



## OPPD BOARD OF DIRECTORS

### ALL COMMITTEE MEETING MINUTES

April 14, 2020

The regular committee meetings of the Board of Directors of the Omaha Public Power District ("OPPD" or "District") was held via Webex audio and video conference on Tuesday, April 14, 2020 at 10:02 a.m.

Present via Webex conferencing were Directors A. E. Bogner, M. J. Cavanaugh, T. W. Gay, 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. Hinnens, 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 and customer-owners 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 instructions on using Webex audio and video conferencing features. He noted the Board would conduct a closed session in the afternoon on Power with Purpose.

#### ***Committee Agenda Item 2: Safety Briefing***

Mr. 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."

#### ***Committee Agenda Item 3: Finance Committee***

##### **Finance Chair Report**

Director Bogner reported the Finance Committee met on April 3, 2020 via Webex videoconference. She gave a brief report on the items discussed, including: (i) line of credit expansion, and (ii) a general discussion on a proposal for a biennial rate design process. A copy of the agenda for that meeting was made available in the Committee Meeting materials for the Board to review.

Supporting Data  
Agenda

### **Line of Credit Increase**

L. J. Fernandez, Vice President and Chief Financial Officer, presented the following information to support Board authorization to increase the District's credit facility.

- a. The District has a working capital credit facility with Bank of America, N.A. that supports the District's Commercial Paper Program ("Program") in the amount equal to \$250 million. The District's current credit facility is scheduled to terminate on January 1, 2023.
- b. The District has identified the need to increase the size of its credit facilities an additional \$200 million for a total available amount of \$450 million. The increase will provide additional liquidity and provide a short-term funding option for capital projects. The District has an immediate need for a \$75 million increase (of the proposed additional \$200 million) to its available credit facility to support current working capital requirements.
- c. The District's financial advisor, Barclays Capital, advises that securing an increase in the credit facility for general working capital requirements is prudent and recommends approval by the Board of Directors.

Mr. Fernandez presented the following information:

- Definitions of "days cash on hand" and "days liquidity on hand"
- Line of Credit (LOC) History
- Strong Financial Position
- Days Cash and Liquidity Projections 2018 – 2022 with existing LOC
- Liquidity Needs
- Days Cash and Liquidity Projections 2018 – 2022 with additional \$75 million LOC
- Line of Credit Recommendation

Management recommended Board approval of an increase in the District's credit facilities up to the amount of \$450 million to support the Commercial Paper Program and to provide additional liquidity, and authorization to execute a credit agreement to implement the addition to the District's credit facilities. The Board and management discussed various aspects of the proposal, including: (i) optimal days cash on hand and liquidity; (ii) reasons for the reduction of days cash in the upcoming years; (iii) use of the rate stabilization fund; (iv) whether OPPD qualifies for any state or federal COVID-19 emergency funds; and (v) the impact of this proposal on the District's debt ratios.

The Board was scheduled to vote on this matter at the April 16 meeting.

#### **Supporting Data**

Datasheet  
Presentation

### ***Committee Agenda Item 4: System Management & Nuclear Oversight Committee***

#### **System Management & Nuclear Oversight Committee Chair Report**

Director Mollhoff reported the System Committee met on March 20, 2020 via Webex teleconference. She gave a brief report on the items discussed, including: (i) a discussion of

potential revisions to SD-9: Resource Planning, and (ii) an informational presentation on greenhouse gas protocol information and benchmarking. A copy of the agenda for that meeting was made available in the Committee Meeting materials for the Board to review.

Supporting Data  
Agenda

**Interlocal Agreement for Cooperative Use of the Wireless Area Network**

K. W. Brown, Vice President and Chief Information Officer, presented the following information to support Board of Directors authorization for OPPD to execute and enter into the Interlocal Agreement for Cooperative Use of the Wireless Area Network among OPPD, Douglas County, Nebraska (“Douglas County”), Pottawattamie County, Iowa (“Pottawattamie County”), Sarpy County, Nebraska (“Sarpy County”), Washington County, Nebraska (“Washington County”), and Dodge County, along with the City of Fremont (“Fremont/Dodge County”) (collectively, the “Parties”), for the maintenance and oversight of a Regional Wireless Area Network (the “Regional WAN”) installed and provisioned throughout the five county region for the sole purpose to connect the Parties and leverage regional interests in order to prioritize regional public safety objectives and responses.

- a. On June 15, 2010, OPPD, Douglas County, Pottawattamie County, Sarpy County and Washington County entered into an Interlocal Agreement for Cooperative Use of the Wireless Area Network dated June 15, 2010 (the “Prior Agreement”), to maintain and oversee a regional Wireless Area Network in their respective regions. The Prior Agreement will expire on April 14, 2020.
- b. In order to replace the expiring Prior Agreement and to expand the relevant coverage area of the original regional Wireless Area Network, OPPD, Douglas County, Pottawattamie County, Sarpy County, Washington County and Fremont/Dodge County desire to enter into an agreement to maintain and oversee the Regional WAN installed and provisioned throughout the five county region for the sole purpose to connect the Parties and leverage regional interests in order to prioritize regional public safety objectives and responses.
- c. The Nebraska Interlocal Cooperation Act requires the governing board of each public agency to authorize such agreement.

Management recommended Board of Directors authorization for OPPD management to execute and enter into the Interlocal Agreement for Cooperative use of the Wireless Area Network among OPPD, Douglas County, Pottawattamie County, Sarpy County, Washington County and Fremont/Dodge County, with the final form of the agreement to be reviewed and approved by OPPD’s General Counsel.

The Board was scheduled to vote on this matter at the April 16 meeting.

Supporting Data  
Datasheet  
Resolution

### **Nebraska City Station Unit 2 Catalyst Replacement 2021 Materials Contract Award**

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, presented the following facts to support Board of Directors approval of a contract to provide materials and fabrication for the supply of catalyst modules, test elements, seals and cover screens for one layer of the Nebraska City Station Unit 2 Selective Catalytic Reduction (SCR) System Lower Layer Catalyst.

- a. As part of the ongoing Catalyst Management Plan, it was determined that one catalyst layer of each SCR should be replaced every two years in order to meet NOx limits.
- b. The lower layer of catalyst modules will be six years old in 2021 and their stored potential activity depleted.
- c. Installation of the catalyst modules, seals and cover screens will be performed during the maintenance outage scheduled for spring of 2021. The installation will be performed under a different contract.
- d. Three bids were received. Two bids were determined to be legally non-responsive. One bid was determined to be technically acceptable.

Management recommended authorization by the Board of Directors to award a contract to IBIDEN CERAM, Inc. for the material and fabrication of the catalyst modules, test elements, seals and cover screens for the Nebraska City Station Unit 2 SCR System.

The Board and management discussed the location of manufacturing and bid amounts.

The Board was scheduled to vote on this matter at the April 16 meeting.

#### **Supporting Data**

Datasheet  
Tabulation of Bids  
Legal Opinion  
Resolution

The Board took a break at 11:27 a.m. and reconvened at 11:37 a.m.

### ***Committee Agenda Item 5: Public Information Committee***

#### **Public Information Committee Chair Report**

Director Yoder reported the Public Information Committee met on April 7, 2020 via Webex videoconference. He gave a brief report on the items discussed, including: (i) use of OPPD resources to support individual director outreach; (ii) BL-9: Delegation to President & CEO – Local, State and Federal Legislation; (iii) legislative update; (iv) discussion of potential revisions to SD-13: Stakeholder Outreach and Engagement; and (v) Customer First Solutions package. A copy of the agenda for that meeting was made available in the Committee Meeting materials for the Board to review.

#### **Supporting Data**

Agenda

### **Legislative Update Q&A**

In lieu of a full legislative update presentation at the All Committee meeting, the Public Information Committee requested the Legislative Update presentation be provided to the full Board and to use the meeting time to discuss specific questions from the Board. The Legislative Update presentation also was made available to the public on oppd.com. The Board and management discussed a variety of issues, including: (i) the status of the state legislature and COVID-19 emergency funding; (ii) COVID-19 federal stimulus legislation; and (iii) federal carbon tax legislation.

### **Supporting Data** Presentation

### **Customer First Solutions Package**

Ms. J. A. Comstock, Vice President – Customer Service, presented the following information on OPPD’s Customer First Solutions Package, a variety of programs to assist customers during the COVID-19 pandemic.

- Solutions will extend 30 days beyond the expiration of the last Directed Health Measure
- Solutions for All Customers
  - Extend suspension of field collections and disconnects
  - Suspend the assessment of all late payment charges (requires Board of Directors approval)
  - Increase flexible bill payment options
  - Prevent cancellation of OPPD Level Payment Program due to non-payment
- Solutions for Residential Customers
  - Adjust Energy Assistance Program requirements by removing income eligibility
  - Increase public education and awareness of
    - Low Income Home Energy Assistance Program (LIHEAP) crisis funding
    - Energy efficiency education promotion to residential customers
- Solutions for Business Customers
  - Business Energy Advisor website launch
  - Promotion of outside resources
    - Federal Government Paycheck Protection Program
    - Small Business Administration Economic Injury Disaster Loan Program
    - Greater Omaha Chamber Crisis Response Resources
- Promotional/Marketing Campaign planned to start on April 13 through the end of May in English and Spanish

### **Supporting Data** Presentation

### **Suspension of the Assessment of Late Payment Charges**

L. J. Fernandez, Vice President and Chief Financial Officer, presented the Board with the following facts to temporarily authorize the suspension of the assessment of all Late Payment Charges for all Rates Schedules for all customers due to the impact of COVID-19.

- a. In response to the outbreak of COVID-19, the District has evaluated a number of potential options to provide relief to customers during this time. One of the identified

options is to temporarily suspend the assessment of late payment charges to all Customers on all Rate Schedules for a defined amount of time.

- b. In all of the District's approved Rate Schedules, the following requirement exists: "A Late Payment Charge in the amount of 4% of the monthly rate and applicable taxes will be assessed if the current month's bill payment is not received by the District on or before the due date."
- c. In 2019, the District collected approximately \$360,000 per month in late payment charges.

Management recommended Board approval to temporarily suspend the assessment of late payment charges for all customers taking service under all Rate Schedules beginning on the date of declaration of the first COVID-19 Directed Health Measure declared on March 19, 2020 and continuing until 30 days after the expiration of the last COVID-19 Directed Health Measure of any county within the District's service territory.

The Board was scheduled to vote on this matter at the April 16 meeting.

Supporting Data  
Datasheet  
Resolution

### **Committee Agenda Item 6: Governance Committee**

#### **Governance Committee Chair Report**

Director McGuire reported the Governance Committee did not hold a pre-committee meeting this month.

#### **Severance Agreements**

M. L. Sedky, Vice President – Human Capital, provided the following report on severance agreements.

- a. OPPD is implementing an Accountable Management System (AMS).
- b. OPPD offers a Redeployment of Talent Program for exempt employees who do not meet the AMS suitability for role criteria. Employees who choose not to stay with the District are offered severance in exchange for a release of claims.
- c. Three (3) exempt employees have chosen to separate from OPPD as a result of the AMS process and executed a separation agreement.
- d. The severance agreements involve payments that exceed \$50,000 and therefore may be subject to the requirement for reporting settlement agreements under Section 84-713 of the Nebraska Revised Statutes. These agreements are listed on the attachment to the datasheet in the meeting materials.
- e. The severance agreements are available for inspection in the office of the corporate secretary.

Supporting Data

Datasheet

List of Severance Agreements Exceeding \$50,000

**Ratification of the Decision to Conduct the April Board Meeting Virtually Due to the COVID-19 Public Health Situation**

Director McGuire requested S. M. Focht, Sr. Director – Corporate Strategy and Governance, to provide a summary of the District’s decision to conduct the April Board meetings remotely using Webex Events audio and video conferencing platform due to the COVID-19 public health emergency that prohibits large gatherings. Mr. Bruckner, General Counsel to the District, advised that it is permissible for public bodies to conduct meetings via audio and video conference under the Open Meetings Act. Mr. Bruckner explained that the ratification by the Board would assure compliance with the Open Meetings Act. The ratification will be on the consent agenda and approved in a manner similar to how the Board approves meeting minutes and the monthly comprehensive and financial operating reports.

The Board took a break for lunch at 12:39 p.m. and reconvened at 1:12 p.m.

***Committee Agenda Item 7: Other Business***

**COVID-19 Update**

President Burke provided a summary of the District’s efforts in response to the COVID-19 pandemic. He explained the Business Continuity Team’s daily updates and coordination allows OPPD to plan for long-term efforts and review current actions. Dozens of employees have served on rotations for more than 30 days to ensure OPPD is prepared and responsive to the evolving COVID-19 situation. Mr. Burke presented the following information:

- 7,395 hours (and counting) of time in formal Business Continuity Plan (BCP) activities, meeting a minimum of twice daily, including during the weekends
- 146 employees involved with BCP meetings and actions
- January 27 – Started planning response and reviewed infectious disease plan
- Robust plans enhanced around critical operations, employees and facilities
- Material, equipment, food, etc. in place to support long-term planning efforts

Supporting Data

Presentation

**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 March 27, 2020.

Solar Facts

1. Solar proposals are undergoing evaluation by a multi-disciplinary team against predetermined criterion. Applicable technical and economic proposal information is being clarified to update internal transmission and economic analysis models.

### Natural Gas Facts

1. Multi-disciplinary team conducted detailed technical and financial review of high potential gas generation technologies and sites to update economic analysis models.
2. Began drafting Southwest Power Pool Generator Interconnection Agreement (GIA) applications.
3. Continued evaluation of natural gas supply option information for inclusion into economic analysis models.

Ms. Fisher presented the following information:

- Power with Purpose Solution
- Power with Purpose Update Timeline
- March 2020 Progress – Solar
- Solar Next Steps: April – May
- March 2020 Progress – Natural Gas
- Natural Gas Next Steps: April – May

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

- Outreach Approach Phases
- Phase I – State of the Utility outreach adapted to online format – Timing, Purpose, What to Expect
- Phase II – Solar/Natural Gas Outreach – Timing, Purpose, What to Expect
- Phase II – Stakeholders
- Outreach Approach Channels

The Board and management team discussed the RFP process, the SPP application process, and aspects of the outreach approach.

### Supporting Data

Datasheet  
Presentation

### **Committee Agenda Item 8: Closed Session – Power with Purpose Update**

Chair Moody reminded the Board that a Closed Session discussion would be conducted this afternoon to receive a confidential update from the management team on Power with Purpose.

At 1:52 p.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 (1:52 p.m.) to discuss an update on 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 motion was seconded by Director Cavanaugh.



Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Yes; McGuire – Yes; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (8-0).

Chair Moody read the following:

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

Director Gay noted his potential conflict of interest. He departed the meeting at 1:54 p.m.

Chair Moody announced that members of the public and OPPD staff who are not on the Power with Purpose team would be removed from the Webex Event. After confirming the appropriate members of the Board, senior management team and staff were present, the Webex conference was locked to prevent additional attendees from joining the meeting.

The Board then conducted its closed session discussion on Power with Purpose until 4:43 p.m.

At 4:43 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 – 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 (4:44 p.m.) is carried. This closed session was limited to discussion regarding an update on Power with Purpose. No votes or other board action were taken during the closed session.”*

There being no further business, the meeting adjourned at 4:45 p.m.

/s/ M. J. Fisher

M. J. Fisher  
Assistant Secretary

/s/ M. F. Hinnners

M. F. Hinnners  
Assistant Secretary of the Meeting