to be informed is essential to prudent business decisions, each member of the Board of Directors is encouraged to attend statewide, national and regional meetings, conferences, seminars, and rallies.
- C. Directors are expected to enhance their competency by pursuing a variety of continuing education programs. Directors elected are encouraged to become credentialed within a three-year period and to continue their education as a condition of maintaining their credentialed status.
- D. Board members may attend statewide functions without prior approval. However, attendance at any out-of-state meeting shall have specific Board approvals.
- E. Delegates at any meeting shall report on that meeting at the next regular Board meeting.
- F. An absence may be excused with a majority vote of the remaining board members. *(Reference 70-615)*

III. DEFINITION OF BOARD ATTENDANCE PROBLEM

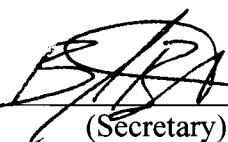
A board-attendance problem occurs in the event of the absence of any director from more than two consecutive regular meetings of the board, unless such absences are excused.

IV. RESPONSIBILITY

If a board-attendance problem exists regarding a member, the Board President will promptly contact the member to discuss the problem.

Dated: June 10, 1996,
Revised: November 10, 2004
June 10, 2009
October 10, 2017
October 10, 2025

Attest:


(Secretary)

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

Policy Number 204

ABSENCE FROM BOARD MEETINGS

I. OBJECTIVE

As provided by law, and in addition to other causes, a vacancy in the office of Director shall exist in the event of absences of any Director for more than two consecutive regular meetings of the Board, unless such absences are excused by a majority of the remaining Board members. See Section 70-615 Nebraska Statutes (filling vacancies).

II. PROVISIONS

- A. If a Board member expects to be absent from a future Board meeting, said Board member is encouraged to give notice in advance so that whether or not to excuse such absence can be considered at the earliest possible time. At the Board Meeting when such member is absent (or at any earlier Board meeting when the matter of the expected absence is placed on the agenda), the Board, in its discretion, may excuse the absence at the time, or may defer the matter for later consideration.
- B. If the absence of a Board member is not ruled to be excused at or before the meeting when it occurs, the absence from the meeting shall be recorded in the minutes as unexcused, subject to further review.
- C. Mailing to any Director the minutes of a previous Board meeting showing the absence of such Director as unexcused shall serve as notice to such Director that such absence stands unexcused. The Director receiving such notice may ask the question of whether the absence should be excused by timely placement on the agenda for consideration at a later meeting, but failure to do so shall not waive the right of such Director to raise such question upon notice and hearing as provided in item II.E. below.
- D. If any Director shall be absent for more than two consecutive regular Board meetings for which an excused absence has not been recorded, the Secretary of the District (or the President, if the Board member in question is the Secretary) shall cause a notice to be sent to the Director in question, at such Director's last known address, by certified mail, return receipt requested. Such notice shall be conclusively presumed to be received by such Director three business days after the mailing of such notice. Sending the notice may be delegated to the manager of the District. The notice shall be directed to the Director in question and shall specify a hearing date, time and place. The hearing date shall be at least twenty (20) days after such notice is mailed and will, unless a special meeting is lawfully called, take place during a regular meeting of the Board of Directors.

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

- E. A hearing shall be held at the time and place specified in the notice, unless lawfully continued and adjourned. Formal rules of evidence will not be applied and the minutes of previous meetings may be received as prima facie evidence. The President (or Vice-President if the President is the Director in question) may serve as hearing officer or appoint a hearing officer. The hearing officer shall admit and give effect to all relevant testimony and evidence presented that possesses probative value commonly accepted by reasonable prudent persons in the conduct of their affairs. After such hearing, and based solely on the evidence and arguments there produced, the remaining members of the Board of Directors shall vote as to whether the Director in question was absent from more than two consecutive regular meetings of the Board and whether such absences shall be excused. If a majority of the remaining Board members ~~shall~~ determine that the Director in question was absent from more than two consecutive regular meetings of the Board and that such absences are not excused, a vacancy shall thereupon exist for the Board position of the Director in question.

- F. In considering whether to excuse an absence the Board of Directors may consider all available information, but in the absence of extraordinary circumstances excused absences shall be those which occur by reason of:
 - 1. Illness of the Board member, or serious illness of persons in the Board member's immediate family (as defined in II.F.2 below). The Board reserves the right to require medical verification to document such illness,
 - 2. Death in the immediate family of the Board member, defined as spouse, children, mother, father, parents-in-law, brother, brother-in-law, sister, sister-in-law, grandparent, grandchild, aunt, uncle, niece, nephew, or a person who lives in the Board member's house as part of the family,
 - 3. Jury duty,
 - 4. Election Board duty,
 - 5. Military and Emergency Civilian duty,
 - 6. Court appearance, as party or under subpoena,
 - 7. Attendance at professional or occupational conferences, institutes, training seminars or meetings,
 - 8. Religious holidays, and
 - 9. Any other unexpected or extraordinary causes for which the Board considers to be sufficient to justify an excuse of the absence.

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

G. In conjunction with the preceding policy, the following terms and conditions shall govern:

1. Definitions:

- a. Excused absences shall be those due to emergencies and a majority of the Board votes to allow. Whenever possible, notification of intent to miss a meeting shall be made prior to the meeting.
- b. Unexcused absences occur when no acceptable reason exists, no notification has been made, and a majority of the Board votes not to allow.
- c. Partial absences shall be those in which a Director is not present for the entire meeting without good reason as determined by the Board.

2. Determination of absences shall be made by ballot with each ballot signed and recorded.

3. Board Per Diem and Expenses:

- a. Excused: Per diem of \$200 with no mileage
- b. Unexcused: No per diem or mileage

Dated: June 10, 1996

Revised: April 10, 2006

Revised: April 10, 2017

Revised: December 14, 2020

Attested:



(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

Policy No. 205

GENERAL MANAGER'S PERFORMANCE APPRAISAL

I. OBJECTIVE

- A. To appraise the effectiveness in which the General Manager has carried out the duties and responsibilities delegated by the Board of Directors.
- B. To develop a better understanding and recommendations on both the strengths and weaknesses of the General Manager's performance.
- C. To mutually develop a plan designed to improve the General Manager's future growth and performance.
- D. To adopt a plan of action designed to increase the Directors' and the General Manager's understanding of the results expected.

II. PROVISIONS

A. Competency Areas of Appraisal

- Leadership
- Board Focus
- Employee Development
- Customer Focus
- Relationships
- Integrity and Courage
- Business Acumen
- Communications
- Safety

- B. Procedure: Once each year, but no later than the October Board of Directors meeting, the Board of Directors shall collectively appraise the General Manager and reach a consensus for discussion with the General Manager.

III. APPENDIX REFERENCE

A. Appendix F: Competency Definitions

Dated: June 10, 1996
Revised: February 11, 2005
July 10, 2018
February 6, 2026

Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

POLICY NUMBER 206

BOARD/GENERAL MANAGER RELATIONSHIPS

I. OBJECTIVE

To establish guidelines for members of the Board of Directors to use in their relationship with the General Manager and the District.

II. PROVISIONS

- A. It is recognized that good management is the most important factor in the success of the District. This includes a strong and effective Board, general manager, and staff, as well as dedicated and capable employees. In exercising its responsibilities, the Board reserves authority to establish policies, approve plans and programs, and delegate authority to the General Manager, except those that are by law, articles of incorporation and by-laws, conferred upon or reserved to the Board.
- B. The Board recognizes that efficient management of the District can exist only through mutual trust and understanding and complete cooperation between the Board and the General Manager. The General Manager is expected to produce results and give an account to the Board of their stewardship. The General Manager's performance cannot be of the best unless given latitude to exercise judgment in executing policies of the Board. The Board acknowledges that obligation and gives the General Manager that latitude of judgment and discretion and expects faithful performance in carrying out all policies of the District.
- C. It shall be distinctly understood the "flow" of authority for management of the District shall be through the General Manager to the Board. The Board shall require full and complete information from the General Manager concerning matters in connection with the management of the District as set forth in Board policies.
- D. The Board recognizes the responsibility and needs to establish policies, approve plans and programs, appraise results achieved, and delegate authority to the General Manager to execute and carry out plans, programs, and policies. The General Manager shall, among other things, be responsible for the hiring of capable personnel, determine compensation within the approved wage and salary plan and policy, training, supervising, and terminating personnel, if necessary.
- E. It shall be understood that the General Manager will provide the Board with information in advance of requesting a decision by the Board.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

- F. All District policies shall be adopted by the Board at regular or special meetings acting collectively as a Board. The General Manager has the responsibility of carrying out such policies and reporting back to the Board on the results achieved.
- G. The Board recognizes that should any director undertake private conversation with others to make commitments for the Board, unless directed officially by the Board, that director becomes involved in a serious breach of policy which might disrupt the entire District. The Board member may be subject to reprimand by the other Board members should said member attempt to make commitments unofficially for the Board.
- H. Should any director either directly or indirectly fail to follow the established policies of the District or encourage customers of the District to refrain from following the established policies of the District, that director may be subject to reprimand by the other Board members.
- I. Consistent with laws of the State of Nebraska, directors are to refrain as individuals from the use of any District personnel, equipment and/or inventory, for their personnel gain or benefit.
- J. The Board recognizes responsibility for the employment of the General Manager, and further, the additional responsibility for the systematic appraisal of the General Manager's performance in order that growth, development, and effective improvements are encouraged.
- K. The Board recognizes it is subject to legal standards of fiduciary responsibility. This involves authorizing the borrowing and approving of money for facilities and equipment necessary to carry out the objectives of the District and reviewing the annual financial audit and seeing that necessary remedial action is taken. The Board shall inquire about any financial issue as it sees fit.
- L. It shall be the policy of the Board as individuals to refrain from discussing management and personnel problems with employees of the District or anyone outside of the District. The Board, in consultation with the General Manager, may confer with key personnel at regular or special meetings of the Board.

III. RESPONSIBILITIES

- A. The President of the Board of Directors shall be responsible for directing the attention of Board members to violations of this policy.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

- B. The President of the Board of Directors shall be responsible for seeing that the performance appraisal of the General Manager is completed in accordance with Policy Number 205.

Dated: June 10, 1996
Revised: April 10, 2000
August 11, 2003,
July 10, 2007,
June 10, 2009
July 10, 2017,
March 13, 2026

Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

Policy Number 207

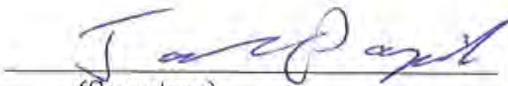
RULES FOR PUBLIC PARTICIPATION AT MEETINGS OF THE BOARD OF DIRECTORS

It is the policy of Butler Public Power District (District) that members of the public be permitted to attend and speak at all meetings of the Board of Directors (Board) which are open to the public. The public is not required to identify themselves as a condition for admission to any open Board meeting. The following rules will apply to the receiving of comments from members of the public at any such meeting.

1. Each regular Board meeting shall have a public comment period on the agenda. This shall not apply to special or emergency Board meetings. The Board, at its sole discretion, may allow additional public comment opportunities if it deems doing so appropriate.
2. Any member of the public addressing the Board shall state his or her name and address, the name of any organization or person he or she is representing, and whether he or she desires to submit any written comments or other materials to the Board. All such written materials shall be received on behalf of the Board by the individual designated by the Chairperson.
3. Although public comments are important it shall be the responsibility of the Board to listen to public comments without any expectation to respond.
4. The Chairperson may at any time limit the amount of time a speaker may have to comment or make further comment with respect to any matter. The Chairperson may limit the total amount of time for which the Board will receive public comment with respect to any matter or for any meeting.
5. The District may at any time make and enforce any other or additional rules regarding the conduct of persons attending or speaking at meetings of the Board.

Dated: February 11, 2005
Revised: January 14, 2008
Revised: October 10, 2018

Attested: _____


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 208

PUBLIC MEETINGS

I. OBJECTIVE

To assure that all board meetings for the purposes of briefing, discussion of public business, formation of policy, or taking of any action shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at such board meetings, except as otherwise provided by the Constitution of Nebraska, federal statutes, and the Nebraska Open Meetings Act (OMA) Section 84-1407, R.R.S. as amended.

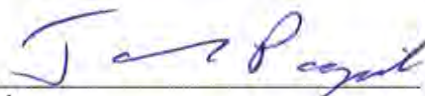
II. PROVISIONS

- A. OPEN TO THE PUBLIC: All meetings of the Butler Public Power District's Board of Directors (BOD) for purposes stated above shall be open to the public as prescribed by law. The OMA does not apply to chance meetings or to attendance at or travel to conventions or workshops of the BOD.
- B. CLOSED MEETINGS: All Closed Sessions shall comply with all provisions of Section 84 – 1410, R.R.S. as amended. The BOD may hold a closed session by the affirmative vote of a majority of the Board if such closed session is clearly necessary for the protection of the public interest or for the prevention of needless injury to the reputation of an individual and if said individual has not requested a public meeting. The vote to hold a closed session shall be taken in open session.
- C. NOTIFICATION: Each BOD shall give reasonable advanced publicized notice of the time and place of each meeting as provided by Section 84 – 1411, R.R.S. as amended. Such notice shall contain an agenda of subjects known at the time of the notice and shall be available for public inspection at the District office. The agenda shall be kept continuously current.
- D. EMERGENCY MEETING: When it is necessary to hold an emergency meeting without reasonable advance public notice, the nature of the emergency shall be stated in the minutes and any formal action taken in such meeting shall pertain only to the emergency.
- E. MINUTES: Each BOD shall keep minutes of all meetings showing time, place, members present and absent, and the substance of all matters discussed as provided by Section 84 – 1413, R.R.S., as amended. Minutes of all meetings in open session shall be public records and open to public inspection during normal business hours within ten working days or prior to the next convened meeting, whichever occurs earlier.
- F. OPPORTUNITY TO SPEAK: The public has the right to attend and the right to speak at open BOD meetings. However, the BOD may make and enforce reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, televising, photographing, broadcasting, or recording its meetings. The BOD may not be required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings. The BOD may require any member of the public desiring to address the BOD to identify himself/herself.

Dated: June 10, 1996
Revised: May 10, 2006
Revised: April 10, 2017

Attest: _____

(Secretary)



BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

POLICY NUMBER 209

AFFILIATED ORGANIZATIONS

I. OBJECTIVE

To provide representatives to affiliated organizations and to authorize said representatives to act on behalf of the District.

II. PROVISIONS

- A. In January of each year the Board of Directors shall name representatives to the affiliated organizations as follows:
 1. NREA (Nebraska Rural Electric Association)-Delegate and Alternates
 2. NRECA (National Rural Electric Cooperative Association)-Delegate and Alternates
 3. CFC (National Rural Utilities Cooperative Finance Corp.)-Delegate and Alternates
 4. Nebraska Electric Generation & Transmission Coop., Inc.- Delegate and Alternates
 5. NRE Coop (Nebraska Rural Electric Cooperative, Inc.)-Delegate and Alternates
 6. NEPA (Nebraska Electric Power Authority – Delegates
 7. NRTC (National Rural Telecommunications Coop.) & Nebraska Rural TV, Inc. - Delegate and Alternates
 8. Federated Rural Electric Insurance Corp. - Delegate and Alternates
- B. Said representatives shall have the power and authority to cast the official ballot on behalf of the District in such matters as may be required from time to time. He shall represent the wishes of the District and should familiarize himself with such activities as they may affect the operation of the District and report to the Board of Directors on actions taken or to seek Board support and approval on future activities.
- C. Said representative shall make every effort to attend those meetings where action is anticipated or information available so that the interests of the District may be presented and safeguarded.
- D. Delegates to any meeting shall report on that meeting at the next regular Board meeting.

Dated: June 10, 1996, January 10, 1997, February 11, 2005, June 10, 2016

Revised: January 10, 2017

Attested: _____

(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

POLICY NUMBER 210

CONFLICT OF INTEREST

I. OBJECTIVE

To assure that Butler Public Power District's (District) conflict of interest policy aligns with the Nebraska Political Accountability and Disclosure Act.

II. CONTENT

- A. An official or employee of the executive branch of state government (i. e. political subdivision) has a potential conflict of interest if he/she, in the discharge of his/her official duties, would be required to take any action or make any decision that may cause financial benefit or detriment to him/her, a member of his/her immediate family, or a business with which he/she is associated, which is distinguishable from the effects of such action on the public generally, or a broad segment of the public. *(Reference 49-1499.02)*
- B. Immediate family member shall mean a child residing in an individual's household, a spouse of an individual, or an individual claimed by that individual or that individual's spouse as a dependent for federal income tax purposes. *(Reference 49-1425)*
- C. Business shall mean any corporation, partnership, limited liability company, sole proprietorship, firm, enterprise, franchise, association, organization, self-employed individual, holding company, joint-stock company, receivership, trust, or activity. *(Reference 49-1407)* NOTE: The definition does not distinguish between for profit and non-profit entities.
- D. Business with which the individual is associated or business association shall mean a business: 1) in which the individual is a partner, limited liability company member, director or officer; 2) in which the individual or a member of the individual's immediate family is a stockholder of a closed corporation stock worth \$1,000 or more at fair market value or which represents more than a 10% equity interest.
- E. If you believe you have a potential conflict of interest as described above, you must prepare a written statement describing the matter requiring action or

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

decision and the nature of the potential conflict. This may be done on NADC Form C-2 entitled Statement of Potential Conflict of Interest. This statement of Potential Conflict of Interest should be filed with the NADC and your immediate supervisor, if any. (*Reference 49-1499.02*) If the potential conflict of interest exists the immediate supervisor shall assign the matter to another.

- F. If you have no immediate supervisor, you must take such steps as the Commission prescribes to avoid conflict.
- G. Be aware of any statutory provisions that apply specifically to your agency. Also be aware of your agency's own rules and regulations on this subject.

III. PROHIBITED ACTS

- A. No person shall offer or give to an official, an employee of the executive branch, a candidate or an immediate family member of either, anything of value, including a gift, loan, contribution, reward, or promise of future employment, based on an agreement that the vote, official action or judgment of any aforementioned above would be influenced thereby.
- B. None of those persons mentioned in III. A. above shall solicit or accept anything of value, including a gift, loan, contribution, reward or promise of future employment based upon an agreement that the vote, official action or judgment of any aforementioned above would be influenced thereby.

IV. RESPONSIBILITY

- A. The Board President shall ensure the enforcement of this policy.
- B. Actions considered inconsistent with these policies are to be reported to the entire board.
- C. Any official or employee of the executive branch must disclose any situation, which, in his or her opinion, violates, may violate, or could appear to violate the intent of this policy.

Dated: November 10, 2003

Dated: August 13, 2007

Revised: May 11, 2009

Revised: December 10, 2018

Attested: _____

(Secretary)

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

Policy Number 211

UTILITY LINE COURSE SCHOLARSHIP

I. OBJECTIVE

To provide a scholarship aimed at highly motivated and safety-conscious individuals who want to become line technicians through a utility line program at either Northeast Community College (NECC) in Norfolk, Southeast Community College (SECC) in Beatrice, Western Nebraska Community College (WNCC) in Alliance, or Metropolitan Community College (MCC) in Omaha, Nebraska.

II. APPLICANT GUIDELINES

The applicant must reside within the Butler Public Power District (District) service area, be a dependent of a customer of the District, or live in one of the following villages: Abie, Bellwood, Brainard Bruno, David City, Dwight, Garrison, Linwood, Loma, Malmo, Octavia, Prague, Rising City, Surprise, Touhy, Ulysses, Valparaiso and Weston to be eligible for the scholarship.

The applicant must write a personal essay, not exceeding 350 words explaining why they are interested in studying utility line. On a separate sheet, provide three references and a list of activities.

The District must receive the completed application (application, essay, references and activities) no later than January 15th of each year for all new applicants.

Applications should be submitted to:

Butler Public Power District
Attn: Marketing/Communication/Customer Coordinator
1331 N 4th Street
David City, NE 68632-1107

Applicants must have applied to a utility line program at either NECC, SECC, WNCC, or MCC and been accepted or placed on a waiting list by January 15th.

III. SELECTION OF RECIPIENT

The District Selection Committee (Board President or their delegate, General Manager and Marketing/Communication/Customer Coordinator) will review applications. The committee may request an interview. Notification of recipient will be made by February 15th of each year. The scholarship will be renewed for

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

the second year in attendance at NECC or SECC if the student continues to be a utility line major and maintains satisfactory progress.

IV. CRITERIA FOR DISBURSEMENT OF FUNDS

The student will be required to send Butler PPD a transcript prior to each payment to verify the student is in good standing.

The scholarship ranges in value according to the student's chosen program. Students attending a 1-year program at an accredited school are eligible to apply for a \$1,500 scholarship, and 2-year program students are eligible for a \$3,000 scholarship.

If you are awarded a scholarship for a one-year program, the scholarship will be paid directly to you following the successful completion of your utility line program. If you are awarded a two-year scholarship, half of the scholarship will be paid directly to you following the successful completion of your first year of the utility line program. The second half of the scholarship is awarded following graduation.

V. RESPONSIBILITY

The Board President is responsible for the administration of this policy.

Dated: November 13, 2001

Dated: October 10, 2006

Dated: March 11, 2013

Revised: August 10, 2015

Revised: November 9, 2018

Revised: December 10, 2019

Revised: April 10, 2025

Revised: December 12, 2025

Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

POLICY NUMBER 212

POLITICAL ACTION PLAN

I. OBJECTIVE

The purpose of a Political Action Plan is to identify opportunities and formulate a plan to impact legislation of public power in a positive way. It is the desire of directors to avoid laws that have a negative impact on our power supplier, Nebraska Public Power District, employee benefits, and the customers of Butler Public Power District. This can be accomplished at the local, state, and national levels.

II. PROVISIONS

The Board of Directors agrees with the following steps:

- A. Encourage directors to attend the NREA Annual Legislative Reception held in Lincoln each year.
 - Host the 23rd District State Senator
 - Host the 24th District State Senator
 - Host an Urban State Senator
- B. Encourage directors to attend the NRECA Legislative Rally, held in Washington, D.C.
- C. Have knowledge of contact information for Washington, D.C., delegation that represents Butler PPD service territory.
- D. Encourage the General Manager to contact the State Senators of the 23rd and 24th Districts, who represent the Butler PPD service territory, to discuss issues that affect Butler PPD.
- E. Invite the State Senator of the 23rd & 24th District to attend BPPD's Board Meeting at his or her convenience.
- F. Encourage all Board members, management, and employees to become members of America's Electric Cooperatives Pac and Nebraska ACRE.
- G. Promote efforts by attending events that enhance the quality of life for Nebraskans through economic development and other electricity related endeavors.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

- H. Support the recommendations of the NREA Grassroots Initiative:
 - The General Manager will be a grassroots advocate.
- I. Become knowledgeable and track political and legislative issues that impact the electrical industry including, but not limited to the following:
 - National Level: Energy Bill
Farm Bill
RUS Funding
Captive Rail Legislation
Telecommunications Legislation
FEMA and Related Disaster Issues
 - Statewide Level: Comprehensive Energy Policy
Retail Choice
Crossing Railroad R. O. W.s
Renewable Energy including Net Metering
Unbundled Billing
Territorial Protection
Water Policy Issues
Eminent Domain

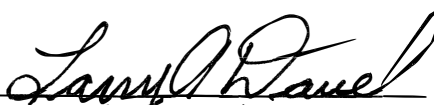
III. RESPONSIBILITY

The Board President and the General Manager are responsible for the administration of this policy.

Date: February 11, 2008

Revised: May 9, 2017

June 9, 2023 Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 213

NEBRASKA YOUTH ENERGY LEADERSHIP CAMP / YOUTH TOUR

I. OBJECTIVE

To establish policy for participation in the Nebraska Youth Energy Leadership Camp and the Youth Tour in Washington, D.C.

II. PROVISIONS

- A. The District will sponsor attendance of high school students, grade 9 through 11, from the District's service area and whose parents are residential customers of the District at the Nebraska Rural Electric Association (NREA) Youth Energy Leadership Camp.
- B. During the week of education, students have the opportunity to compete for a chance to participate as state ambassadors, where two Nebraska students are selected by their fellow campers to represent Nebraska at the National Rural Electric Association (NRECA) Youth Tour in Washington, D.C. in June of the following year.
- C. Should a student from the District's area be selected for the Ambassador program, NREA will cover the cost to attend Youth Tour in Washington, D.C. If a student who is not the ambassador elects to participate, the student is responsible for all costs to attend.
- D. The General Manager shall be responsible for the administration of this policy.

Dated: June 10, 1996

Revised: September 10, 2001

November 10, 2008

November 10, 2017

February 2, 2024

Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 214
FINANCIAL POLICY STATEMENT

I. PURPOSE

To provide guidelines and direction from the Board of Directors to Management in order to maintain a sound financial position and provide for the security of the financial resources of the District.

II. POLICY CONTENT

The District is a public corporation and political subdivision of the State of Nebraska and will at all times be operated under the laws of the State for the mutual benefit of its customers. In addition to these legal requirements, the District is guided in its operations by regulations and operational practices prescribed by various regulatory bodies and/or lender(s). Beyond these legal, regulatory, and lending requirements, the District has an obligation to its customers to ensure the financial integrity of the District so that it can provide safe, low cost and reliable electric service consistent with prudent business practices not only for today, but into the future.

III. PROVISIONS

- A. In order to maintain a sound financial position and provide for the most effective management and security of the financial resources of the District, the Board directs the General Manager to create and/or update or see to the creation and/or updating of the following planning documents (see Appendix 707). These documents shall be created/updated on a regular basis and reviewed annually. All documents shall be reviewed and approved by the Board of Directors. Note that from time to time there may be other planning documents not included below that may be necessary to meet this policy's intent.

PLANNING DOCUMENTS
Capital Additions Budget
5 Year Construction Work Plan / Sub-T Plan
Long Term Debt
Debt Service
Annual Budget
Financial Forecast
Cost of Service
Wheeling Analysis

**Note: The above planning documents shall be changed annually as recommended by the Manager and approved by the Board*

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

The District shall use all resources at its disposal to assist in preparing the aforementioned planning reports. These resources shall include, but are not limited to: annual independent audit; CFC Key Ratio Trend Analysis (KRTA), Nebraska Electric G&T Co-op Statistical Comparisons (NEG&T); historical operating statements, balance sheets and cash flow analyses; and cost of service study.

B. Management shall operate the District so that its financial operating results are within the following goals and parameters as established by the Board of Directors.

1. Equity Ratio

In order to minimize the risks associated with insolvency and maintain an optimal cost of capital, the Board of Directors and management shall strive to maintain an equity ratio of 60%. Equity ratio is defined as Total Margins & Equity divided by Total Assets & Other Debits, as calculated by KRTA #16.

2. Times Interest Earned Ratio (TIER) and Debt Service Coverage (DSC)

In accordance with the Supplemental Revenue Bond Resolution, the district shall maintain a minimum TIER ratio of 2.0 and a minimum DSC ratio of 2.25. TIER is a primary indicator of a utility's financial health and is calculated by KRTA # 6. DSC is defined as the sum of Depreciation, Interest on Long-Term Debt, and Margin, divided by billed debt service (principal & interest payments), as calculated by KRTA #12.

3. Short Term Debt

The General Manager shall consider and discuss establishing a line-of-credit for interim or bridge financing with the board on a case-by-case basis. The District shall maintain a line-of-credit for short-term operating purposes in an amount not to exceed \$1,500,000 for term which shall not exceed twelve (12) months. The District shall maintain an emergency line-of-credit in an amount not to exceed \$4,800,000 for term which shall not exceed sixty (60) months to support the capital and operating needs of emergency storm recovery efforts.

4. Cost of Service Study

Management and the Board of Directors shall strive to maintain a fair, equitable and risk rated balance between the collection of revenue and incurring of expenses between all revenue classes. This balance shall be determined through completion of an industry accepted cost-of-service study, completed on a regular basis, but no less frequently than once every 3 years.

5. Days of Cash Requirement

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

To help assure timely completion of capital improvements and enable the District to meet its financial obligations, the Board of Directors shall strive to maintain a minimum days of cash. The range, for days of cash shall be between 100 to 135 days. **Days of cash** is defined as the number of days that an organization can continue to pay its operating expenses, given the amount of cash available. Cash equivalents shall include investments, debt reserves, construction funds, and general funds.

Days of Cash Formula

Formula					
	Projected Expenses	/	Cash Balance	=	XYZ
	365 Days	/	XYZ	=	Days of Cash
Example					
	\$16,306,675	/	\$3,281,073	=	4.97
	365	/	4.97	=	73 Days of Cash

6. Investments – General Funds and Other Liquid Assets

Optimal management of public power districts (PPDs) includes the fiduciary responsibility of selecting appropriate investments for general funds and other liquid assets. Typically, these investments are of low risk and high liquidity in order to ensure payment of current liabilities as they become due. Management shall consider an investment strategy regarding the district's general funds and other liquid assets. The investment strategy shall include the following:

a. Risk Tolerance

Understand the willingness and ability for the District to assume risk. For PPDs, risk tolerance should be low since these investments are typically needed to pay current liabilities

b. Constraints

Time Horizon: Identify the time horizon of the investments. For the PPDs, the time horizon may be short since these investments are typically needed to pay current liabilities.

Liquidity: Identify immediate and ongoing liquidity needs. For PPDs, these investments should be liquid in order to be available to pay current liabilities.

Laws and Regulations: Identify legal and regulatory issues governing investment activity.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Unique Circumstances: Identify any special needs of the District.

c. Return

Identify the expected rate of return based on the requirements stated above. For PPDs, the return on these investments is of secondary importance to risk tolerance, time horizon and liquidity in order to ensure payment of current liabilities.

Suggested investments for general funds and other liquid assets shall include the following:

- (1) Securities issued or guaranteed as to payment of principal and interest by the United States Government. These include, for example, Treasury bills, bonds and notes which are direct obligations of the United States Government ("U.S. Government Securities").
- (2) Examples of obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government ("Federal Agency Securities"), include, Federal Intermediate Credit Banks, Federal Home Loan Banks, the Federal National Mortgage Association, and the Farmers Home Administration. Such securities will include those supported by the full faith and credit of the United States Treasury, as well as those supported only by the credit of the issuing agency or instrumentality.
- (3) Certificates of deposit and time deposits in compliance with applicable laws in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Each separate financial institution must be approved as a depository of District funds by the Board of Directors. Deposits in excess of the FDIC coverage (\$250,000) is permitted if the institution covers the excess with a pledge of bank investments to be held in joint custody with the District in an amount no less than the amount by which the FDIC coverage is exceeded.
- (4) Investment in the Nebraska Public Agency Investment Trust (NPAIT) shall be permitted as NPAIT can only invest in instruments in which public agencies are permitted to invest funds under Nebraska law.
- (5) Investment in Nebraska Cooperative Liquid Assets Securities System (Nebraska CLASS) shall be permitted as it was "Established by interlocal agreement in accordance with the Nebraska law permitting local governments to pool funds as per Nebraska R.S. 13-801 and 13-827" (Overview – Nebraska Class 05/16/2023).
- (6) Unsecured investments offered by the National Rural Utilities Cooperative Finance Corporation (CFC). CFC was started in 1969 by the rural electric systems and is cooperatively owned by those systems. CFC's Daily Fund

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

offers owners a highly flexible, "money market" type of investment account for cash surpluses to which the owner may need ready access. The fund allows owners to earn stronger returns on their short-term cash surpluses without tying the funds to any set maturity.

(7) Any other type of investment now or hereafter authorized by the Board of Directors.

C Management shall prepare an annual Financial Budget.

This Budget shall be prepared for the ensuing fiscal year and shall be available to the Board of Directors at the November monthly board meeting. Final approval shall take place at the December monthly board meeting. The Budget shall include assumptions used to prepare the Budget; expected Monthly Revenues, Power Costs, Maintenance and Operational Expenses, Capital Additions projects, with a detailed description including finance estimates for these projects, Debt Service and the Fiscal Policy for review.

D. From time to time, management shall prepare, or cause to be prepared, a Financial Forecast used for looking ahead and projecting future financing requirements (bond issues) and rate increases. The forecast's first year will contain financial data from the annual budget referenced above. The Financial Forecast shall include and comply with all of the financial goals and parameters previously identified in this policy and its summary shall be reported to the Board of Directors. The Financial Forecast shall, at a minimum, contain the following projections: wholesale rates, capital additions (constructions work plans & joint subtransmission plans with NPPD), load growth, operating revenue, expenses, cash reserves, and debt coverage ratios.

E. If the financial goals in paragraph B conflict with each other to such a degree that the financial forecast cannot reasonably achieve all of them at the same time, the General Manager shall communicate the conflict(s) to the Board of Directors. The Board shall, with the General Manager's guidance, discuss and resolve these conflicts.

F. Management may from time to time engage the services of a rate consultant for the purpose of conducting cost of service, financial forecast and rate design studies. Prior to taking any action on rates as recommended by a rate consultant, the Board shall be fully advised of the results of the cost of service study and the recommended rates. Prior to making any adjustments in rates, the Board will consider the financial goals for the District as established from time to time.

IV. RESPONSIBILITY

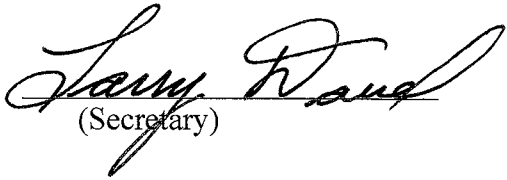
A The Board is responsible for: (1) reviewing, discussing, and evaluating the General Manager's recommendations for the Financial Policy Statement; (2) approving this policy as presented or amended; (3) reviewing and evaluating this policy annually; (4) revising this policy as circumstances warrant.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

- B. The General Manager is responsible for implementing this policy and for overseeing the development of the practices and procedures necessary to maintain the financial integrity of the District.
- C. The General Manager is responsible for recommending revisions to this policy to the Board of Directors as circumstances warrant.
- D. The Board of Directors and General Manager are responsible for assuring compliance with this policy.

Dated: April 10, 2009
Revised: December 10, 2015
May 13, 2019
August 4, 2023

Attested:


(Secretary)

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

Policy Number 215

(Open for Future Use)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

POLICY NUMBER 216
RATE STATEMENT POLICY

I. OBJECTIVE

To set forth policy relating to the development and implementation of electric rates which are fair, reasonable, and nondiscriminatory and align with the financial strategic objectives of Butler Public Power District (District).

II. POLICY

A. Commitment to Rate Design

It is the policy of the Board of Directors of District to develop electric rates that allow the District to provide for safe dependable electric service at the lowest practical cost and maintain the District's financial strength.

B. Basic Fundamentals

1. The District will prepare or cause to prepare revenue requirements and cost-of-service studies from time-to-time to have information needed to develop rates.
2. Rates will be developed and implemented that:
 - a. Allocate cost across rate classes in an equitable manner.
 - b. Minimize subsidies between classes. (Exceptions may occur due to a specific strategic initiative such as providing a low-income rate.)
 - c. Phase out subsidies within a class.
 - d. Generate margins adequate to meet annual lender requirements and long-term financial objectives as per the District's Financial Policy Statement.
 - e. Coordinate retail distribution rates with the rates of the District's power supplier.

C. Environmental Commitment

1. Promote and encourage energy efficiency and conservation
2. Support the use of renewable resources
3. Promote load management programs

D. Technology

1. Invest in technologies that:
 - a. Allow customer access to metering data through self-service avenues.
 - b. Provide self-service tools to assist customers in understanding daily/monthly electric usage along with providing a means to troubleshoot usage concerns.
 - c. Maintain a Smart Grid metering system.
 - d. Enhance customer service, reliability, and reduce losses.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

E. Monitoring

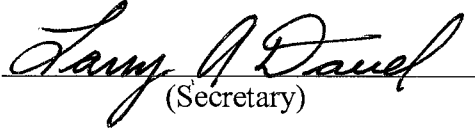
Management should be held accountable for implementing rates as approved by the Board of Directors and routinely report to the board as to the need to adjust rates to account for changes in cost or strategic initiatives.

III. RESPONSIBILITIES

The General Manager shall be responsible for this policy.

Dated: July 12, 2010
February 9, 2018
July 10, 2023

Attested:


(Secretary)

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

**POLICY NUMBER 217
CEO REPLACEMENT**

I. OBJECTIVE:

The hiring of a CEO is a critical and vitally important Board responsibility. This policy's objective is to ensure a systematic and timely replacement of an incumbent CEO position at Butler Public Power District (District).

II. PROVISIONS:

There are two basic avenues of finding and hiring a CEO:

- In the ideal approach to finding and hiring a CEO you have sufficient notice to position the District, assess your needs, retain outside experts, find, and interview candidates, and select the right leader without undue pressure from the ticking clock.
- In the less optimal approach, with less time, you'll first need to consider an Interim CEO while doing the other necessary search items but have limited time.

III. PROCESS:

The following is a recommendation to be considered when it becomes necessary to replace a CEO

- A Succession Committee chaired by the Board President ~~will~~ could be formed to seek a replacement if the Board of Directors choose to use a committee structure for the replacement. Any Director wishing to be part of the Committee, if formed, may do so. The Committee may seek the services of a facilitator or executive search firm to assist it in its work. The Committee would be responsible for narrowing down candidates, who will then be invited to address the Board at a time and place designated by the Board President.
- The Board and the CEO share responsibility for District performance. An effective board will shoulder its share of the responsibility and commit to developing an intimate understanding of the business context, and at first, be less concerned about pleasing the customer and more about strategic fit when choosing a replacement and taking an active role in overseeing the CEO and the strategic performance of the District.
- If timing is likely to be an issue inside candidates will be interviewed for consideration as Interim CEO. The Board may approve the action at the next regularly scheduled board meeting or call a special meeting to act.
- Many Districts will use executive search firms to find candidates, but board members still must identify the District's challenges, the regulatory environment, and industry context, as well as the skills a replacement CEO will need – before they hire a search firm. Doing so will allow them to guide (rather than be guided by) the recruiters.

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

- The board should also let strategic needs dictate selection criteria for the new CEO.
- Following the opportunity to meet and interview the candidates, the Board could move to Executive Session with the Committee and the facilitator, if used, to address questions. Following the Executive Session the Board shall authorize the Board President or facilitator to extend an offer to the candidate of its choice.
- And finally, good boards develop a deep understanding of the business and apply that understanding through active oversight of strategic performance. Once they've appointed a new CEO, their job is to assure that the CEO is focused on strategic performance as well as other details of directing the operations of the District.

IV.

The Board President shall be responsible for this policy.

Dated: March 11, 2011
Revised: April 11, 2022

Attested: _____


(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 218

DIRECTOR EXPENSE REIMBURSEMENT

I. PURPOSE

To assure fair and equitable reimbursement to Directors for reasonable travel expenses incurred while attending meetings on behalf of the District.

II. POLICY CONTENT

Because training and interaction with other utility Directors is important, Directors are encouraged to attend state, regional and national meetings. However, since ever increasing travel costs are paid by customers it is recommended that each Director attend no more than one out-of-state meeting every year.

III. PROVISIONS

A. Transportation Expenses

Directors shall be reimbursed for reasonable transportation expenses as follows:

1. When traveling by personal automobile, a Director shall be reimbursed at the prevailing Internal Revenue Service mileage rate, plus any related charges, such as tolls, parking fees, etc.; provided, however, that the amount to be reimbursed does not exceed the amount the Director would have been reimbursed had he traveled by air (economy fare).
2. When traveling by means other than personal automobile, a Director shall be reimbursed for all reasonable transportation expenses and fares charged for travel (i.e. air, bus, rail, or taxi).

B. Incidental (i. e. meals, lodging) Expenses

1. When a Director attends any authorized state, regional, or national meetings, Director shall be reimbursed incidental expenses incurred, in accordance with the Federal Government Standard Rate Per Diem Meal guidelines as shown on the U.S. General Services Administration website (link below). Any updates to this amount will be based on the Federal Government updates per the following web page.

<http://www.gsa.gov/portal/category/100120>

The following table shows the breakdown of breakfast, lunch, and dinner components of the daily standard reimbursement per diems for meals while on travel in Nebraska, as well as out of state travel.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

	Breakfast	Lunch	Dinner (evening meal)
Nebraska	\$16.00	\$19.00	\$28.00
Out of State	\$20.00	\$22.00	\$33.00

2. Directors will be paid meal per diems without providing receipts. Directors will be asked to check a box for every meal taken while traveling on the Butler PPD Expense Report.
3. If the Directors trip includes meals that are already paid for by the District through the registration fee, the Director will need to deduct those meals from the Butler PPD Expense Report.

C. Unexpected Travel Expenses Incurred Due To Emergency

In the event a Director must change his travel plans due to an emergency or other extenuating circumstance and incurs additional travel expenses, the District will reimburse the Director for such additional expenses subject to the approval of the Board.

D. Car Rentals

Expenses for car rentals will be reimbursed only when it is clearly the most economical option. It is expected that reservations will be made for a compact vehicle, depending on the type of travel. Occasionally a mid-size vehicle may be appropriate when more than one director will be using the vehicle and in a small number of other circumstances.

It is important that you purchase rental insurance or a loss damage waiver from the rental company. The District's insurance carrier provides secondary rental insurance that will apply. Proper accident reporting will be critical, should one occur.

Directors are expected to refuel rental cars prior to returning them to the rental agency to avoid excessive gasoline charges. Do not use the prepaid gas option.

E. Expense Reimbursement Procedure

Expenses will be reimbursed following the Directors submittal of a written expense report with appropriate itemized receipts in a timely fashion on forms available from the Office/Human Resource Manager.

F. Expense reimbursement for others

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Generally, the District does not approve reimbursement for 'meals for others' unless there is a business reason to do so.

G. Policy Exceptions

Any exception to this policy must have approval of the Board. Expenses of spouses accompanying Directors to meetings will not be reimbursed unless there is previous approval. Requests for exceptions should document extenuating circumstances or proposed savings to the District. Such exceptions will be reimbursed following Board approval. No purchases of alcohol will be reimbursed.

H. Travel Cancellation

In the event a Director cancels a trip, Director must give the District sufficient notice to cancel any reservations so as not to incur any expense for the canceled event. If the Director fails to give the District sufficient notice to cancel reservations, Director is responsible for those expenses. However, should the cancellation be due to a medical or other emergency or the demands of the Director's employer, the Director will not be responsible for any travel expenses incurred.

IV. RESPONSIBILITY

It is the responsibility of the Board of Directors to review all Director expense reimbursement reports and to ensure that reimbursements are reasonable and in accordance with District policy.

Dated: December 12, 2008
Revised: May 10, 2011
Revised: May 7, 2018
Revised: October 9, 2020
Revised: May 10, 2022
Revised: December 10, 2024

Attested:


(Secretary)

BUTLER PUBLIC POWER DISTRICT DAVID CITY, NEBRASKA

Policy Number 219 MEDIA COMMUNICATIONS

I. OBJECTIVE

Butler Public Power District is a highly visible political subdivision and electrical utility serving Butler and Saunders Counties in eastern Nebraska. Release of information to the media is carefully coordinated and timed based on the needs of the District and its customers.

Any situation whereby a majority of our customers are or could be affected or where the District (its physical property or employees) is affected, should be handled in an efficient and effective manner so that the general public views Butler Public Power District as stable and/or in a controlled position. Examples include the reporting of an electrical contact and storm damage.

II. PROVISIONS

Unless otherwise authorized or requested by district management or the Board President, all reporters, journalists, media relations representatives and public opinion leaders who solicit information about the district (either on- or off-the-record), request interviews, stories, photographs or information are to be directed to the General Manager. This includes information pertaining to issues about which the person has direct knowledge. If an employee or board member is approached by the media, they should gain approval from the General Manager or the Board President prior to agreeing to conduct any interviews.

Information regarding district business which can be construed as sensitive in nature or confidential is to be communicated by the General Manager, the Board President, or their designee. All media requests, regardless if they are sensitive/confidential or not, must be directed to the General Manager.

Should an electrical contact or another serious accident occur involving the district, the General Manager, District Legal Counsel or their designee will act as primary communication representatives for news media. Please review Operation Policy, Appendix D prior to responding to such incidents. Directors should contact the General Manager as soon as possible when they have been contacted regarding emergency situations. Board members are asked to refrain from speculating on any such matter unless specifically instructed or apprised of each matter.

District management may request that employees participate in interviews or be photographed while involved in work activities. Such requests are considered elements of all employees' job descriptions and responsibilities.

Good public relations is a matter of utmost importance to Butler Public Power District.

Dated: November 10, 2014

Revised: August 5, 2019

January 8, 2026

Attest: _____

(Secretary)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

Policy Number 220

----- NOT USED -----

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

**POLICY NUMBER 221
DIRECTOR TECHNOLOGY**

I. OBJECTIVE

The focus of this policy is to provide tools and resources to more effectively govern the District. Technology immersion does not diminish Directors' vital role but facilitates it. The policies, procedures and information within this document apply to all iPads, or any other device considered to come under this policy and used by District Directors.

II. POLICY CONTENT

The District will provide an iPad or tablet to Directors to assist in their duties or will reimburse a Director who provides their own iPad/tablet meeting District specifications and providing proof of ownership.

III. PROVISIONS

- A. The technology is being furnished for the purpose of conducting District business. District will purchase a suitable iPad/device at its cost and install such software (apps) as deemed appropriate to accomplish the goals set forth herein and as may be modified from time to time. The iPad/device will become the property of the Director. All Directors will participate.
- B. This technology is provided to Directors to assist in their governance including but not limited to:
 - 1. Receiving and using the monthly board packets in digital format
 - 2. Providing a means of electronic communication with District Staff and the Director such as emails and
 - 3. Allowing the Director to maintain and conduct their personal business also.
- C. While traveling, Directors are advised to passcode the iPad. At home or at the District offices, this passcode can be disabled. If the Director's iPad is lost or stolen, the Director shall notify the District's General Manager.
- D. District will maintain such devices at its cost with regard to warranty and problems considered ordinary wear and tear. Directors are responsible for charging their devices.
- E. The Director shall be responsible for repairing such devices for problems caused by abuse or misuse. A Director having a device may install additional apps to assist them in performing their duties as Director. Such software must be legally owned, and the Director shall furnish to district, upon request, proof of ownership

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

of the copy installed on such device for reimbursement. No Director shall use a District device to conduct any business that is illegal. The District at no cost to the Director may replace any device furnished to a Director from time to time.

- F. Internet access is not paid for by the District for a Director's home. However, a "wifi hotspot" will be available if requested when a Director travels on District business.
- G. The District provides the iPad, the screen protector, 2 years' warranty insurance, and purchases any apps, which are business related. Each Director can provide their own "carrying case".
- H. When the iPad is deployed
 - 1. District will assist with loading apps to be used for business and/or training purposes. Upgrade versions of licensed software/apps are available from time to time and should be installed by Directors.
 - 2. At their own expense, Directors may put any personal app(s) or hold onto their iPad personal pictures. If "space" becomes an issue on the iPad later, they must delete personal apps or pictures.

IV. RESPONSIBILITY

- A. The General Manager or their designee shall be responsible for the administration of this policy.

Dated: May 10, 2012
Revised: June 10, 2020
July 10, 2026

Attest:


(Secretary)

**DIRECTORS POLICIES
AND
PROCEDURES**

**SERIES 3 0 0
CONSULTANTS**

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

Policy Number 301

LEGAL REPRESENTATION AND USE OF ATTORNEY(S)

I. OBJECTIVE

The Board of Directors ("Board") of Butler Public Power District ("District") recognizes that competent legal representation and effective use of attorneys are critical to the success of the District. Although an attorney or law firm ("Attorney") retained or employed by District and the Attorney's representation of District, are governed by rules of professional conduct and other local, state, and federal laws, the objective of this policy is to provide additional guidance for, and emphasize important aspects of, the Attorney's representation of District and District's use of the Attorney.

II. POLICY

- A. General Counsel The District shall retain or employ an Attorney ("General Counsel") to continually provide general legal services to the District. General legal services include, but are not limited to: (1) attending, and drafting or reviewing minutes of all meetings of the Board; (2) negotiating, drafting, and reviewing contracts; (3) providing legal services for the disposition or acquisition of real property and interests in real property; (4) providing legal services for the borrowing or lending of money; and (5) providing legal services regarding general business, district, tax, and electric utility law.
- B. Special Counsel As is reasonably necessary, and following consultation with the General Counsel, the District may retain or employ an Attorney to provide special legal services to the District ("Special Counsel"). Special legal services may require competence in a particular field of law and include but are not limited to: (1) representing the District in state or federal court, or before a local, state, or federal agency; and (2) providing legal services regarding labor, employment, tax, antitrust, environmental, or intellectual property law. In providing special legal services to the District, a Special Counsel shall provide the General Counsel copies of all communications, memoranda, briefs, notices, motions, and other documents prepared, filed, received, or sent by the Special Counsel. As determined by the Board, the General Counsel may provide special legal services to the District.
- C. Board Counsel As determined by the Board, it may retain, employ, direct, and discharge an attorney or law firm to continually or periodically provide legal services to the Board ("Board Counsel"), with the Board Counsel representing the Board as its client. The District shall pay Board Counsel a reasonable fee and reasonable expenses. To the extent practical, a Board Counsel's representation of the Board must be governed in a manner similar to

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

the manner in which an Attorney's representation of the District is governed under this policy.

- D. Competent Legal Representation and Conflicts of Interest An Attorney shall provide competent legal representation to the District, and shall have or acquire the appropriate knowledge, skills, time, and qualifications necessary to provide competent legal representation. No Attorney, however, guarantees, promises, or warrants a successful or favorable outcome regarding legal services provided to the District. An Attorney shall comply with conflict of interest requirements prescribed in applicable local, state, and federal law and rules of professional conduct. An Attorney may provide legal services to an entity in which the District owns an interest ("Affiliated Entity") only if the Attorney complies with these conflict of interest requirements. An Attorney shall inform the District's general manager, ~~chief executive officer~~, or person authorized by the general manager ~~or chief executive officer~~ ("Manager") in writing of any other entity engaged in generating, transmitting, distributing, marketing, or selling electric energy for which the Attorney provides legal services.
- E. Retaining, Employing, and Discharging Attorney The Board shall make decisions regarding retaining, employing, and discharging the General Counsel. Following consultation with the General Counsel, the Manager shall make decisions regarding retaining, employing, and discharging any other Attorney. By providing written notice to an Attorney, the District may discharge the Attorney, and terminate any attorney engagement agreement, at any time for any reason. By providing written notice to the District, and as required or allowed by applicable law and rules of professional conduct, an Attorney shall or may withdraw from representing the District and terminate any attorney engagement agreements.
- F. Third Party As part of providing legal services to the District, and with the Manager's prior consent, an Attorney may retain another attorney or may use an attorney or paraprofessional associated with the Attorney in a law firm. As reasonably necessary or helpful in providing legal services to the District, and subject to any limitations stated in an attorney engagement agreement, an Attorney may contract for a non-attorney and non-paraprofessional third party to provide goods or services.
- G. Directing Attorney Only the Board, through the Chairman of the District, or the Manager may request that an Attorney provide legal services to the District. As requested by an Attorney, and as reasonably necessary or helpful in providing legal services to the District, the District shall provide the Attorney reasonable access to its directors, officers, employees, consultants, agents, representatives, records, and documents. The Manager and an Attorney shall keep the Board reasonably informed regarding any matter for which the Attorney is providing legal services to the District. In consultation

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DAVID CITY, NEBRASKA 68632

with the Board or as directed by the Board, the Manager shall direct an Attorney. In providing legal services to the District, and subject to the Board or Manager's direction, an Attorney may act on the District's behalf in any manner reasonably believed to be in the District's best interest. Unless the Manager gives his/her prior consent, an Attorney may not make a statement outside of a tribunal regarding the Attorney's provision of legal services to the District, which statement the Attorney knows or reasonably should know will be disseminated by means of public communication.

- H. Attorney Fees and Expenses The District shall pay an Attorney a reasonable fee and reasonable expenses. An Attorney shall provide legal services to the District in a cost-effective and efficient manner. The fees and expenses for an Attorney retained by the District must be specified in an attorney engagement agreement, a sample of which is attached to this policy
- I. Unauthorized Practice of Law No District director, officer, employee, consultant, agent, or representative may provide legal services to the District.
- J. Public Power District as Client In providing legal services to the District, an Attorney represents the District, as his/her client, acting through its authorized directors, officers, employees, and members. In representing the District, an Attorney does not represent the District's directors, officers, employees, or members. If the Board gives it's informed, written, and prior consent, and if an Attorney complies with applicable conflict of interest requirements, then the Attorney may represent an Affiliated Entity and the Attorney may represent individual District directors, officers, employees, and members in matters related to the Attorney's representation of the District.
- K. Attorney-Client Privilege Confidential communications between the District, or its agent or representative, and the Attorney, or his/her agent or representative, made to facilitate the Attorney's provision of legal services to the District are protected by the attorney-client privilege. District directors, officers, employees, consultants, agents, and representatives shall not disclose these communications to third persons, other than those to whom disclosure is made in furtherance of this provision of legal services, or those reasonably necessary for transmitting the communications. To the extent these communications are disclosed to District employees, consultants, agents, or representatives, they must only be disclosed to individuals who reasonably need to know of the communications.
- L. Attorney's Duty to Inform and Consult The Attorney shall keep the Board and the Manager reasonably informed regarding a matter for which the Attorney is providing legal services to the District. For decisions regarding the matter to be made by the District, the Attorney shall explain the matter to the Board and the Manager to the extent reasonably necessary to permit the

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

District to make an informed decision. An Attorney shall promptly comply with the District's reasonable request for information.

- M. Reliance In providing legal services to the District, the Attorney may rely upon information provided by the District, unless the Attorney knows that the reliance is unwarranted. In performing his/her duties, a District director, officer, or employee may rely upon information, opinions, reports, and statements prepared or presented by an Attorney. A director, officer, or employee's reliance, however, is only permitted regarding matters involving skills or expertise that he or she reasonably believes are within the Attorney's professional or expert competence. Further, this reliance is only permitted if the director, officer, or employee acts in good faith and reasonably believes that the reliance is warranted and that the Attorney merits confidence.
- N. Evidence of Violation of Law or Breach of Duty If an Attorney, other than the General Counsel, knows or reasonably should know of any evidence of an actual or intended material violation of law or material breach of duty, or evidence of an actual or intended violation of law or breach of duty likely to result in substantial injury to the District, by the District or by any District director, officer, employee, consultant, agent, or representative ("Evidence"), then the Attorney shall report the Evidence to the General Counsel. If the General Counsel knows or reasonably should know of any Evidence, then the General Counsel shall report the Evidence to the Manager.

Within thirty (30) days of Evidence being first reported, the General Counsel or the Manager, as determined by the Manager, shall investigate the Evidence, respond appropriately to the Evidence, and inform the reporting Attorney regarding the investigation and the response. If an Attorney, other than the General Counsel, reasonably believes that neither the General Counsel nor the Manager has investigated or responded appropriately to the Evidence, or if the Attorney believes it is reasonably necessary in the best interest of the District, then the Attorney shall report the Evidence to the Board or the audit committee of the Board ("Audit Committee") in person and without the presence of any other person, except a person invited by the Attorney. If the General Counsel reasonably believes that the Manager has not investigated or responded appropriately to the Evidence, or if the General Counsel believes it is reasonably necessary in the best interest of the District, then the General Counsel shall report the Evidence to the Board or the Audit Committee in person and without the presence of any other person, except a person invited by the General Counsel.

If a reporting Attorney reasonably believes that he or she has been discharged because he or she reported Evidence, then the Attorney shall inform the Board or the Audit Committee of this belief. To encourage and facilitate the reporting and investigating of Evidence, and responding appropriately to Evidence, the Board shall meet at least quarterly with the

BUTLER PUBLIC POWER DISTRICT
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General Counsel and without the presence of any other person, except a person invited by the General Counsel.

- O. Legal Programs, Publications, and Memberships The Power District shall encourage the General Counsel to: (1) attend legal programs sponsored by, and to subscribe to legal publications published by, the National Rural Electric Cooperative Association and the Nebraska Rural Electric Association; and (2) attend programs sponsored by, any association of attorneys representing power districts located within Nebraska. The payment of any fees and expenses related to a General Counsel retained by the District attending these legal programs, subscribing to these legal publications, or being a member of these associations must be specified in the *Attorney Engagement Agreement*.

III. RESPONSIBILITY

The Board is responsible for compliance with this policy. The Manager is responsible for communicating with the Attorney regarding the Attorney's provision of legal services to the District.

Dated: June 10, 1996
Revised: November 10, 2003
Revised: June 10, 2008
Revised: May 10, 2020
Revised: November 10, 2022



(President)

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

Policy Number 302

CONSULTING ENGINEER

Technical Engineering service is available at all times to the management of the District through a consulting engineering firm (RVW, Inc.) which is staffed with engineers who are specialists in the various fields of electric generation, transmission and distribution.

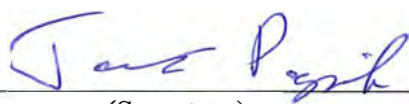
In connection with construction performed by contractors, the Consulting Engineer provides services, in accordance with its Ongoing Engineering Service Agreement with the District, for such things as – preparation of work and long-range plans, work specifications, preparation of construction contracts, staking, supervision of construction, making final inspection and preparing final close out documents.

In connection with operation and construction by District Crews, the Consulting Engineer provides services, in accordance with its agreement with the District, for such things as – preparation of engineering system studies, consultation on special technical problems, final inspections of Work Order construction and issuance of required certifications in connection with advancement of Rural Utility Services loan funds.

Conduct of Independent Engineers, The District expects all Consulting Engineers to exercise good judgment and to conduct themselves with utmost integrity. While it is not feasible to describe an all inclusive list of District expectations, the District expects that all consulting Engineers;

- safeguard all information,
- perform in a timely manner consistent with sound professional practices,
- maintain workmen's compensation insurance, public liability insurance and automobile liability insurance as prescribed by the latest CFR, Title 7, Agriculture, Part 1788-Subpart C,
- maintain a work environment free from any type of verbal or physical conduct that harasses, disrupts, or interferes with another's work performance or which creates an intimidating, offensive, or hostile environment,
- are committed to maintaining a workplace free of alcohol and drug abuse, and
- are sensitive to the need for data security, and are familiar with the District's privacy and confidentiality expectations.

Dated: June 10, 1996
Revised: September 15, 2005
Revised: June 10, 2016


(Secretary)

Policy Number 303

FISCAL YEAR, ANNUAL AUDIT FILING

I. OBJECTIVE

Comply with Nebraska Statute 70 – 623 “Fiscal Year; Annual Audits; Filing.”

“The fiscal year of the district shall coincide with the calendar year. The board of directors, at the close of each year’s business, shall cause an audit of the books, records, and financial affairs of the district to be made by a certified public accountant or firm of such accountants, who shall be selected by the district. The audit shall be conducted in a manner prescribed in section 84-304.01. When the audit has been completed, written copies of the audit shall be placed and kept on file at the principal place of business of the district and shall be filed with the Auditor of Public Accounts and the Nebraska Power Review Board within one hundred eighty days after December 31 of each year.”

II. PROVISIONS

- A. The Board shall be directly responsible for appointing the District’s independent auditor, including resolving disagreements between management and the auditor regarding financial reporting for the purpose of preparing or issuing an audit report or related work, subject to confirmation by the Board of Directors. In addition, the Board will review the independent actuarial report and other such financial matters as requested by the President of the Board.
- B. The Auditor shall audit the books of the District annually to ensure compliance with the procedures as set forth by the Rural Utilities Service (RUS), Federal Energy Regulatory Commission (FERC), and the State of Nebraska.
- C. The Auditor shall have access to all books, electronic records, vouchers, papers, contracts, or other data containing information and shall make such reports on the financial condition of the District and any variances from standard procedures available to the management of the District, its Board of Directors and other agencies deemed necessary or as required by law.
- D. The Board will also perform a review of per diem payments and expense reimbursements of the Board of Directors of the District on an annual basis.
- E. The President of the Board of Directors will be responsible for receiving complaints regarding auditing matters. Employees may submit concerns regarding questionable auditing matters anonymously to the President; such submissions shall be treated as confidential.
- F. The General Manager will be responsible for receiving complaints regarding accounting and internal accounting controls. Employees may submit concerns

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632

regarding questionable accounting matters anonymously to the General Manager; such submissions shall be treated as confidential.

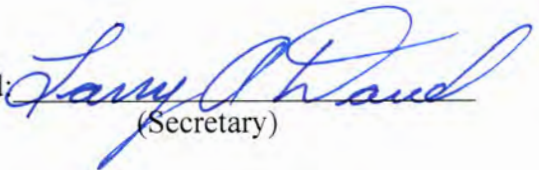
- G. All officers, management and employees of the District shall furnish to the auditor and their employees such information regarding the auditing of the District as may be demanded.

III. RESPONSIBILITY

- A. President of the Board of Directors and the General Manager.

Dated: December 10, 2003
Revised: July 12, 2005
Reviewed: March 10, 2010
Revised: April 10, 2018
October 10, 2023

Attested:


(Secretary)

DIRECTORS POLICIES AND PROCEDURES

SERIES 4 0 0

OPEN FOR FUTURE USE

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

**DIRECTORS POLICIES
AND
PROCEDURES**

SERIES 5 0 0

OPEN FOR FUTURE USE

**BUTLER PUBLIC POWER DISTRICT
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DIRECTORS POLICIES AND PROCEDURES

SERIES 6 0 0

OPEN FOR FUTURE USE

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DIRECTORS POLICIES AND PROCEDURES

SERIES 700

A P P E N D I C E S

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA 68632**

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

GLOSSARY

Board: Refers to the Board of Directors of the Butler Public Power District.

District: Refers to the Butler Public Power District.

President: Refers to the presiding officer of the Board of Directors.

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

**BUTLER PUBLIC POWER DISTRICT MISSION
STATEMENT:**

We will provide safe, low cost, reliable, excellent electric service to our customers and be actively involved in the areas we serve.

**BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA**

**DIRECTOR VOTING DELEGATES
AND ALTERNATES 2025
April 10, 2025**

- | | | | |
|-----|--|---|-------------|
| 01. | NREA (Nebraska Rural Electric Association) State Director | | |
| | Voting Delegate | - | Mark Blazek |
| | First Alternate | - | Mark Kirby |
| 02. | NRECA (National Rural Electric Cooperative Association) | | |
| | Voting Delegate | - | Mark Blazek |
| | Alternate | - | Mark Kirby |
| 03. | CFC (National Rural Utilities Cooperative Finance Corporation) | | |
| | Voting Delegate | - | Mark Blazek |
| | First Alternate | - | Mark Kirby |
| 04. | G & T (Nebraska Electric Generation & Transmission Cooperative, Inc.) | | |
| | Voting Delegate | - | John Schmid |
| | First Alternate | - | Mark Kirby |
| 05. | NRE Coop (Nebraska Rural Electric Cooperative, Inc.) | | |
| | Voting Delegate | - | John Schmid |
| | First Alternate | - | Mark Kirby |
| 06. | NEPA (Nebraska Electric Power Authority) | | |
| | Director | - | Mark Kirby |
| 07. | NRTC (National Rural Telecommunications Cooperative) & Nebraska Rural TV, Inc. | | |
| | Voting Delegate | - | Daryl Crook |
| | First Alternate | - | Mark Kirby |
| 08. | Federated Rural Electric Insurance Exchange | | |
| | Voting Delegate | - | Gary Kucera |
| | First Alternate | - | Lyle Jakub |

Board Approved: 01/10/2020

Board Reviewed: 01/11/2021

04/10/2025

Attested:



Secretary

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

AFFIRMATION OF DIRECTOR QUALIFICATIONS

I, the undersigned, hereby state and affirm as follows:

1. I have received, read, understand and support the Board Policy on Director Duties and Standards of Conduct (Policy # 102 of the Director's Policies and Procedures).
2. I have read and support the Bylaws of Butler Public Power District.
3. I have read State Statute 70 – 619 regarding Board of Director Qualifications and affirm that I meet each of the named qualifications.
4. I am qualified to serve as a Director.

I have signed my name hereto and had the same witnessed this ____ day of _____, 20____.

WITNESSED:

_____	_____
Name	Signature
_____	_____
Signature	Name
_____	_____
Address	Address
_____	_____
Telephone #	Telephone #

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

**STATE OF NEBRASKA
OATH OF OFFICE FOR ELECTED DIRECTOR OF
BUTLER PUBLIC POWER DISTRICT**

STATE OF NEBRASKA)
) SS
COUNTY OF BUTLER)

I, _____, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of Nebraska, against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely and without mental reservation or for purpose of evasion; and that I will faithfully and impartially perform the duties of the office of Director according to law, and to the best of my ability.

And I do further swear that I do not advocate, nor am I a member of any political party or organization that advocates the overthrow of the government of the United States or of this state by force or violence; and that during such time as I am in this position I will not advocate nor become a member of any political party or organization that advocates the overthrow of the government of the United States or of this state by force or violence. So help me God.

(Signed) _____

Subscribed in my presence and sworn to before me this _____ day of _____, 20_____.

Notary Public

My Commission Expires

_____, 20_____

DIRECTOR-CANDIDATE Questionnaire Butler Public Power District

Director Candidate Name: _____

1. Do you receive distribution electric service from Butler Public Power District at your primary residence? YES NO

2. Is your primary residence in either _____ or _____ Township, _____ County? YES NO

3. Will your employer allow you the necessary time and freedom to attend all Board Meetings and other training events and meetings? YES NO

Comments _____

4. Do you have financial interest in a vender or contractor the district now uses? YES NO

5. Are you a director for any other organizations? YES NO

If YES, what organizations and position do you currently hold? _____

6. Are you a close relative of an existing BPPD director or employee? YES NO
If YES, who? _____

(A close relative is defined as a spouse, parent (including step, foster and in-law), child (including step, foster and in-law), brother or sister (including step and in-law), niece, nephew, grandparent, or grandchild of an employee or Director. Additionally, no other relatives of an employee, employee's spouse, Director or Director's spouse living in an employee's or Director's household.)

7. Are you willing to devote approximately fifteen (15) days each year representing BPPD? (Attending 12 monthly Board Meetings and training seminars in or out of state.) YES NO

8. Are you willing to devote the necessary time to familiarize yourself with and live by all District By-Laws, Ideals and Objectives and Director Policies? YES NO

9. Are you willing to accept and support Board decisions that received a majority vote of approval but that you disagreed with and voted against? YES NO

DIRECTOR-CANDIDATE Questionnaire Butler Public Power District

10. Are you willing to represent all district customers, regardless of where they might live or receive electric service? YES NO
11. Will you devote the time necessary to read and be familiar with information and financial reports from BPPD, and other state and national associations? YES NO
12. Are you willing to refrain from disclosing confidential information of BPPD and thereby avoid material harm to BPPD? YES NO
13. Would you willing to run for this Director's seat in the next election? YES NO
14. The Board uses iPads for the dissemination of Board Packet and other pertinent district information. Do you have or are you willing to install internet access at your residence in order to receive email and access the district's website? YES NO
15. What do you think are the major issues facing electric utilities today? _____

16. Tell us of your previous governance experience and why you should be considered to fill the existing Board vacancy. _____

17. Why did you apply for this position? What distinguishes you so that you are the right person for this duty? _____
18. What questions do you have for us? Is there anything else that you would like to add?

ACKNOWLEDGMENT

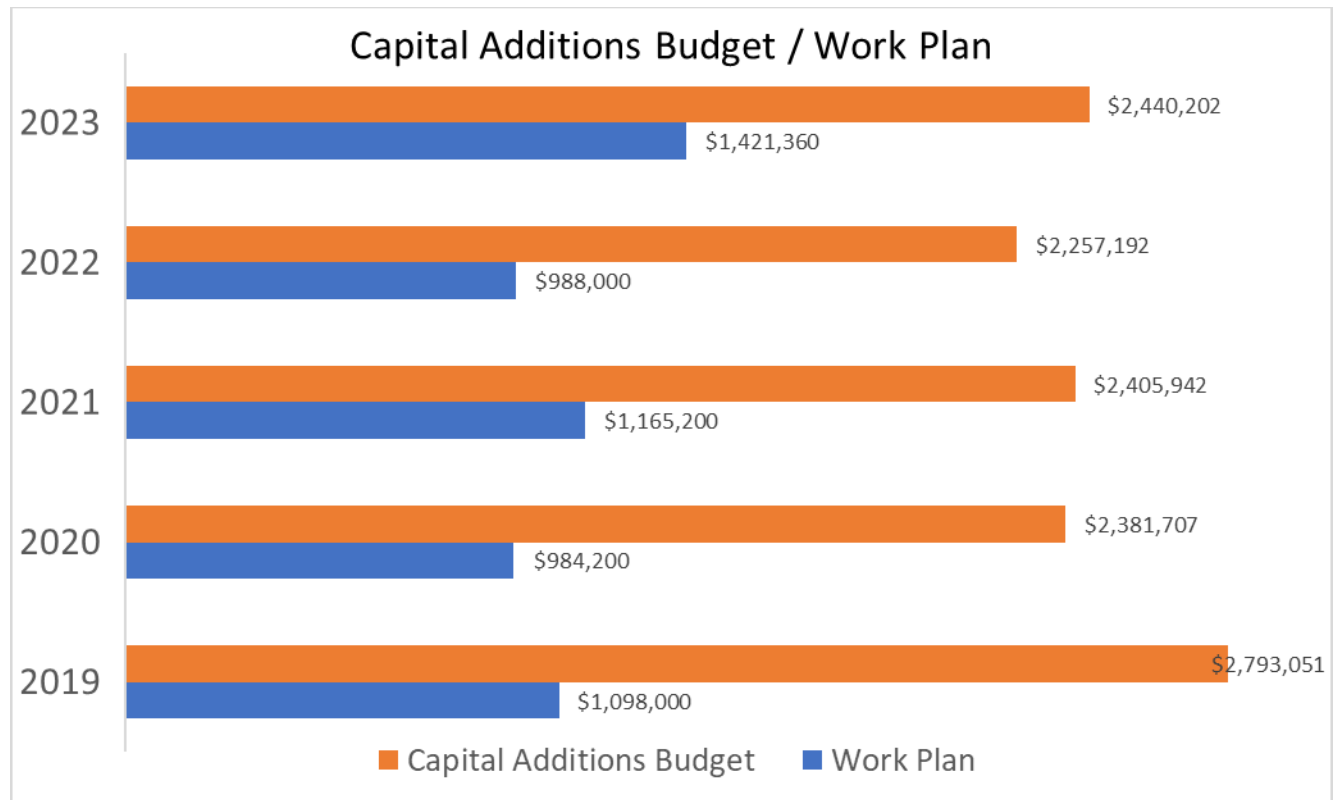
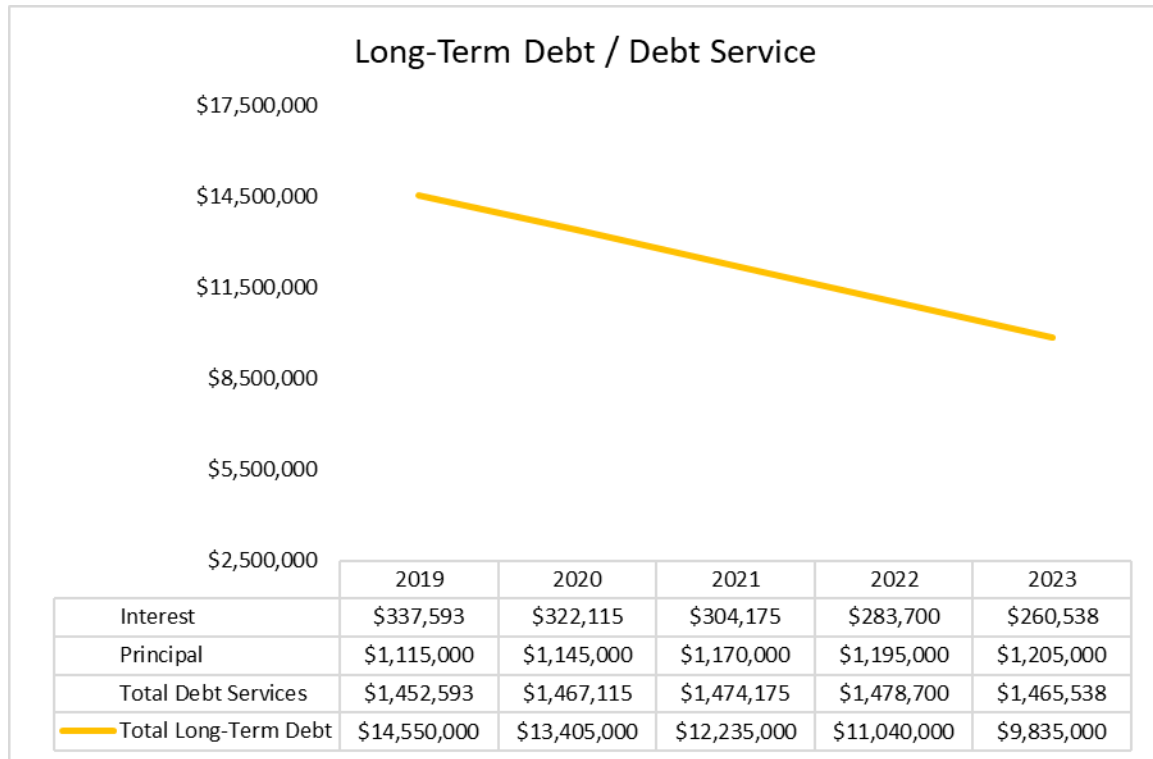
I hereby acknowledge that the answers to the foregoing questions are correct and complete to the best of my knowledge.

Name: _____ Date: _____ 20____
Signature

General Manager's Performance Appraisal – Competency Definitions

- **Leadership**
 - The ability to lead organization (Butler Public Power District)
- **Board Focus**
 - Provides Board of Directors with the proper information so Directors can make timely and good decision for the customers of Butler Public Power District
- **Employee Development**
 - Provides training opportunities for employees to enhance their skills and acquire new knowledge for their position
- **Relationships**
 - Ability to make connection, association, or involvement with Board of Directors, Employees, Customers and Peers
- **Integrity and Courage**
 - Has the quality of being honest and having strong moral principles, (Honesty, Ethics, Righteousness, Fairness, Truthfulness, Trustworthiness, Strength and Grit)
- **Business Acumen**
 - The eagerness and quickness in understanding and dealing with the Districts business situation in a manner that is likely to lead to a good outcome for the District
- **Communications**
 - Can communicate and listen and respond. Follows through on questions received and communicates with Board of Directors, Employees, Customers and Peers
- **Safety**
 - Is focused, supports and engaged in employee and public safety.

BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA



BUTLER PUBLIC POWER DISTRICT
DAVID CITY, NEBRASKA

FINANCIAL FORECAST

Actual and Projected Revenue Forecast for 2016 - 2022

	Actual 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
<u>Revenues</u>							
Revenues from Sales of Electricity	\$13,070,075	\$13,147,717	\$13,147,717	\$13,147,717	\$13,147,717	\$13,147,717	\$13,147,717
Large Load Addition	5,518,563	6,903,204	6,193,291	6,193,291	6,193,291	6,193,291	6,193,291
Wheeling Revenues	150,700	150,700	150,700	150,700	150,700	150,700	150,700
Other Operating Revenues	70,127	70,127	70,127	70,127	70,127	70,127	70,127
Total Revenues less Pat. Cap.	\$18,809,465	\$20,271,748	\$19,561,835	\$19,561,835	\$19,561,835	\$19,561,835	\$19,561,835

Actual and Projected Operating Expenses for 2016 - 2022

	Actual 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
<u>Expenses</u>							
Power Costs Base Load	11,189,924	12,146,708	12,177,997	12,299,777	12,422,775	12,547,002	12,672,473
Transmission Expense	17,168	17,649	18,143	18,651	19,173	19,710	20,262
Distribution Expense	1,737,723	1,786,379	1,836,398	1,887,817	1,940,676	1,995,015	2,050,875
Customer Accounts Expense	473,348	486,602	500,227	514,233	528,632	543,434	558,650
Administrative & General Expense	717,718	737,814	758,473	779,710	801,542	823,985	847,057
Total Operation & Maint Exp	\$14,135,881	\$15,175,152	\$15,291,237	\$15,500,188	\$15,712,797	\$15,929,146	\$16,149,316
Depreciation	1,106,681	1,177,833	1,292,054	1,377,985	1,463,232	1,546,852	1,630,474

Minimum Cash Reserves

	Percent Allocated	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022
O&M Less Depreciation Expense	12.3%	\$382,929	\$393,651	\$404,673	\$416,004	\$427,652
Max Power Supply	12.3%	1,497,894	1,512,873	1,528,001	1,543,281	1,558,714
Historical Rate Base	1.0%	605,446	626,878	648,070	668,688	689,881
Current Portion of Debt Service Reserve	50.0%	799,597	773,212	743,299	745,320	738,421
Five Year Capital Improvements – Net of bond proceeds	20.0%	2,119,379	2,119,379	2,119,379	2,119,379	2,119,379
Minimum Cash Target		\$5,405,244	\$5,425,992	\$5,443,422	\$5,492,672	\$5,534,048
Projected Cash Reserves		\$6,068,309	\$6,419,731	\$6,636,956	\$6,756,240	\$6,594,276