



Moody/Focht

RESOLUTION NO. 6426

WHEREAS, the Board of the Directors has determined it is in the best interest of the District, its employees, and its customer-owners to establish written policies that describe and document OPPD's corporate governance principles and procedures; and

WHEREAS, each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process; and

WHEREAS, the Board's Governance Committee (the "Committee") is responsible for evaluating Board Policy SD-1: Strategic Foundation on an annual basis. The Committee has reviewed the SD-1: Strategic Foundation Monitoring Report and finds OPPD to be sufficiently in compliance with the policy as stated.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors accepts the SD-1: Strategic Foundation Monitoring Report, in the form as set forth on Exhibit A attached hereto and made a part hereof, and finds OPPD to be sufficiently in compliance with the policy as stated.

SD-1: Strategic Foundation Monitoring Report Governance Committee Report April 13, 2021

Scott M. Focht
Vice President, Corporate Strategy & Governance



SD-1: Strategic Foundation

Mission: OPPD’s mission is to provide affordable, reliable and environmentally sensitive energy services to our customer-owners.

Vision: OPPD’s vision is “Leading the Way We Power the Future.”

In implementing this vision, OPPD shall adhere to these principles:

- Strengthen the public power advantage of affordable and reliable electricity;
- Exemplify fiscal, social and environmental responsibility to optimize value to our customer-owners;
- Proactively engage and communicate with our stakeholders;
- Act transparently and with accountability for the best interest of our customer-owners;
- Collaborate, when appropriate, with partners; and
- Leverage OPPD’s leadership to achieve these goals

Values:

- We have a PASSION to serve.
- We HONOR our community.
- We CARE about each other.

OPPD Corporate Scorecard: December 2020

■	On YE Target - projected to or has achieved target by year-end.
■	Slightly Below YE Target – deviating from target
■	Significantly Below YE Target – underperforming/underperformed

Our Strategic Foundation (SD-1)	<p>Mission: To provide affordable, reliable and environmentally sensitive energy services to our customers.</p> <p>Vision: “Leading the Way We Power the Future”</p> <p>In implementing this vision, OPPD shall adhere to these principles:</p> <ul style="list-style-type: none"> Strengthen the public power advantage of affordable and reliable electricity; Exemplify fiscal, social and environmental responsibility to optimize value to our customer-owners; Proactively engage and communicate with our stakeholders; Act transparently and with accountability for the best interest of our customer-owners; Collaborate, when appropriate, with partners; and Leverage OPPD’s leadership to achieve these goals. <p>Core Values</p> <ul style="list-style-type: none"> We have a PASSION to serve We HONOR our community We CARE about each other 	Board Strategic Direction Policies, Targets & Performance			
	Measure	2018	2019	2020	Strat Goal
	SD-2: Rates • <i>Rates % below regional average</i>	No General Rate Increase	No General Rate Increase	No General Rate Increase	20.0%
	SD-3: Access to Capital • <i>Debt Coverage</i>	2.0	2.0	2.0	2.0
	SD-4: Reliability (SAIDI) • <i>System Average Interruption Duration Index</i>	98.3	88.6	86.4	<90
	SD-4: Reliability • <i>Equivalent Availability</i>	89.3	89.2*	87.78*	90%
			87.0	87.63	
	SD-5: Customer Satisfaction • <i>Overall Satisfaction</i>	Top Quartile Residential 740	Third Quartile Residential 726	Second Quartile Residential 749	Top Quartile
	SD-6: Safety (DART) • <i>Days Away, Restricted or Transferred</i>	0.65	0.68	0.57	<0.50
	SD-6: Safety (PVIR) • <i>Preventable Vehicle Incident Rate</i>	1.62	2.29	2.27	4.0
	SD-7: Environmental Stewardship • <i>Net-Zero Carbon**</i>	N/A	N/A	N/A	TBD**
	SD-8: Employee Relations • <i>Overall Employee Engagement***</i>	64.7%	69.6%	74%	Top Quartile
		Resource Planning (SD-9), Ethics (SD-10), Economic Development (SD-11), Information Management & Security (SD-12), Stakeholder Outreach & Engagement (SD-13), Retirement Plan Funding (SD-14), Enterprise Risk Mgmt (SD-15)			

* indicates a 2020 goal that is moving toward the strategic goal specified in the policy

** Pathways to Decarbonization strategic initiative is in progress; annual metric/s will be determined upon completion

*** Metric is calculated annually

Strategic Direction: Performance

- Throughout 2020, the Board reviewed and accepted monitoring reports on fourteen of fifteen strategic direction policies.
 - Determined thirteen policies to be “sufficiently in compliance”
 - Determined one policy, *SD-12: Information Management and Security*, to be “taking reasonable and appropriate measures to comply with this policy”
- The monitoring report for one policy, *SD-5: Customer Satisfaction*, was postponed until March 2021 due to a change in external survey timing.

Our Mission

OPPD's mission is to provide affordable, reliable and environmentally sensitive energy services to our customer-owners.

Affordable...

SD-2: Rates

Resolution 6380: Board accepted SD-2: Rates Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (June 11, 2020)

2020 Highlights

- Successfully executing five-year commitment to no increase in general rates:
 - Fourth year (2020) completed
 - Fifth year (2021) commitment on track
- Fourth full year of discontinued Fort Calhoun Station (FCS) operations meeting or exceeding estimated cost efficiencies.
- Funded \$17 million to the Decommissioning and Benefits Reserve account, increasing its balance to \$94 million.
- Significantly improved execution of the capital portfolio through increased oversight, prioritization and alignment. Core capital portfolio investment was within 1% of authorized budget.
- Increased liquidity by an additional \$75 million line of credit agreement.
- Administered the Low Usage, Low Income transitional customer program which provided \$293,492 in bill credits to approximately 11,384 qualified customers to minimize the impact of the rate restructuring on low usage, low income customers.
- Secured \$3 million in Cares Act funding to support 6,673 customers impacted by the Covid-19 pandemic.
- Launched a new Donate Now button and new product, Gift of Energy, making it easier for patrons to contribute to the OPPD Energy Assistance Plan and/or support customers in need.
- Formed a Customer First Solutions team to develop solutions which provided nearly \$4 million of benefit to customers impacted by the pandemic through various billing and payment solutions.
- Administered \$2,555,255 in direct utility assistance on behalf of our customers through our program energy assistance program administrator, up from \$252,715 in 2019.

Reliable...

SD-4: Reliability

Resolution 6364: Board accepted SD-4: Reliability Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (February 13, 2020)

2020 Highlights

- Achieved a year end SAIDI value of 86.4 minutes, beating the goal of 90 minutes, and improving performance from the previous year.
- Continued to reduce tree related outage minutes and number of incidents through an enhanced Vegetation Management Program.
- Continually improving by utilizing drones for inspections, integrating smart reclosers into rural circuits, and piloting the use of twisted pair conductor on the distribution system to reduce ice/wind galloping effects.
- Increased proactive asset replacement programs for underground cable, overhead conductor, poles and surface mount equipment.
- OPPD establishes a long term goal to achieve generation reliability by maintaining baseload unit equivalent availability factor (EAF) at or above 90% on a three-year rolling average. Achieved a year end EAF of 87.6% vs a target of 87.8%.

Environmentally sensitive...

SD-7: Environmental Stewardship

Resolution 6394: Board accepted SD-7: Environmental Stewardship Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (September 17, 2020)

2020 Highlights

- No violations of environmental permits that resulted in enforcement action or fines.
- Chartered and kicked-off *Pathways to Decarbonization* Strategic Initiative.
- Facilitated multiple City of Omaha, Nebraska Department of Environment and Energy, Department of Health and Human Services inspections through pandemic, both virtually and in-person.
- New Plant Wide Applicability Limitation (PAL) permit revision for Nebraska City Station Units 1 & 2.
- Achieved Low Emitter Status for particulate matter (PM) at North Omaha Unit 5, and for hydrochloric acid (HCl) at North Omaha Unit 4.
- Began Transformer Oil PCB Sampling Project, inspecting approximately 5000 unknown PCB transformers in Year 1.
- Reported that since 2010, annual emissions of mercury have declined 95%, nitrogen oxides by 51%, sulfur dioxide by 35%, and CO2 by 21%.
- Launched a new residential customer-owned generation web mini-site that included education and resources such as quick start resources to help guide customers in their journey, information about what net metering is, and a solar calculator tool for customer-owners to research costs and outputs of solar at their specific residence.
- Continued the Low Income Energy Efficiency program maximizing the resources available to improve the energy efficiency, comfort and safety of customer homes. A \$50,000 APPA DEED Grant funded increased energy efficiency investments for 50 households. Upgraded 57 homes during the pilot for an average annual projected energy savings of \$223 per home.

Environmentally sensitive (continued)

2020 Highlights

- Supported and promoted Demand Side Management (DSM) programs which provides over 161 MW of peak demand reduction.
- Named as a grant recipient for VW Settlement Funds, plus completed Request for Proposal and contracts to support the installation of the public electric vehicle (EV) charging stations.
- Successfully transitioned our thermostat program to a new Distributed Energy Resource Management System provider allowing for implementation of future thermostats to occur easier, faster and at a lower cost.
- Launched another round of electric vehicle rebates including new rebates to promote fleet conversation at local businesses.
- Received the American Marketing Association Pinnacle award celebrating the achievements of OPPD's community solar launch campaign.
- Received the APPA Smart Energy Provider Designation, acknowledging our best practices in place that show a commitment to proficiency in energy efficiency, distributed generation, renewable energy, and environmental initiatives.

Our Vision

OPPD's vision is "Leading the Way We Power the Future."

In implementing this vision, OPPD shall adhere to these principles:

- Strengthen the public power advantage of affordable and reliable electricity;
- Exemplify fiscal, social and environmental responsibility to optimize value to our customer-owners;
- Proactively engage and communicate with our stakeholders;
- Act transparently and with accountability for the best interest of our customer-owners;
- Collaborate, when appropriate, with partners; and
- Leverage OPPD's leadership to achieve these goals

Strengthen the public power advantage of affordable and reliable electricity;

SD-2: Rates	SD-4: Reliability	SD-5: Customer Satisfaction
<p><i>Resolution 6380: Board accepted SD-2: Competitive Rates Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (June 11, 2020)</i></p>	<p><i>Resolution 6364: Board accepted SD-4: Reliability Monitoring Report & Policy Revisions, finding OPPD to be sufficiently in compliance with this policy (February 13, 2020)</i></p>	<p><i>Resolution 6337: Board accepted SD-5: Customer Satisfaction Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (August 15, 2019)</i></p>

2020 Highlights

- Achieved no general rate increase in 2020, and on track for no general rate increase in 2021.
- The monitoring report for *SD-5: Customer Satisfaction* was postponed until March 2021 due to a change in external survey timing by national customer research firm, J.D. Power. That being said, overall, OPPD did see residential customer satisfaction scores begin to rebound from 2019 into 2020. Additionally, proprietary customer surveys saw continued strong performance in 2020 in customer satisfaction, community involvement and overall trust in the utility.
- Implemented Customer First Solutions to provide simple, effective and financially responsible ways to reduce the financial burden for customers encountering difficulties paying their bills during the pandemic including waiving fees, additional billing and payment options, new and improved utility assistance options and increasing communication to encourage customers in need to reach out for assistance.
- Collaborated with Dollar Energy Fund, Douglas County and State of Nebraska to secure CARES Act funding directly for our customer base and ensured an efficient application and award process allowing our customers to be some of the first in the nation to benefit from this funding.
- Provided monthly updates on customer trends and Customer First Solutions program adjustments to keep the Board and public informed of OPPD's efforts to proactively consult with customers on options available to assist customers.
- Enhanced the customer experience for small and medium sized business (SMB) with the staffing of Account Executives who provide proactive consulting on all energy related topics.
- Enhanced outage communications by expanding the automated proactive outage restoration confirmation message indicating power has been restored to include all customers predicted to be impacted by an outage.

Exemplify fiscal, social and environmental responsibility to optimize value to our customer owners;

SD-3: Access to Credit Markets	SD-7: Environmental Stewardship	SD-9: Resource Planning
Resolution 6375: Board accepted SD-3: Access to Credit Markets Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (May 14, 2020)	Resolution 6394: Board accepted SD-7: Environmental Stewardship Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (September 17, 2020)	Resolution 6389: Board accepted SD-9: Resource Planning Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (August 13, 2020)

2020 Highlights

- Maintained strong financial metrics, including S&P AA and Moody’s Aa2 credit ratings.
- Achieved cost and process improvements across the district by implementing lean methodologies, scrutinizing expenditures, and achieving budget targets.
- Provided 38.4%* of our retail sales through renewable energy resources in 2020, including hydro-generation, landfill gas and wind.
- Wind capacity factor was 44.7%* in 2020.
- New Customer Owned Generation Process went live in April 2020.
- Received \$600,000 grant from Nebraska Environmental Trust to help fund OPPD Battery Storage Pilot project.
- Created new Environmental Sustainability Coordinator position and completed draft sustainability framework.
- Added a dedicated Natural Resources role.
- Continued electrification of OPPD’s fleet (passenger cars, equipment).
- Pursued avenues for recycling (batteries, poles, et al).

**DISCLAIMER: due to the long year-end close schedule, the month of December is still preliminary. This value may change slightly.*

Proactively engage and communicate with our stakeholders;

SD-13: Stakeholder Outreach and Engagement

Resolution 6413: Board accepted SD-13: Stakeholder Outreach and Engagement Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (December 9, 2020)

2020 Highlights

- **Use of an integrated, clear and transparent engagement process**
 - Use the International Association of Public Participation (IAP2) principles for transparency and consistency.
 - Continuously developed and fostered relationships to inform, gather feedback and build trust.
 - Launched OPPDCommunityConnect in July 2020 – first U.S. utility to us this platform for increasing interactions with stakeholders.
- **Provided meaningful ways for customer-owners to participate and provide feedback**
 - Meetings: livestream committee and board meetings
 - Communications: social media, media releases, Outlets, websites (OPPD.com, OPPDtheWire, Storm & Outage)
 - Engagement Tools: research (power panel, satisfaction studies), local leader meetings, open houses, workshops, OPPDCommunityConnect.com
 - Relationship Building/Feedback: legislative and advocacy roles, community coffees, community events, speakers bureau, representation on boards & orgs
- **Engaged customers on numerous projects**
 - Utilized phased approach for informing and engaging – from broad awareness campaigns to focused outreach for those directly impacted and interested.
 - Power with Purpose, including stakeholder meetings, workshops, walking tours, etc.
 - State of the Utility update and feedback
 - Utility Assistance from CARES Act Funds
 - BNSF outreach
 - Pathways to Decarbonization (discovery sessions)
- **Commitment to evaluation and improvement**
 - We listen, learn and look to improve (lessons learned).
 - Utilized post-event surveys, debriefs, satisfaction studies, research and benchmarking to assess our efforts.
 - We network with other stakeholder practitioners and participate in IAP2 training and development.

Proactively engage and communicate with our stakeholders (continued)

- Engaged customers on numerous projects:
 - What does Green mean to you workshop?
 - Product Development (ELP, ECO 24/7, Green Power, Surge, Smart Steps)
 - Product Marketing Refresh
 - Customer-owned generation
 - Rates power panel
- Provided presentations to Nebraskans for Solar and several solar contractors about customer-owned generation.
- Provided Energy Efficiency education:
 - Hosted education events for 218 participants and provided energy efficiency consulting to another 60 customer.
 - Led a TikTok challenge to engage our future customers which earned over 3700 views.
 - Produced, in collaboration with KMTV, a series of six energy efficiency tips videos.
 - Delivered 1,000 *Lorax* Energy-Star education booklets and 500 Spanish Energy Efficiency Coloring Booklets which were given to parents and student-customers upon Omaha Public Schools' back to school enrollment, as well as at a few lunch pick-up stations throughout the summer.

Act transparently and with accountability for the best interest of our customer-owners;

SD-10: Ethics

Resolution 6393: Board accepted SD-10: Ethics Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (September 17, 2020)

2020 Highlights

- Livestreamed and archived broadcasts of all OPPD committee and board meetings.
- Held Strategic Direction monitoring report and refinement discussions in public setting.
- Proactively educated customers about key utility and industry topics via The Wire, social and traditional media, including storm restoration efforts, economic development plans and progress, nuclear decommissioning, public power legislation and more.
- Executed outreach efforts to gauge customer owner views and input, including on Power with Purpose, transmission projects and strategic direction policies.
- Leveraged On-Line Panel participation with 5,000 plus stakeholders providing input and feedback.
- The Board of Directors and the District both have Code of Conduct policies that contain provisions for reporting, investigating and dispositioning potential conflicts of interest or violations of the Code of Conduct policy.

Collaborate, when appropriate, with partners;

SD-11: Economic Development

Resolution 6401: Board accepted SD-11: Economic Development Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (November 13, 2020)

2020 Highlights

- Worked closely with economic development partners across the service territory, including state agencies, local government officials, interacting with more than 100 businesses a year on economic development:
 - In the last 12 months, announced projects have generated more than \$95M in new revenue upon completion of construction.
 - Projects also generated 2,500+ direct jobs and \$720+M in investment and are estimated to bring a nearly \$2 billion economic impact to the region.
 - In October 2020, Amazon announced a 700,000+ square foot robotics fulfillment center project in Papillion.
 - In November 2020, Dollar General announced a 800,000+ square foot distribution center project in Blair.
 - Continued implementation of the Integrated Energy Marketplace (IEM) Targeted Economic Development Initiative.
 - For the 4th consecutive year, awarded “Top Utilities in Economic Development” by Site Selection magazine – one of 20 utilities receiving this designation.
 - 2020 Greater Omaha Site Selection Award (Top 3 Metro)
 - 2019, 2020 Silver Shovel Area Development Award
- Active leadership roles in the national Mid-America Economic Developers Association, statewide Blueprint Nebraska, Nebraska Economic Developers Association and Nebraska Diplomats, and local organizations including Heartland 2050 and Chair of Omaha Chamber of Commerce
- Leading site initiatives to secure, plan and promote development areas.

Collaborate, when appropriate, with partners (continued)

2020 Highlights Continued

- New key partnerships and leadership roles on Commitment to Opportunity, Diversity and Equity (CODE), the Omaha Chamber's We Rise Taskforce, the state's Economic Inclusion Committee, SourceLink and Entrepreneurs Education Collaborative
- Leading in policy and advocacy for economic development programs (i.e. the ImagiNE Act)
- Awarded \$500K grant in electric vehicle charging rebates for Blair, Syracuse, North Bend, La Vista and Omaha.
- 2019 Volunteer Organization of the Year from United Way of the Midlands
- 2020 Business Excellence Award winner by the Greater Omaha Chamber
- In 2020, although virtually, we continued to support our neighborhoods and non-profit organizations.
- Partnered with Nebraska Community Energy Alliance (NCEA) to administer a grant on their behalf, providing our customer owners opportunity for additional rebates towards electric vehicles.
- Partnered with Dollar Energy Fund to lead the administration of OPPD's Energy Assistance Program and support the acquisition of future assistance dollars. OPPD established a network of community-based agencies across 13 Nebraska counties which provide 42 application intake sites for its Energy Assistance Program. This was an increase from five community-based agency access sites in 2019.
- Partnered with area public school districts to provide education about utility assistance programs and developed a temporary remote learner program to assist families with remote learning needs to avoid classroom and education disruption in our customers' homes.
- Partnered with Habitat of Humanity of Omaha and Southeast Nebraska Community Action Partnership (SENCA) to provide home energy audits and energy efficiency upgrades to income qualified home owners throughout our service area.
- Partnered with state, local governments, and local non-profits to increase access and education on the availability of utility assistance funds for customers.

Leverage OPPD's leadership to achieve these goals.

SD-6: Safety	SD-8: Employee Relations	SD-10: Ethics	SD-12: Information Management & Security	SD-15: Enterprise Risk Management
<p><i>Resolution 6356: Board accepted SD-6: Safety Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (January 16, 2020)</i></p>	<p><i>Resolution 6408: Board accepted SD-8: Employee Relations Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (December 9, 2020)</i></p>	<p><i>Resolution 6393: Board accepted SD-10: Ethics Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (September 17, 2020)</i></p>	<p><i>Resolution 6398: Board accepted SD-12: Information Management & Security Monitoring Report, finding OPPD to be taking reasonable and appropriate measures to comply with this policy (October 14, 2020)</i></p>	<p><i>Resolution 6379: Board accepted SD-15: Enterprise Risk Management Monitoring Report, finding OPPD to be sufficiently in compliance with this policy (June 11, 2020)</i></p>

2020 Highlights

- Received National Safety Council- Nebraska Safest Companies Award with Distinction.
- Achieved Days Away Restrict or Transferred (DART) of 0.57 and a Preventable Vehicle Incident Rate (PVIR) of 2.27.
- Moved to having 700+ employees work remotely in response to the COVID-19 Pandemic.
- Achieved Tier 1 level of employee engagement.
- Involved in many local board affiliations to strengthen the communities we serve.
- Served as presenters at many industry and local community conferences and meetings.
- Tim Burke served as one of 30 participants in the Air Force Civic Leader Program.
- Received Partner of the Year Award from Inclusive Communities.
- Conducted a Town Hall on Race with OPPD employees in response to the civil unrest that occurred in 2020.
- Participated in Cyber Security month (October) by highlighting in weekly Tim Talk video and promoting events that are held across the District for employees.
- Improved metrics on phishing campaigns by positively reinforcing behaviors that are supportive of identification/reporting of phishing emails.
- Throughout the year in various venues discussed the importance of our security program and how employees play a significant role in protecting our organization.
- Engaged with a variety of organizations to build relationships that are supportive of our security program and shares information internally that improves our security posture.

Recommendation

The Governance Committee has reviewed and accepted this Monitoring Report for SD-1 and recommends that the Board find OPPD to be sufficiently in compliance with Board Policy SD-1.



Board Action

BOARD OF DIRECTORS

April 13, 2021

ITEM

SD-1: Strategic Foundation Monitoring Report

PURPOSE

To ensure full board review, discussion and acceptance of the SD-1: Strategic Foundation Monitoring Report.

FACTS

- a. The first set of Board policies was approved by the Board on July 16, 2015. A second set of Board policies was approved by the Board on October 15, 2015.
- b. Each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process.
- c. The Governance Committee is responsible for evaluating Board Policy SD-1: Strategic Foundation.
- d. The Governance Committee has reviewed the SD-1: Strategic Foundation Monitoring Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.

ACTION

The Governance Committee recommends Board approval of the SD-1: Strategic Foundation Monitoring Report.

RECOMMENDED:

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Scott M. Focht
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Scott M. Focht
Vice President – Corporate Strategy and Governance

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:
Timothy J. Burke
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Timothy J. Burke
President and Chief Executive Officer

Attachments: Exhibit A – Monitoring Report
 Resolution