



Yoder/Fernandez

RESOLUTION NO. 6431

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 Finance Committee (the "Committee") is responsible for evaluating Board Policy SD-3: Access to Credit Markets on an annual basis. The Committee has reviewed the SD-3: Access to Credit Markets 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 of Omaha Public Power District accepts the SD-3: Access to Credit Markets 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.

Monitoring Report SD-3: Access to Credit Markets Finance Committee May 2021

Javier Fernandez, CFO



SD-3: Access to Credit Markets

In order to achieve a low cost and flexible cost structure, OPPD shall maintain financial ratios and targets to ensure efficient and cost effective access to the credit markets.

Therefore:

- For OPPD's annual budgets the Board establishes a minimum total debt service coverage* ratio of 2.0 times.
- When making resource decisions, OPPD shall take into consideration long-term revenue requirements, debt to equity ratios, minimum risk adjusted liquidity* levels, competitive position, financial risk and financial flexibility.
- OPPD's goal is to maintain an AA credit rating with the credit rating agencies consistent with the above expectations.

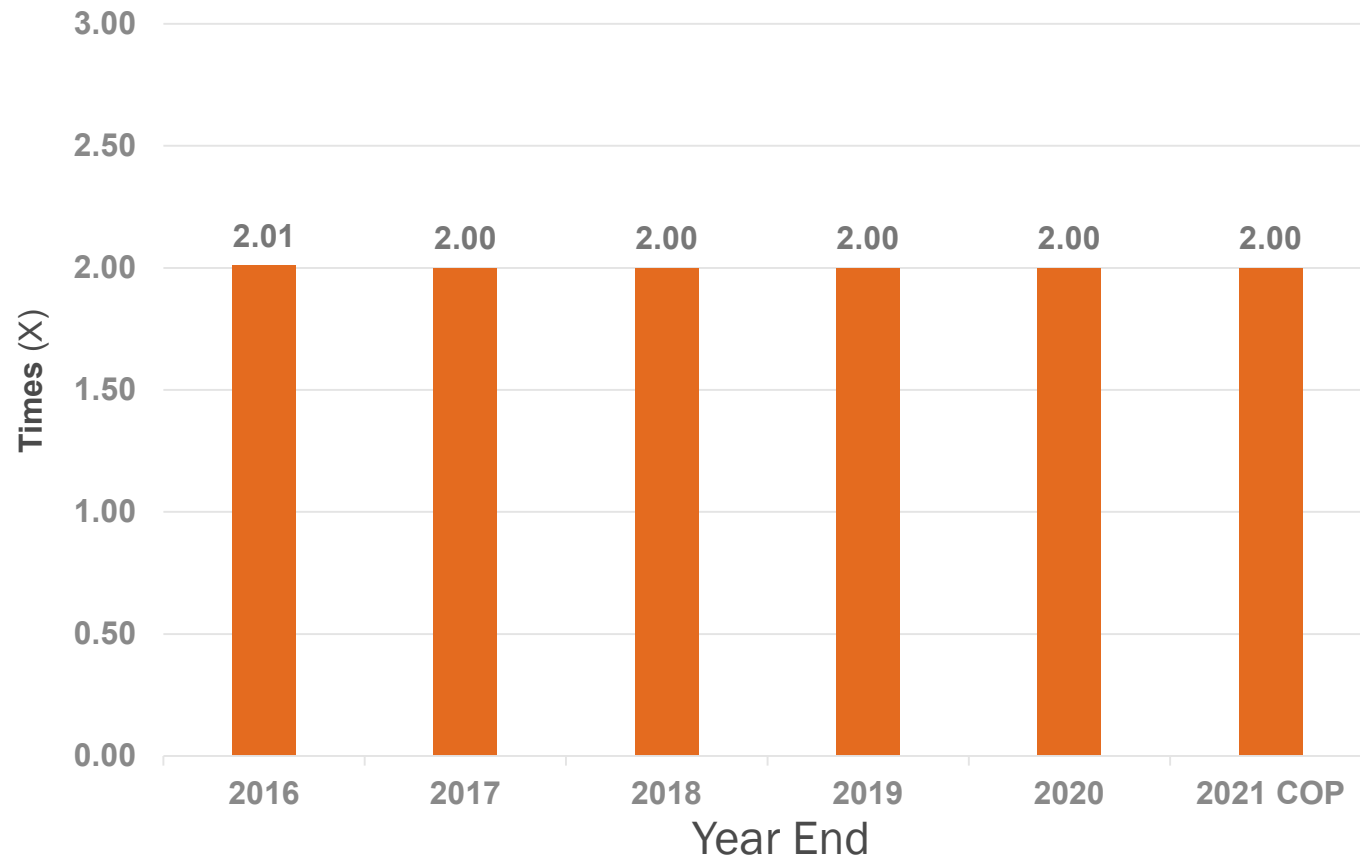
*TERMS AND DEFINITIONS

Total Debt Service Coverage: Revenues less expenses divided by total annual senior and subordinate lien debt interest and principal payments.

Liquidity: Total cash (operating and supplemental cash accounts) and unrestricted lines of credit available to meet ongoing daily cash requirements.

Total Debt Service Coverage

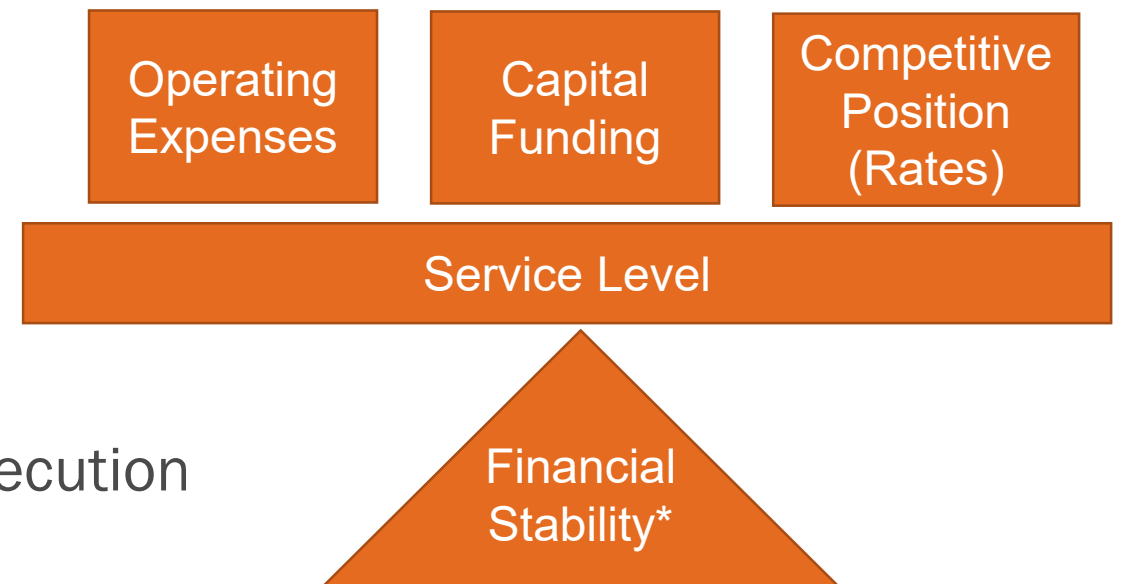
For OPPD's annual budgets, the Board established a minimum total debt service coverage ratio of 2.0 times.



Resource Decisions are made through the Corporate Operating Plan (COP)

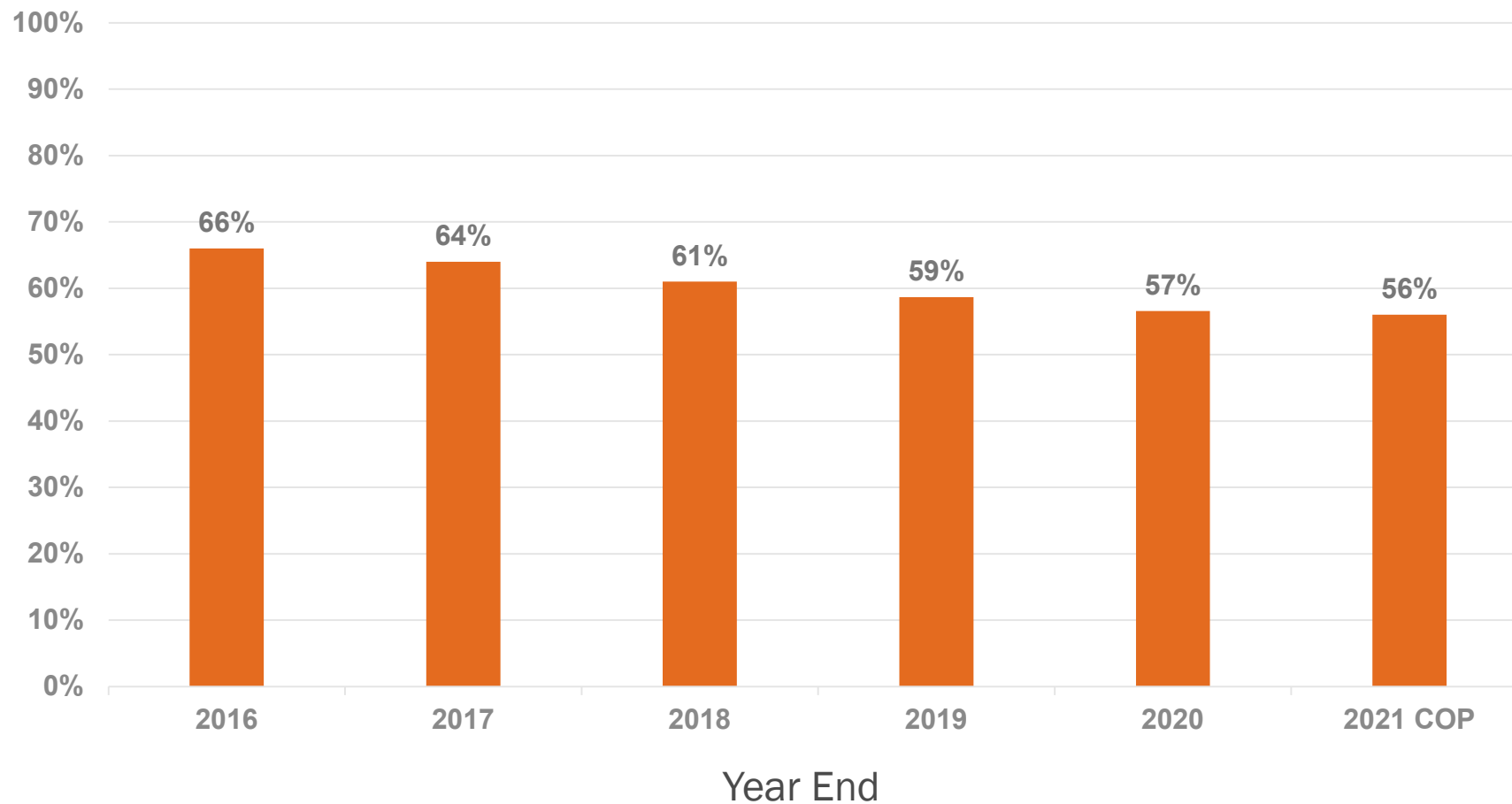
When making resource decisions, OPPD shall take into consideration long-term revenue requirements, debt to equity ratios, minimum risk adjusted liquidity levels, competitive position, financial risk and financial flexibility.

- Board of Director's Strategic Directives
 - Competitive position in establishing rates (SD-2)
- Long-term revenue requirements
 - Operational requirements (SD-4)
 - Enterprise and financial risks (SD-15)
- Flexibility of plan to adjust with operational execution



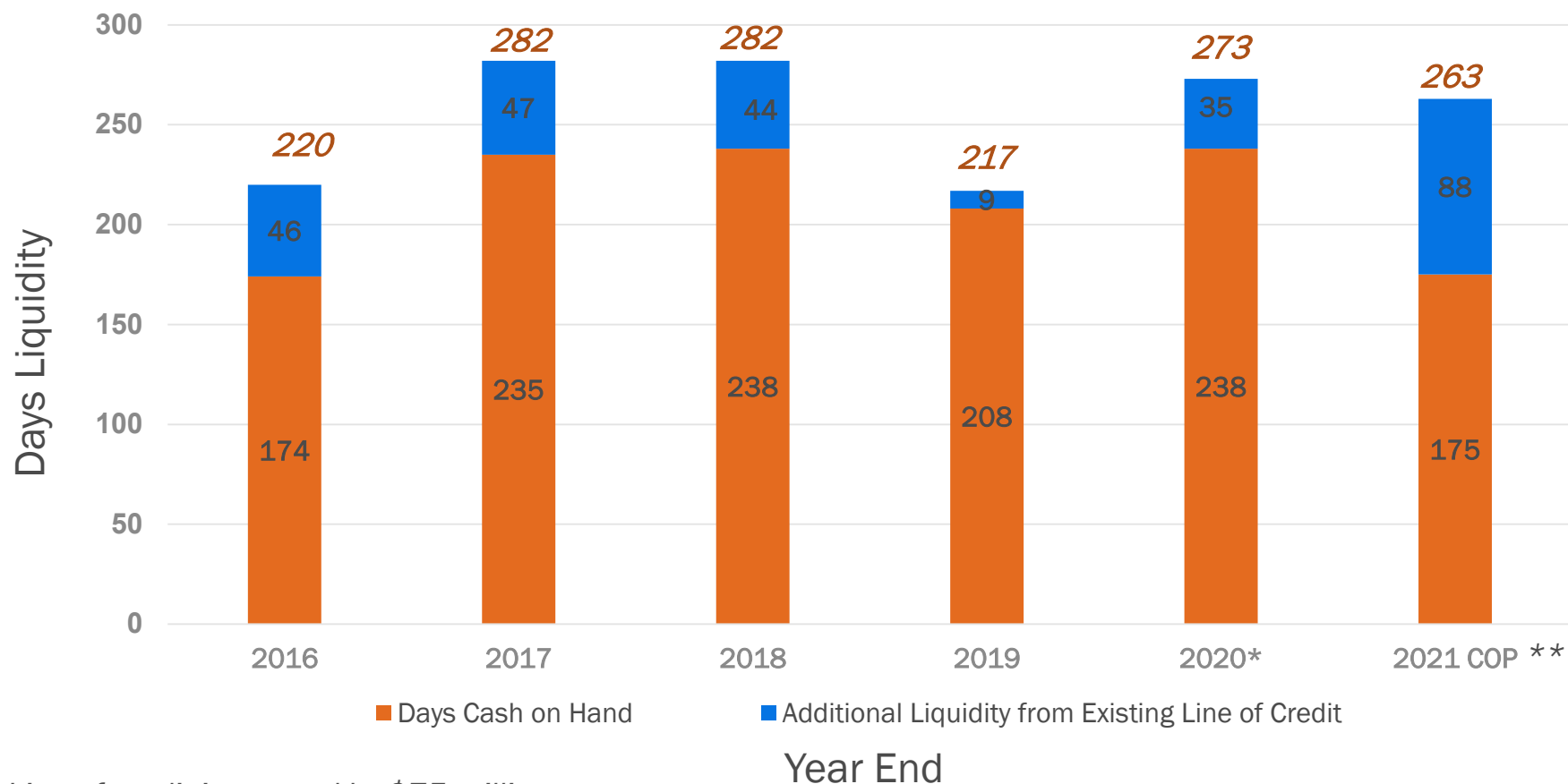
* As measured by Debt Service Coverage, Liquidity and Debt to Equity Ratio

Debt Ratio*



* Share of debt to total capitalization (debt plus net position)

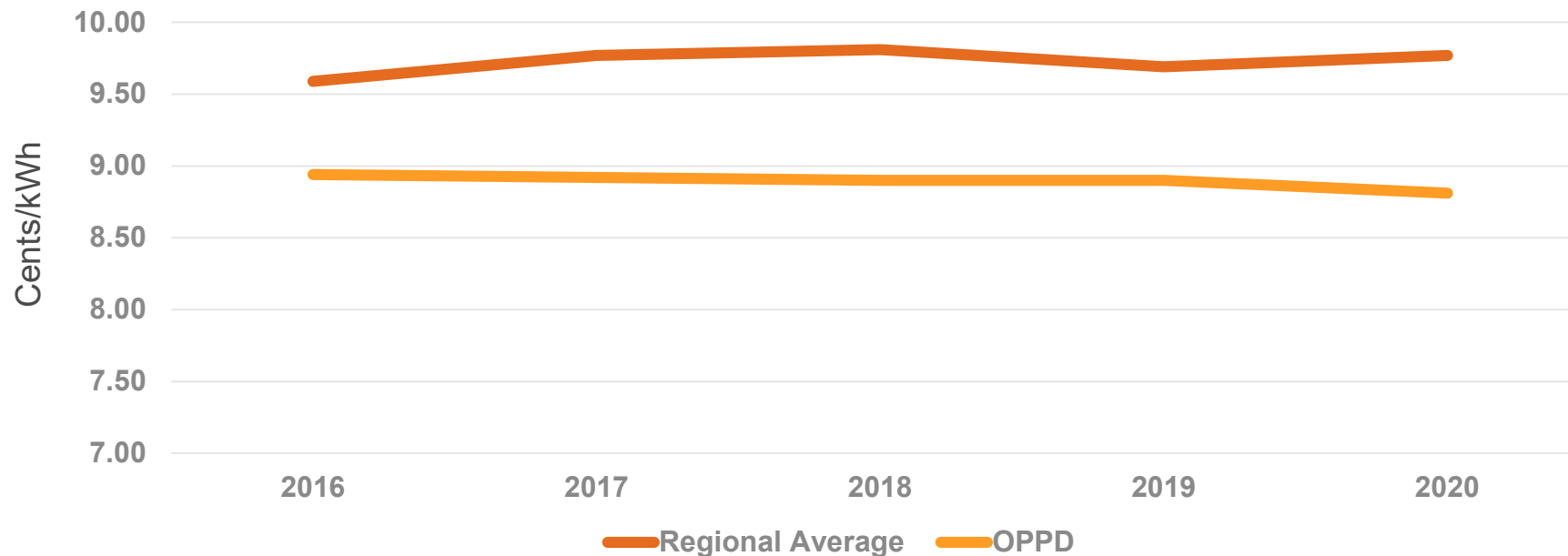
Days Liquidity



* Line of credit increased by \$75 million

** Projected as of March 2021. Assumptions include line of credit increase from \$75 to \$200 million in May 2021 and normalized expenses.

Competitive Position – Retail Rates



	2016	2017	2018	2019	2020**	2021
Regional* (Cents/kWh)	9.59	9.77	9.81	9.69	9.77	No general rate increase
OPPD (Cents/kWh)	8.94	8.92	8.90	8.90	8.81	
Below Reg. Avg. (%)	6.8%	8.7%	9.3%	8.2%	9.8%	

* Source: 2016-2019 EIA Form 861

** 2020 to be updated as EIA information is available

Credit Rating

OPPD's goal is to maintain an AA credit rating with the credit rating agencies consistent with the above expectations.

	2016	2017	2018	2019	2020
Moody's	Aa2	Aa2	Aa2	Aa2	Aa2
Standard & Poor's	AA	AA	AA	AA	AA

Polar Vortex Considerations

OPPD is well-positioned financially to manage polar vortex impacts

- Cash on hand is sufficient to operate for almost six months
- Requested increase in bank line of credit offers additional financial flexibility
- AA rating allows lower cost access to credit markets
- Preliminary discussions with credit rating agencies indicate no change to OPPD's credit ratings

Recommendation

- The Finance Committee has reviewed and accepted this Monitoring Report for SD-3 and recommends that the Board find OPPD to be sufficiently in compliance with Board Policy SD-3.



Board Action

BOARD OF DIRECTORS

May 18, 2021

ITEM

SD-3: Access to Credit Markets Report

PURPOSE

To ensure full Board review, discussion and acceptance of SD-3: Access to Credit Markets Report

FACTS

- a. The Board confirmed the Corporate Governance Initiative Charter in December 2014, in order to assess and refine OPPD's corporate governance infrastructure.
- b. The first set of Board policies were approved by the Board on July 16, 2015. A second set of Board policies were approved by the Board on October 15, 2015.
- c. Each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process.
- d. The Finance Committee is responsible for evaluating Board Policy SD-3: Access to Credit Markets Report on an annual basis.
- e. The Finance Committee has reviewed the SD-3: Access to Credit Markets Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.

ACTION

The Finance Committee recommends Board approval of the 2021 SD-3: Access to Credit Markets Report.

RECOMMENDED:

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

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L. Javier Fernandez
Vice President and Chief Financial Officer

DocuSigned by:

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Timothy J. Burke
President and Chief Executive Officer

LJF: jap

Attachments: Exhibit A - Monitoring Report Resolution