



## OPPDP BOARD OF DIRECTORS

### ALL COMMITTEE MEETING MINUTES

February 11, 2020

The regular committee meetings of the Board of Directors of the Omaha Public Power District (“OPPDP” or “District”) was held in the 9W Seminar Room of Energy Plaza on Tuesday, February 11, 2020 at 9:00 a.m.

Present were Directors A. E. Bogner, M. J. Cavanaugh, T. W. Gay, J. M. Mollhoff, C. C. Moody, E. H. Williams and R. M. Yoder. Also present 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. Hinnners, Senior Corporate Governance Specialist, recorded the minutes. Other members of management present 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 OPPDP employees were present.

#### ***Committee Agenda Item 1: Board Chair Opening Statement***

Chair Moody gave a brief opening statement, including an announcement regarding public notice of meeting and reminder that the Board would go into closed session at the beginning of the meeting. He noted the Board would endeavor to complete its closed session discussion by 10 a.m. If the closed session discussion was not completed by 10 a.m., the Board would continue its closed session after the public portion of the meeting.

#### ***Committee Agenda Item 2: Closed Session – Power with Purpose Update***

At 9:00 a.m., it was moved by Director Cavanaugh that the Board go into Closed Session. Director Cavanaugh stated as follows:

*“I move that the Board go into closed session at this time (9:00 a.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 Yoder.

Ms. Hinnners noted Director McGuire was unable to attend the meeting.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Yes; McGuire – Absent; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (7-0).

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.”*

The Board then conducted its closed session discussion. Director Gay, citing a potential conflict of interest with respect to the siting of the proposed solar generation facilities, departed the meeting at 9:04 a.m. and returned at 9:23 a.m. The Board concluded its closed session discussion at 9:50 a.m. and took a break.

A motion was made and seconded to reconvene the meeting in open session at 10:00 a.m.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Yes; McGuire – Absent; 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 (10:00 a.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. In addition, the Board took a break from 9:50 a.m. to 10:00 a.m. after completing the closed session discussion, and no further business was discussed during that time.”*

A number of customer-owners and other OPPD employees joined the meeting.

### ***Committee Agenda Item 3: Public Session – Safety Briefing – Board Policy Reminder***

Mr. Burke gave the safety briefing, including emergency evacuation procedures.

Chair Moody reviewed Board Policy BL-1: Board – President & CEO Relationship.

### ***Committee Agenda Item 4: Finance Committee***

#### **Finance Chair Report**

Director Gay reported the Finance Committee did not hold a pre-committee meeting this month. He asked L. J. Fernandez, Vice President and Chief Financial Officer, to provide an update on OPPD's new financial reporting process to the Board.

Mr. Fernandez explained in 2019, the Financial Services Business Unit worked to modify the format and timing of the reporting of financial results to the Board. Financial reports historically have been provided monthly at the public Board Committee meetings. Beginning in 2020, OPPD will provide financial update reports at the public Board Committee meeting on a quarterly basis. The objective for this change is to provide a more meaningful update to the Board. The report format and timing changes were reviewed with the Finance Committee in 2019.

The first report under the new process will be at the Tuesday, March 10 Board Committee meeting with a report on 2019 annual financial results. Thereafter, the next quarterly reports would be presented at the Board Committee meetings held on May 12 (1<sup>st</sup> quarter results), August 11 (2<sup>nd</sup> quarter results), and November 10 (3<sup>rd</sup> quarter results).

### ***Committee Agenda Item 5: System Management & Nuclear Oversight Committee***

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

Director Yoder reported the System Management & Nuclear Oversight Committee met on February 4, 2020 at Energy Plaza. He gave a brief report on the items discussed, including: (i) SD-7: Environmental Stewardship expectations for future monitoring reports; (ii) SD-9: Resource Planning potential revisions; and (iii) review of draft SD-4: Reliability Monitoring Report. A copy of the agenda for that meeting was made available in the Committee Meeting materials for the Board to review.

#### **Supporting Data** Agenda

#### **2020 Railroad Easement Acquisitions**

J. A. Comstock, Vice President – Customer Service, presented the following facts to support Board of Directors authorization for OPPD to use eminent domain proceedings, as necessary, to acquire temporary and permanent easements for utility crossings on railroad property during the 2020 calendar year.

- a. Many utility rights at railroad crossings are acquired through negotiated Master Agreements between railroad owners and the District. Not all railroad owners have such agreements in place with the District and in those cases the District negotiates crossing rights on an individual project basis. If rights cannot be obtained voluntarily within the project schedule needs, eminent domain may be used to acquire the appropriate rights and expedite the process.
- b. The District acquires utility rights for approximately 6 railroad crossing locations annually.
- c. Use of eminent domain may be necessary, after all reasonable efforts have been made to acquire rights voluntarily through good faith negotiations.
- d. Eminent domain actions will be reported to the Board and Senior Management, as necessary.

Management recommended authorization by the Board of Directors for Management and the District's General Counsel to commence eminent domain proceedings, as necessary, to acquire easements for utility crossings on railroad property for District projects during the 2020 calendar year.

The Board and management discussed the timing and frequency of this resolution. The System Management Committee will review and discuss further. The Board was scheduled to vote on this matter at the February 13, 2020 meeting.

Supporting Data

Datasheet  
Resolution

**Underground Residential Development (URD) Contract**

T. R. Via, Vice President – Energy Delivery, presented the following facts to support Board of Directors authorization to award a contract for construction services associated with the installation of distribution system components in new Underground Residential Developments (URD).

- a. Underground Residential Development installations are ongoing, customer driven work which require dedicated resources to meet the growing customer needs in OPPD's service territory.
- b. Construction labor includes the following:
  1. Installation of underground primary backbone cable and associated components
  2. Preparation of pad-mounted transformer sites
  3. Installation of secondary pedestals
  4. Installation of street lights and associated street light cable
- c. Expenditure for 2020 is expected to be approximately One Million, Five Hundred Sixty-Nine Thousand, Eight Hundred Four Dollars (\$1,569,804).
- d. Three proposals were received. All three proposals are legally and technically responsive.
- e. OPPD will award this contract for a three (3) year initial term, beginning in calendar year 2020. OPPD will have option to renew the contract with three (3) additional one (1) year contract renewal terms potentially extending contract to 2026. Construction will begin March 2020.
- f. The bid from Nielsen Construction Co. was evaluated to be the lowest and best bid.

Management recommended authorization by the Board to award a labor contract to Nielsen Construction Co. for an initial three (3) year contract with the option to renew up to three (3) additional one (1) year terms based on the evaluation of RFP No. 5676 "Underground Residential Development (URD)" for the procurement of construction services which install distribution components for new residential subdivisions in OPPD's service territory.

The Board and management discussed the bids. The Board was scheduled to vote on this matter at the February 13, 2020 meeting.

Supporting Data

Datasheet  
Analysis of Proposals  
Tabulation of Bids  
Legal Opinion  
Resolution

### **69-13.8 kV (28) MVA OLTC Transformer**

T. R. Via, Vice President – Energy Delivery, presented the following facts to support Board of Directors authorization to award RFP No. 5675, a 69-13.8kV 15/20/25 (28) MVA OLTC Transformer Contract for the initial purchase of one transformer for sparing needs, with the option to renew at defined costs up to four (4) additional one (1) year terms to support future sparing needs, future load growth, and replacement projects.

- a. The 69-13.8kV 15/20/25 (28) MVA OLTC Transformer Contract is required to supply a spare unit in support transformers currently in service throughout the District.
- b. Expenditure for one (1) transformer is \$645,700 with expected delivery in November 2020.
- c. Six proposals were received; four are legally and two technically responsive.
- d. WEG Transformers USA proposal was evaluated as the lowest and best bid.
- e. WEG Transformers USA provided acceptable provisions for the option to renew up to four (4) additional one (1) year terms with an acceptable escalation/de-escalation formula based on identified indices.

Management recommended authorization by the Board to award WEG Transformers USA for initial one (1) year contract with the option to renew up to four (4) additional one (1) year terms based on the evaluation of RFP No. 5675 “69-13.8kV 15/20/25 (28) MVA OLTC Transformer” for the procurement of substation power transformers.

The Board and management discussed the bids. General Counsel confirmed the District received a letter of clarification from WEG Transformers USA. The Board was scheduled to vote on this matter at the February 13, 2020 meeting.

#### Supporting Data

Datasheet  
Analysis of Proposals  
Tabulation of Bids  
Legal Opinion  
Resolution

### **SD-4: Reliability Monitoring Report**

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, and T. R. Via, Vice President – Energy Delivery, presented the following facts to ensure full Board review, discussion and acceptance of the 2019 SD-4: Reliability Monitoring Report.

- a. 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.
- b. Each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process.

- c. The System Management and Nuclear Oversight Committee is responsible for evaluating Board Policy SD-4: Reliability.
- d. The System Management and Nuclear Oversight Committee has reviewed the 2019 SD-4: Reliability Monitoring Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.

Ms. Fisher presented the following information:

- SD-4: Reliability Policy
- Examples of OPPD assuring all customer requirements are met through the use of its generation resources and purchase power portfolio 100 percent of the time
- Generation Reliability Benchmarks
- Generation Reliability Metric
- 2019 Generation Performance
- Generation Reliability Drivers
- Generation Reliability Programs
- Reliability Implementation – Improved Boiler Performance

Mr. Via presented the following information:

- System Reliability Metric: SAIDI (System Average Interruption Duration Index)
- System Performance Drivers
- Equipment Outage Minutes
- Reliability Improvement Programs
- Vegetation Management
- Cable Replacement Program
- Distribution Pole Replacement Program
- Smart Technology
- Reliability Focus Circuits 2019 – 2020
- Recommendation

Board members asked questions throughout the presentation. The System Management and Nuclear Oversight Committee recommended Board approval of the 2019 SD-4: Reliability Monitoring Report. The Board was scheduled to vote on this matter at the February 13, 2020 meeting.

#### Supporting Data

Datasheet

Exhibit A – Monitoring Report

Resolution

#### **Nuclear Oversight Committee Report**

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, reported the Nuclear Oversight Committee provides a regular oversight of items related to the Fort Calhoun Station (FCS) nuclear plant. In addition to maintaining spent fuel pool cooling and the required Preventative Maintenance tasks and Surveillance Tests, the following major decommissioning activities were completed in January:

- A total of 13 canisters, containing 416 spent fuel bundles, have been safely placed in dry fuel storage as of the end of January. The revised project schedule and solid performance has resulted in recovery of one week of schedule previously impacted by flooding and equipment maintenance. There are three empty canisters available for loading, with continued improvements in the timing of canister shipments from the manufacturer over the last month.
- Preparation for the physical footprint and organization to support the long-term safe, secure, dry storage of fuel continues to progress. The Independent Spent Fuel Storage Installation (ISFSI) Operations Facility (IOF) structure shell is in place with exterior walls and roofing deck complete. The focus now turns to interior construction, equipment installation and technology infrastructure placement. The ISFSI staffing plan is underway, with Bargaining Unit positions filled and exempt positions in the selection process.
- Human Capital is planning the Career Transition Experience (CTE) for employees impacted during the expected mid-year staffing reduction. The CTE will help ease the transition for employees by providing training on skills such as resume writing, interview techniques and job-search tools.

Supporting Data  
Datasheet

The Board took a break for lunch at 11:57 a.m. Director Gay departed the meeting.

The Board reconvened at 12:30 p.m.

***Committee Agenda Item 6: Public Information Committee***

**Public Information Committee Chair Report**

Director Moody reported there was a Public Information Pre-Committee meeting held on February 7, 2020 at Energy Plaza. He gave a brief report on the items discussed, including: (i) state and federal legislative update; (ii) BL-9 Delegation to President and CEO – Local, State and Federal Legislation and Regulation; and (iii) role of directors in outreach. 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**

L. A. Olson, Vice President – Public Affairs, provided an update on 2020 state and federal legislative matters. She stated Nebraska's 106th Legislature, second session, began on January 8, 2020, and is expected to end April 23, 2020. The 116th Congress began on January 3, 2019 and is expected to end January 3, 2021.

T. R. O'Brien, Director Economic Development and External Relations, presented the following information:

- State Legislative Update
  - 2020 Nebraska Legislative Calendar
  - State Legislative Status
  - 2020 Legislation – Priority Status
  - 2019 “Hold Over” Legislation – Priority Status
- Federal Activity and Legislative Update
  - Federal Activity
  - Strategic Partnerships
  - Federal Legislative Overview
  - Climate Leadership and Environmental Action for Our Nation’s (CLEAN) Future Act
  - Policy Updates

Supporting Data

Datasheet  
Presentation  
Summary of Legislation

**Committee Agenda Item 7: Governance Committee**

**Governance Committee Chair Report**

Director Cavanaugh reported the Governance Committee met on February 7, 2020 at Energy Plaza. He gave a brief report on the items discussed, including: (i) Board Standing Committee Assignments; (ii) review of draft SD-1: Strategic Foundation Monitoring Report; (iii) results of the Board Annual Governance Assessment; and (iv) GP-4: Agenda Planning. A copy of the agenda for that meeting was made available in the Committee Meeting materials for the Board to review.

Supporting Data

Agenda

**Board Standing Committee Assignment**

Chair Moody presented the following facts to support Board concurrence of OPPD Board of Directors Standing Committee assignments for 2020.

- a. In accordance with Article III, Section 1, of the District’s Bylaws, the Chair of the Board will appoint two or more Directors to each Standing Committee established in the Bylaws.
- b. The District Bylaws specify that the Board of Directors must concur with the Standing Committee assignments.

Chair Moody explained the committee assignments and recommended Board of Director concurrence of the 2020 Standing Committee assignments listed on Exhibit A. The Board was scheduled to vote on this matter at the February 13, 2020 meeting.



Supporting Data

Datasheet  
Exhibit A – 2020 Standing Committee Assignments  
Resolution

**SD-1: Strategic Foundation Monitoring Report**

S. M. Focht, Senior Director – Corporate Strategy and Governance, presented the following facts to ensure full board review, discussion and acceptance of SD-1: Strategic Foundation Monitoring Report.

- a. 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.
- 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.

Mr. Focht presented the following information:

- SD-1: Strategic Foundation Policy
- OPPD Corporate Scorecard: December 2019
- Strategic Direction: Performance
- OPPD's Mission – 2019 Highlights that demonstrated the following:
  - Affordable
  - Reliable
  - Environmentally Sensitive
- OPPD's Vision – 2019 Highlights that demonstrated the following 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
  - Leverage OPPD's leadership to achieve these goals

Board members asked questions throughout the presentation. The Governance Committee recommended Board approval of the 2019 SD-1: Strategic Foundation Monitoring Report. The Board was scheduled to vote on this matter at the February 13, 2020 meeting.

Supporting Data

Datasheet  
Exhibit A – Monitoring Report  
Resolution

**Committee Agenda Item 8: Other Business – 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 January 31, 2020.

Solar Facts

1. Proposals were received on January 29, 2020 and evaluation of proposals against criterion are in progress.

Natural Gas Facts

1. Natural Gas Owner’s Engineer proposal evaluations were completed.
2. Natural Gas technology vendor workshops with simple cycle combustion turbine and reciprocating engine major manufacturers were completed.
3. A confidential natural gas supply Request for Information (RFI) was issued to vendors on January 24, 2020.

Ms. Fisher presented the following information:

- January 2020 Progress – Solar
- Solar Next Steps: February – March
- January 2020 Progress – Natural Gas
- Natural Gas Next Steps: February – March

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


- Summary
- Outreach Approach

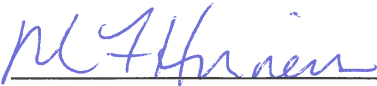
The Board and management team discussed the RFP process and aspects of the outreach approach.

Supporting Data

Datasheet  
Presentation

There being no further business, the meeting adjourned at 1:50 p.m.

  
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T. R. Via  
Assistant Secretary

  
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M. F. Hinners  
Assistant Secretary of the Meeting