



Spurgeon/Bishop

RESOLUTION NO. 6553

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-14: Retirement Plan Funding on an annual basis. The Committee has reviewed the SD-14: Retirement Plan Funding 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-14: Retirement Plan Funding 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.

Exhibit A



Monitoring Report SD-14: Retirement Plan Funding March 14, 2023

Jeff Bishop, Vice President – Financial Services & CFO

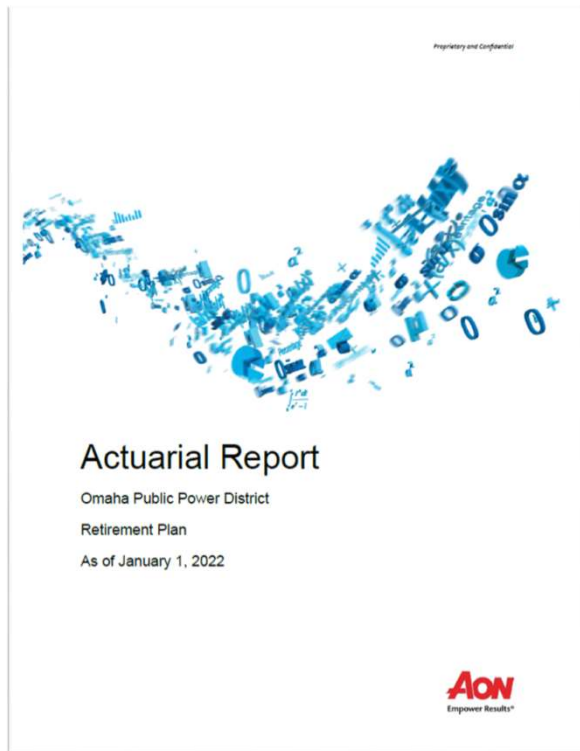
SD-14: Retirement Plan Funding

The Retirement Plan Funding Policy is intended to provide guidance for funding and budgeting for pension obligations, demonstrate prudent financial management practices, re-assure bond rating agencies, and provide transparency to stakeholders on how the Retirement Plan (“Plan”) is funded. OPPD intends to provide for systematic funding of future benefit payments for Plan participants and their beneficiaries.

Therefore:

- A nationally recognized actuarial firm should be utilized to perform the analysis to determine the annual required contribution to the Plan.
- The discount rate to be used to determine the Plan’s current funded status and required contribution will be established with the assistance of an investment consultant.
- OPPD intends to achieve long-term full funding of the cost of benefits provided by the Plan by funding the actuarially determined annual required contribution each year.

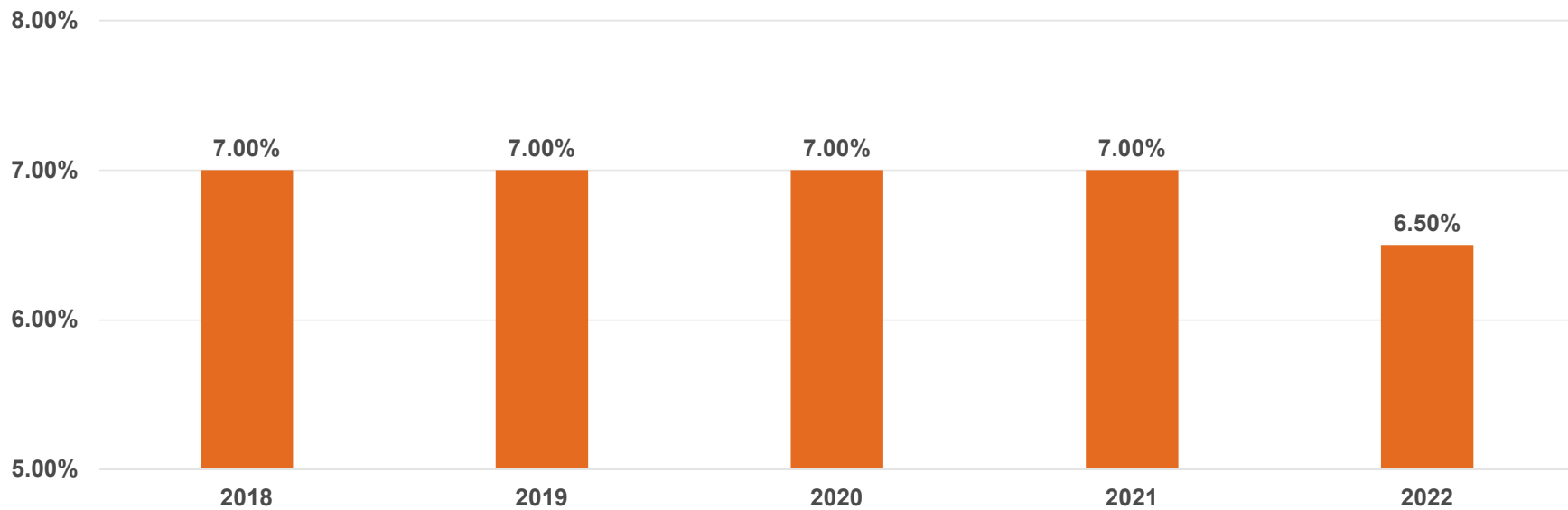
A nationally recognized actuarial firm should be utilized to perform the analysis to determine the annual required contribution to the Plan



- Established relationship with actuary - Aon
- Annual Actuarial Report documents the actuarial valuations for the Retirement Plan assets and liabilities and determines annual required contribution to achieve a fully funded plan within the actuarial period.
- Valuations are conducted in accordance with generally accepted actuarial principles and practices, including Applicable Standards of Practice as issued by the Actuarial Standards Board.

The discount rate to be used to determine the Plan's current funded status and required contribution will be established with the assistance of an investment consultant.

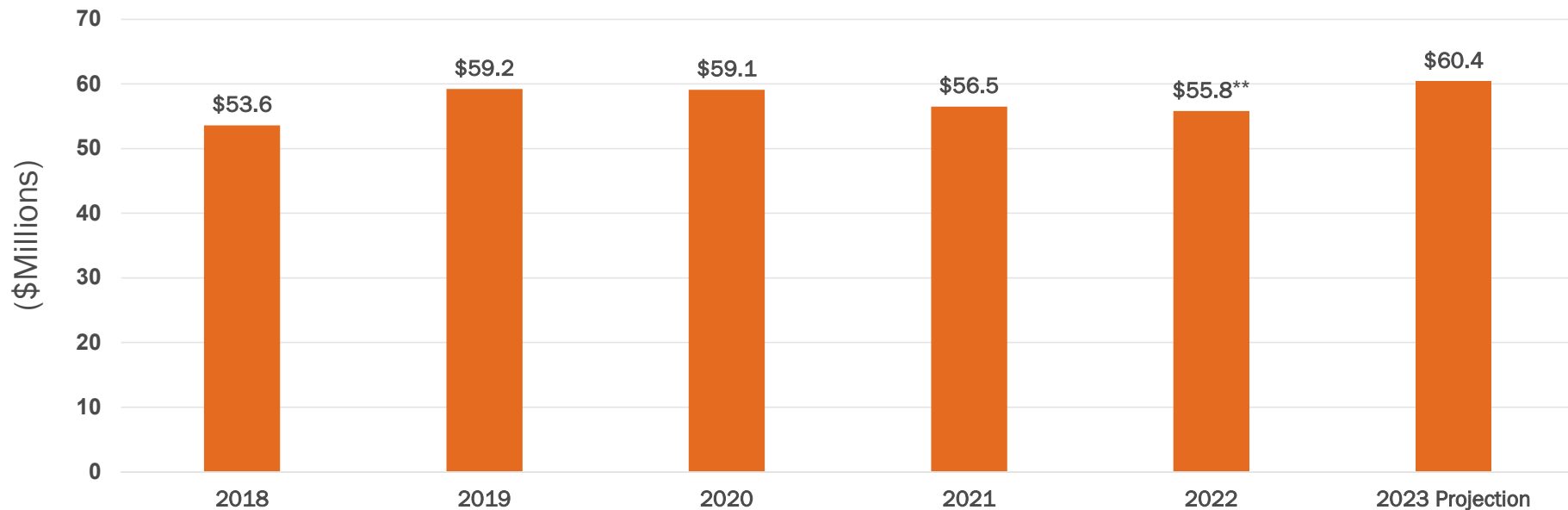
Discount Rate*



Discount rates are determined by the District's Investment Consultant, Segal Marco, based on the Retirement Plan's asset allocation and active/passive management. The District updated the Plan's discount rate to 6.5% for 2022 as a result of changes due to an asset/liability study.

OPPD intends to achieve long-term full funding of the cost of benefits provided by the Plan by funding the actuarially determined annual required contribution each year.

Annually Required Contributions (ARC)*



* Per policy, the District annually funds Aon's determined ARC each year

** In 2021, an additional \$95 million was contributed to the Plan from the Decommissioning and Benefits Reserve

Retirement Plan Funded Ratio

Year	2018	2019	2020	2021	2022
Funded Ratio*	70.0%	67.8%	68.9%	72.0%	75.5%
Discount Rate	7.0%	7.0%	7.0%	7.0%	6.5%
Retirement Fund Return**	16.5%	-6.3%	19.0%	13.3%	6.4%
Other Factors Affecting the Funded Ratio	Updated the mortality table. The FCS assumptions were updated to reflect the current head count forecast.	Updated the mortality table. The FCS assumptions were updated to reflect the current decommissioning forecasts	Updated the mortality tables. The FCS assumptions were updated to reflect the current decommissioning forecasts .	Updated the mortality tables. The active retirement rates, withdrawal rates, salary scale and terminated vested commencement age were changed based on a new assumption study. The FCS assumptions were eliminated	Made an additional contribution of \$95 million into the Retirement Plan from the Decommissioning and Benefit Reserve. Changed the discount rate from 7% to 6.5%. Updated the mortality tables for healthy and disabled participants.

* Funded Ratio is determined as of January 1 of each year.

** Retirement Fund return as of January 1 of each year. The return as of January 1, 2023 was -14.4%.

The District's objective is to reach a fully funded Retirement Plan over the next 20 years
 Source: Aon Annual Actuarial Report – Actuarial Accrued Liability to Actuarial Value of Assets

Recommendation

- The Finance Committee has reviewed and accepted this Monitoring Report for SD-14 and recommends that the Board find OPPD to be sufficiently in compliance with Board Policy SD-14.



Board Action

BOARD OF DIRECTORS

March 14, 2023

ITEM

SD-14: Retirement Plan Funding Monitoring Report

PURPOSE

To ensure full Board review, discussion and acceptance of SD-14: Retirement Plan Funding 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 Finance Committee is responsible for evaluating Board Policy SD-14: Retirement Plan Funding Monitoring Report on an annual basis.
- d. The Finance Committee has reviewed the SD-14: Retirement Plan Funding Monitoring 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 2023 SD-14: Retirement Plan Funding Monitoring Report.

RECOMMENDED:

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Jeff M. Bishop
Vice President and Chief Financial Officer

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

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L. Javier Fernandez
President and Chief Executive Officer

JMB:jap

Attachments: Exhibit A - Monitoring Report
Resolution