



OPPDP BOARD OF DIRECTORS

ALL COMMITTEE MEETING MINUTES

July 14, 2020

The regular committee meetings of the Board of Directors of the Omaha Public Power District (“OPPDP” or “District”) was held via Webex audio and video conference on Tuesday, July 14, 2020 at 8:00 a.m.

Present via Webex conferencing were Directors A. E. Bogner, M. J. Cavanaugh, A. L. McGuire, J. M. Mollhoff, C. C. Moody, E. H. Williams and R. M. Yoder. Also present via Webex were T. J. Burke, President and Chief Executive Officer, and Mr. S. M. Bruckner, General Counsel for the District. Chair C. C. Moody presided and M. F. Hinners, Senior Corporate Governance Specialist, recorded the minutes. Other members of management present via Webex were: K. W. Brown, J. A. Comstock, L. J. Fernandez, M. J. Fisher, S. M. Focht, K. S. McCormick, L. A. Olson, M. L. Sedky, and T. R. Via. Additionally, a number of other OPPD employees were present via Webex conferencing.

Committee Agenda Item 1: Board Chair Opening Statement

Chair Moody gave a brief opening statement, including an announcement regarding public notice of meeting and reminders for using the Webex audio and video conferencing platform. He noted the Board would conduct a closed session in the morning on the Power with Purpose generation resource project and in the afternoon on two topics: (i) executive compensation, and (ii) corporate officer performance reviews for J. A. Comstock, Vice President – Customer Service, and L. A. Olson, Vice President – Public Affairs, which were deferred from last month.

Committee Agenda Item 2: Closed Session

At 8:03 a.m., it was moved by Director McGuire that the Board go into Closed Session. Director McGuire stated as follows:

“I move that the Board go into closed session at this time (8:03 a.m.) to discuss an update on the Power with Purpose project.”

With respect to the update on the Power with Purpose generation resource project, a closed session is necessary because the discussion will involve competitively sensitive utility infrastructure information, including potential pricing and types and locations of resources that would create a competitive disadvantage for the District if known by its business competitors, and also would create a competitive disadvantage for the District if known by potential contractors and property owners that may be involved in the infrastructure projects. The update also will involve discussion of legal matters that are protected by the attorney-client privilege and attorney work product doctrine.”

The motion was seconded by Director Yoder.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Absent; McGuire – Yes; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (7-0).

Chair Moody read the following:

“The motion to go into closed session has passed. This closed session will be limited to discussion regarding Power with Purpose. No votes or other action will be taken.”

Chair Moody noted Director Gay’s potential conflict of interest and stated Director Gay would not be present in the closed session. After confirming the appropriate Board, senior management team and Power with Purpose staff and general counsel were present, the Webex Event was locked to prevent additional attendees from joining the closed session. Thereafter, the Board conducted its closed session discussion.

At 9:43 a.m., a motion was made and seconded to reconvene the meeting in open session.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Absent; McGuire – Yes; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (7-0).

Chair Moody stated:

“The motion to come out of closed session at (9:43 a.m.) is carried. This closed session was limited to discussion regarding Power with Purpose. No votes or other board action were taken during the closed session.”

The Board took a break at 9:43 a.m. Director McGuire departed the meeting. The Webex Event was unlocked to allow members of the public and OPPD staff to join the meeting.

Committee Agenda Item 3: Public Session – Board Chair Opening Statement

The Board reconvened at 10:00 a.m.

Chair Moody welcomed members of the public and gave an overview of the meeting agenda and reminders for using the Webex audio and video conferencing platform.

Committee Agenda Item 4: Safety Briefing

President Burke gave the safety briefing, including a reminder from the Nebraska Department of Health and Human Services entitled “10 Actions for Every Nebraskan to be Taking Now to Slow Spread of COVID-19.” He urged everyone to wear a mask and informed the public of OPPD’s recently enacted policy requiring all employees, contractors and visitors to wear a mask.

Committee Agenda Item 5: Finance Committee

Finance Chair Report

Director Bogner reported the Finance Committee met on July 7, 2020 via Webex videoconference. A copy of the agenda for that meeting was made available in the All

Committee meeting materials for the Board to review. The Finance Committee received a confidential presentation from OPPD's innovation team concerning "Project Rein," a project to gather and utilize electric usage data. Director Bogner noted Project Rein is in a pilot phase and OPPD will need time to test the technology and review the quality of the data. Project Rein has the potential to improve rate design and customer service in the future.

The Finance Committee also received an update on the efforts to revise the block rate structure, including accomplishments and next steps. The Finance Committee requested the management team to provide a monthly update on this project, which also will be reported at the All Committee meeting to the full Board.

Due to time, the Finance Committee did not discuss the rate blueprint/rate design activity and deferred the discussion to the August 4, 2020 Finance pre-committee meeting.

Supporting Data
Agenda

Committee Agenda Item 6: System Management & Nuclear Oversight Committee

System Management & Nuclear Oversight Committee Chair Report

Director Mollhoff reported the System Committee did not meet this month. She asked Vice President Fisher to present the action items concerning the Nebraska City Station Unit 1 condenser retubing, Nebraska City Station Unit 2 mill primary air expansion joint relocation, and the Nuclear Oversight Committee Report.

Nebraska City Station Unit 1 Main Condenser Waterbox B, C and D Tubing Replacement Materials

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, presented the following information to support Board approval of a contract to supply material and tube fabrication for condenser waterboxes B, C and D tube replacement for the Nebraska City Unit 1 main condenser.

1. As part of the ongoing condenser inspection and evaluation program, it was determined that main condenser waterboxes B, C and D tubes should be replaced to maintain unit reliability.
2. The District requested bids for materials and fabrication of the replacement tubes. Two (2) bids were received. One (1) bid was determined to be legally non-responsive.
3. The material supply and tube fabrication are long lead time delivery items.
4. A contract for installation of these tubes will be awarded separately. The installation will occur in the spring of 2021 during a scheduled unit outage.

Management recommended authorization by the Board of Directors to award a contract to Plymouth Tube Company for the material and fabrication of waterbox B, C and D replacement tubes for the Nebraska City Station Unit 1 main condenser. The Board and management team

discussed a variety of issues, including pricing, raw materials and manufacturing location, and expected life of the materials.

The Board was scheduled to vote on this matter at the July 16, 2020 meeting

Supporting Data

Datasheet
Letter of Recommendation
Tabulation of Bids
Legal Opinion
Resolution

Nebraska City Station Unit 2 Mill Expansion Joint Relocation

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, presented the following information to support Board approval of a contract to provide materials and labor to relocate four (4) sections of primary air duct and expansion joints near the inlet connection to the Nebraska City Unit 2 coal mills.

1. Five (5) coal mills supply pulverized coal to the Nebraska City Station Unit 2 (NC2) boiler. Primary air is supplied to the coal mills through steel duct with fabric expansion joints to allow for thermal growth of the duct during operation. The original expansion joints have a history of fires occurring within the joint due to its proximity to the coal mill allowing excessive buildup of coal dust.
2. In 2019, one (1) primary air duct was modified by relocating and changing orientation of the fabric expansion joint to reduce exposure to coal dust. This modification has been shown to greatly reduce the amount of coal dust buildup in the new expansion joint. Modification of the remaining four (4) primary air ducts is planned for the 2021 NC2 spring outage.
3. Five (5) bids were received. One (1) bid was determined to be technically non-responsive (incomplete bid). The remaining four (4) bids were determined to be technically and legally acceptable.

Management recommended authorization by the Board of Directors to award a contract to Southern Field EEC for labor and materials to modify the remaining four (4) Nebraska City Unit 2 coal mill primary air ducts and relocate the expansion joints. The Board and management team discussed a variety of issues, including the range of pricing of the proposed bids, location of crews, and timing of the work.

The Board was scheduled to vote on this matter at the July 16, 2020 meeting.

Supporting Data

Datasheet
Letter of Recommendation
Tabulation of Bids
Legal Opinion
Resolution

Nuclear Oversight Committee Report

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, reported the Nuclear Oversight Committee provides a regular oversight of items related to the Fort Calhoun Station (FCS) nuclear plant. In addition to safe and secure dry cask storage of fuel, the required Preventative Maintenance tasks and Surveillance Tests, the following major decommissioning activities were completed in June:

- The ISFSI Operations Facility (IOF) is now operational. With this change comes several subsequent changes to the site processes, procedures and physical layout, which supports the safe and efficient accomplishment of active deconstruction projects.
- The move to the IOF resulted in a change to the staffing requirements to meet our regulatory obligations. The individuals impacted have the opportunity to participate in a career transition program to assist them as they move on to other opportunities. Each person is assigned a career coach, resume writer and job concierge all focused on helping the individual succeed while developing an actionable transition plan.
- Other projects are in progress, which support key project milestones. This includes the installation of a dedicated electrical distribution system to reduce electrical hazards to workers during deconstruction, comprehensive surface and subsurface surveys across the site footprint to ensure any radiological or non-radiological hazards are identified and mitigated, and installation of a barrier around the site to mitigate the risk of future high river level events.

Ms. Fisher also provided a report on the decommissioning exit meeting conducted on July 9, 2020. Directors Mollhoff and Williams attended the meeting and expressed support and appreciation for the FCS staff.

Supporting Data
Datasheet

Committee Agenda Item 7: Public Information Committee

Public Information Committee Chair Report

Director Yoder reported the Public Information Committee met on June 2, 2020 via Webex videoconference. A copy of the agenda for that meeting was made available in the All Committee meeting materials for the Board to review. Topics discussed included: (i) a confidential presentation from OPPD's innovation team concerning "Project Rein," a project to collect electric usage data. (Director Bogner provided a high level summary of Project Rein during the Finance Committee Chair report.); (ii) brief discussion of key messages and themes related to diversity and inclusion; (iii) continued Committee and management discussion about a draft legislative resolution related to BL-9: Delegation to President & CEO – Local, State and Federal Legislation; (iv) state and federal legislative and regulatory update; (v) customer trends OPPD programs to assist customers experiencing financial challenges; and (vi) consideration for hiring a consultant to review OPPD's stakeholder outreach and engagement.

Supporting Data
Agenda

Legislative and Regulatory Update

L. A. Olson, Vice President – Public Affairs, provided an update on 2020 state and federal legislative matters and regulatory matters.

- a. Nebraska's 106th Legislature, second session, will reconvene on July 20, 2020 and is expected to end on August 13, 2020.
- b. The 116th Congress began on January 3, 2019 and is expected to end January 3, 2021.
- c. Regulations and various policies are under consideration for change.

Mr. T. R. O'Brien, Director – Economic Development and External Relations, presented the following information:

- State Legislative Update
 - 2020 Nebraska Legislative Calendar
 - Remainder of Session
 - Legislation – Priority Status
- Federal Legislative Update
 - Congressional Outlook
 - Congress's Multi-Phase Response to the Coronavirus Crisis
 - CARES (Coronavirus Aid, Relief and Economic Security) Act

The Board and management team discussed a variety of issues, including CARES Act funding flow. Douglas County has set aside \$4 million for utility assistance, divided equally between OPPD and MUD. OPPD staff is working with Douglas County and Dollar Energy Fund, the District's energy assistance partner, on an agreement regarding how energy assistance dollars will flow to customers.

Supporting Data

Datasheet
Legislative and Regulatory Update

Customer Trends Update

Ms. J. A. Comstock, Vice President – Customer Service, provided a brief update on trends in customer payment and calls to the customer service center. As of the end of June 2020, 93% of commercial accounts are current, compared to 95% in February 2020, and the amount of commercial debt outstanding is not concerning.

With respect to residential accounts, Ms. Comstock reported before the COVID-19 pandemic, 90% of residential customer accounts were current. As of the end of June 2020, 91% of residential customers are current, and the dollar amount of residential accounts in arrears (past due over 30 days) is \$6.8 million, nearly double compared to June 2019 balances of \$3.6 million. The amount of residential aged debt over 90 days is nearly \$3.0 million, compared to \$500,000 in June 2019. Ms. Comstock discussed the seasonality of residential account debt and age of debt.

The Board and management team discussed a variety of issues, including the impact of OPPD's policies on customer behavior. The management team will continue to monitor payment trends and calls to the customer service center and report to the Board.

The Board took a break for lunch at 11:27 p.m. and reconvened at 12:01 p.m.

Committee Agenda Item 8: Governance Committee

Governance Committee Chair Report

Chair Moody reported the Governance Committee met on July 9, 2020 via Webex videoconference. He noted the items discussed, including: (i) Bylaws amendment; (ii) annual health plan report; (iii) executive compensation; and (iv) corporate officer performance reviews of vice presidents J. A. Comstock and L. A. Olson. A copy of the agenda for that meeting was made available in the Committee meeting materials for the Board to review.

Supporting Data

Agenda

Bylaws Amendment

S. M. Focht, Senior Director – Corporate Strategy and Governance, provided the following facts to support Board of Directors approval to amend the District’s Bylaws with respect to meeting location and format.

- a. Article IV, Section 1 of the District’s Bylaws state that regular meetings of the Board of Directors shall be held at the general offices of the District in Energy Plaza, Omaha, Nebraska, on the first Thursday after the tenth day of each month at 4:00 p.m.
- b. Management proposed Article IV, Section 1 of the Bylaws be amended to allow Board meetings to be conducted at Energy Plaza, or at such other time and place as specified in the public notice of meeting, including via audio and video conference, as provided in the Nebraska Open Meetings Act.
- c. The Governance Committee reviewed the proposed amendments and other minor revisions and recommended the Board approve the amended Bylaws, effective July 16, 2020.

Mr. Focht highlighted that the amendments to the Bylaws would increase the Board’s flexibility in meeting location and format, especially during the COVID-19 public health situation. The Board and senior management team discussed the proposed revisions.

The Board was scheduled to vote on this matter at the July 16, 2020 meeting.

Supporting Data

Datasheet
Exhibit A – Proposed Revisions
Resolution

Annual Health Plan Report

M. L. Sedky, Vice President – Human Capital, presented the 2019 annual report on the District's Health Plan.

- a. In 1991, the Board of Directors authorized the formation of a self-funded Administrative Services Only Health Plan (Health Plan). The Health Plan includes the health insurance programs and dental program offered by the District.
- b. The Health Plan is subject to the Political Subdivisions Self-Funding Benefits Act, set forth in §13-1601 to §13-1626, Revised Statutes of Nebraska (Benefits Act). In order to comply with the Benefits Act, the District is required to prepare an annual report on the Health Plan and required reserves.
- c. Two funded reserves are maintained for the Health Plan in accordance with the Benefits Act. One reserve is to account for timing delays in claims filing and processing which is referred to as an Incurred But Not Presented Reserve. A second reserve ensures that funds will be available during each ensuing month and is called the Monthly Claims and Expenses Reserve.

Management recommended Board of Directors approval of the Health Plan – 2019 Annual Report. The Board and senior management team discussed a variety of issues, including employee satisfaction with the health plan, negotiation of prescription drug costs, and inception of the high deductible health plan at OPPD.

The Board was scheduled to vote on this matter at the July 16, 2020 meeting.

Supporting Data

Datasheet
Health Plan – 2019 Annual Report
Resolution

Strategic Foresight Introduction and Process Overview

S. M. Focht, Senior Director – Corporate Strategy and Governance, presented the following information to familiarize the Board of Directors with the Strategic Foresight process and how it will be used by the senior management team (SMT) through April 2021.

- a. In early 2020, SMT initiated a 15-month effort to develop OPPD's 30-year strategic vision. This vision will align with and integrate the Board's goal of Net Zero Carbon by 2050 (in production).
- b. On May 14, 2020, the Board was provided an overview of this 30-year effort starting with a review of Board-Staff Linkage Policy BL-1: Board–President and Chief Executive Officer (CEO) Relationship, which states:
 - The Board shall, in coordination with the President and CEO, identify and define the vision and mission of OPPD.
 - The CEO shall lead, in coordination with the Board, the development and implementation of OPPD's vision, mission, and strategy.

- c. In the spirit of a collaborative partnership and per direction of BL-1, Next Generation Consulting (NGC) will provide the Board a Strategic Foresight Introduction and Process Overview.
- d. NGC (Rebecca Ryan/Futurist) is nationally known and was hired to facilitate the development of OPPD's 30-year vision. Ms. Ryan was involved in the Greater Omaha 2040 initiative.

President Burke welcomed Ms. Ryan, who presented the following:

- Strategic Foresight Introduction and Overview
- Why Foresight?
- SD-7: Environmental Stewardship Requires a Lookout to 2050
- America is Seasonal
 - Spring 1946 – 1964
 - Summer 1965 – 1980
 - Fall 1981 – 2008
 - Winter 2009 – 2030
- What is Foresight?
 - Step 1 – Frame the domain
 - Step 2 – Scan for forces and trends
 - Step 3A – Forecast scenarios
 - Step 3B – Identify crossover issues
 - Step 4 – Envision the future
 - Step 5 – Backcast
 - Step 6 – Implement
- Benefits of Foresight
- How Are We Doing This?
 - Stages, Primary Objectives and Timing
- What About Engagement?
 - Engagement Plans in Development
 - Board
 - Employees
 - Union
 - Customers
 - International Association of Public Participation (IAP2) Spectrum of Public Participation
- Reflections

The Board, senior management team and Ms. Ryan discussed a variety of issues, including keys to success, “slow thinking” with respect to critical decisions, and reinventing public power. Mr. Focht concluded the presentation by emphasizing the dynamic and iterative nature of strategic planning.

Supporting Data

Datasheet

Presentation

Ms. Ryan departed the meeting. The Board took a break at 1:15 p.m. and reconvened at 1:25 p.m.

Committee Agenda Item 9: Other Business

Power with Purpose Update

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, provided the following report on the solar and gas Request for Proposal (RFP) process for Power with Purpose. She noted the information is as of June 26, 2020.

Solar Facts

1. Conducted detailed technical and financial review of solar proposals.
2. Conducted potential solar site stakeholder discussions.

Natural Gas Facts

1. Continued evaluation of natural gas supply options to support gas generation facilities.
2. Continued development of gas generation assets Request For Proposal (RFP).
3. Conducted potential site stakeholder discussions.

Ms. Fisher presented the following:

- Solar and Gas Updates
- Energy Storage Update

Ms. Olson, Vice President – Public Affairs, next presented the following:

- Stakeholder Outreach Update
 - New OPPD Community Connect website <https://www.oppdcommunityconnect.com/>

Supporting Data

Datasheet
Presentation

Committee Agenda Item 10: Closed Session – (i) Executive Compensation; and (ii) Corporate Officer Performance Reviews of Vice Presidents J. A. Comstock and L. A. Olson

Chair Moody reminded the Board that a Closed Session discussion would be conducted this afternoon to discuss two items: (i) executive compensation; and (ii) the corporate officer performance reviews for vice presidents Juli Comstock and Lisa Olson, which were deferred from last month.

At 1:35 p.m., it was moved by Director Bogner that the Board go into Closed Session. Director Bogner stated as follows:

“I move that the Board go into closed session at this time (1:35 p.m.) to discuss: (i) executive compensation and (ii) the corporate officer performance reviews for vice presidents Juli Comstock and Lisa Olson.

With respect to executive compensation, a closed session is necessary to discuss the District’s executive compensation philosophy, recruitment and retention, and to prevent needless injury to the reputations of corporate officers.

With respect to the corporate officer performance reviews, a closed session is necessary to prevent needless injury to the reputations of Ms. Comstock and Ms. Olson, and neither has requested a public meeting.”

The motion was seconded by Director Mollhoff.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Absent; McGuire – Absent; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (6-0).

Chair Moody read the following:

“The motion to go into closed session has passed. This closed session will be limited to discussion regarding (i) executive compensation and (ii) corporate officer performance reviews for vice presidents Juli Comstock and Lisa Olson. No votes or other action will be taken.”

Chair Moody announced that members of the public and OPPD staff would be removed from the Webex Event.

After confirming the Board members, President Burke, Vice President – Human Capital M. L. Sedky, and General Counsel S. M. Bruckner, were present, M. F. Hinnners locked the Webex Event to prevent additional attendees from joining the closed session.

Thereafter, the Board conducted its closed session discussion.

At 3:21 p.m., a motion was made and seconded to reconvene the meeting in open session.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Absent; McGuire – Absent; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (6-0).

Chair Moody stated:

“The motion to come out of closed session at (3:21 p.m.) is carried. This closed session was limited to discussion regarding (i) executive compensation and (ii) the corporate officer performance reviews for vice presidents Juli Comstock and Lisa Olson. No votes or other board action were taken during the closed session.”

There being no further business, the meeting adjourned at 3:21 p.m.

/s/ M. L. Sedky
M. L. Sedky
Assistant Secretary

/s/ M. F. Hinnners
M. F. Hinnners
Assistant Secretary of the Meeting