



OPPDP BOARD OF DIRECTORS WORKSHOP

October 5, 2021

The Board of Directors of the Omaha Public Power District (“OPPDP” or “District”) held a governance and policy workshop in person on Tuesday, October 5, 2021 at the Omaha Marriott Downtown at the Capitol District, 222 North 10th Street, Omaha, and via Webex audio and video conference beginning at 8:39 a.m.

Present in person were Directors A. E. Bogner, M. J. Cavanaugh, S. E. Howard, J. M. Mollhoff, C. C. Moody, M. G. Spurgeon, E. H. Williams and R. M. Yoder. Also present in person were L. J. Fernandez, President and Chief Executive Officer, S. M. Bruckner of the Fraser Stryker law firm, General Counsel for the District, M. F. Hinners, Senior Corporate Governance Specialist, and other members of the OPPD Board meeting logistics support staff. The following executive leadership team members attended the workshop in person or via Webex: B. E. Adams, K. W. Brown, J. A. Comstock, M. J. Fisher, S. M. Focht, K. S. McCormick, L. A. Olson, M. V. Pinder, J. W. Thurber, B. R. Underwood, and T. R. Via, as well as several OPPD employees and members of the public. Messrs. Eric Douglas and Bill Slaton of Leading Resources, Inc. (LRI) facilitated the workshop discussion.

I. Introduction

Chair Bogner provided a brief opening statement, including an announcement regarding public notice of the meeting, which was publicized on October 1, 2021, by notifying the area news media¹; by publicizing on OPPD.com; and by e-mailing such notice to each of the District’s Directors on that same date. She explained that the Board would not take public comment during the workshop and that the public could send comments using the Board Contact form on the District’s website, oppd.com.

J. D. Clark, Manager Protective Services, provided the safety briefing, including emergency evacuation procedures for the Omaha Marriott. President Fernandez reminded everyone to follow the “3Ws” during the COVID-19 pandemic – Watch your distance; Wear a mask; and Wash your hands. He also reminded the public to call 811 before digging so that underground utilities can be marked.

¹ News outlets that received OPPD Board meeting notification emails included: 1. KETV; 2. WOWT; 3. KMTV; 4. KPTM; 5. Telemundo Nebraska; 6. Nebraska Public Media (NET-TV); 7. NewsChannel Nebraska; 8. KFAB; 9. KOIL 1290 AM; 10. KIOS 91.5 FM – Nebraska Public Radio (Omaha); 11. Radio Lobo – 97.7 FM (Omaha); 12. Boomer Blair 97.3 FM (Blair); 13. KHUB 1340 AM/KFMT 101.5 FM (Fremont); 14. Sunny 101.3 FM (Falls City); 15. Omaha World Herald; 16. Washington County Enterprise & Blair Pilot Tribune; 17. Lincoln Journal Star; 18. Omaha Daily Record; 19. Omaha Star; 20. Douglas County Post-Gazette; 21. Papillion Times; 22. Bellevue Leader; 23. Midlands Business Journal; 24. Ralston Recorder; 25. Sarpy Guide and News; 26. Pawnee Republican; 27. Tecumseh Chieftain; 28. Ashland Gazette; 29. Wahoo Newspaper; 30. Nebraska City News Press; 31. Cassgram (Cass County online news publication); and 32. Associated Press.

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Chair Bogner explained that since 2015, when the Board implemented a policy governance framework, the Board has taken time each year to refresh everyone's understanding of the framework, build agreement around the approach for refining Board policies, and lay out policies for the Board and executive team to focus on during the next year.

President Fernandez offered his perspective on the benefits of the board policy governance framework and its importance in providing structure for the Board and OPPD to work on the many strategic initiatives to prepare OPPD for the future.

President Fernandez then introduced Eric Douglas and Bill Slaton of Leading Resources, Inc., who facilitated the workshop discussion.

Mr. Douglas provided ground rules for the Board's discussion.

II. Discussion of Results of Board Survey and Recommendations

S. M. Focht, Vice President – Corporate Strategy and Governance, presented the results of the Board survey and recommendations. Overall, ratings of the Five Habits of Effective Boards have increased favorably since 2015. The Five Habits are: (1) Board members cultivate the Board as a distinct entity (i.e. "unity of control"); (2) the Board focuses on results and on monitoring results; (3) the Board ensures sufficient resources are on hand and that those resources are managed effectively; (4) the Board develops itself so that it can effectively serve the organization's needs; and (5) the Board provides feedback and support to the chief executive. Mr. Focht explained each habit has five characteristics, and the survey asked Board and senior management team (SMT) members to rate the characteristics on a scale of 1 (Disagree) to 4 (Agree).

Mr. Focht presented the following information with respect to the Five Habits Survey:

- 2021 Summary
- Characteristics rated 4.0 in 2021
- Characteristics rated 2.9 or less in 2021
- Increased ratings since prior year
- Decreased ratings from prior year
- Ratings Unchanged 2019 – 2021
- Similar Ratings between Board and SMT
- Variances between Board and SMT Ratings

Mr. Slaton shared his perspective on the results of the Five Habits Survey. The Board members and President Fernandez, with facilitation by Mr. Douglas, then engaged in a discussion about the Five Habits, with particular focus on Habits 1 (unity of control), 5 (support to the chief executive), and 4 (board develops itself).

Mr. Focht then presented the results of the Board policies survey, which was taken by members of the Board:

- Ratings for *"As a Board member, I believe the policy sufficiently reflects the desired principles/processes for Board governance."*
- Ratings for *"As a Board member, I believe this Board-Staff Linkage policy sufficiently reflects the delegations from the Board to the CEO to carry out the work of OPPD."*
- Ratings for *"As a Board member, I believe the policy sufficiently reflects the desired strategic direction for OPPD."*
- Board Policies Sorted by Level of Agreement
- Board Policies Sorted by Level of Disagreement

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The Board members, with facilitation by Mr. Douglas, then engaged in a discussion about the governance process (GP) policies, board-staff linkage (BL) policies, and strategic directive (SD) policies, with particular focus on the following policies:

- GP-10: Board Training, Orientation
- GP-8: Board Committee Principles
- BL-7: Delegation to President and CEO
- BL-9: Delegation to President and CEO – Legislation and Regulation
- SD-2: Rates
- SD-9: Resource Planning
- SD-7: Environmental Stewardship
- SD-4: Reliability
- SD-5: Customer Satisfaction
- SD-11: Economic Development
- SD-13: Stakeholder Outreach and Engagement

The Board took a break for lunch at 12:03 p.m. and reconvened at 12:48 p.m.

III. Discussion of Board Interviews and Governance Topics

Mr. Douglas next facilitated a discussion concerning Board member perspectives on the current state of governance, with a particular focus on the following topics:

- How can we improve upon our current policy monitoring process?
- How can we better operationalize the Board's unity of control policy?
- How can we assure continuity of Board and committee work across transitions in committee membership, committee chairs?
- How can we assure strong communication from committees to the full Board?

All Board members and President Fernandez participated in all aspects of the workshop discussion.


IV. Discussion of Next Steps


Messrs. Douglas and Slaton will work with Mr. Focht and staff to develop a synopsis of the workshop for the Board's review.

V. Conclusion

Chair Bogner and President Fernandez shared their reflections on the day's discussion and asked Board members to send reflections to them.

The workshop concluded at 3:59 p.m.

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S. M. Focht
Vice President – Corporate Strategy and
Governance and Assistant Secretary

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M. F. Hinners
Assistant Secretary of the Meeting