



**OPPDP BOARD OF DIRECTORS**  
**ALL COMMITTEE MEETING MINUTES**

**January 14, 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, January 14, 2020 at 9:03 a.m.

Present were Directors M. J. Cavanaugh, T. W. Gay, A. L. McGuire, 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 A. L. McGuire 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 OPPD employees were present.

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

Chair McGuire 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. She 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 – Report on Litigation***

At 9:03 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 (9:03 a.m.) to discuss a report on pending and potential litigation matters. A closed session is necessary because the discussion involves legal advice and strategy that is protected by the attorney-client privilege and attorney work product doctrine.”*

The motion was seconded by Director Moody.

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

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

Chair McGuire read the following:

*“The motion to go into closed session has passed. This closed session will be limited to discussion regarding a report on the District’s pending and potential litigation. No votes or other action will be taken.”*

The Board then conducted its closed session discussion.

A motion was made and seconded to reconvene the meeting in open session at 10:05 a.m.

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

Chair McGuire stated:

*“The motion to come out of closed session at (10:05 a.m.) is carried. This closed session was limited to discussion regarding a report on the District’s pending and potential litigation. No votes or other board action were taken during the closed session.”*

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

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

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

### ***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 present the report on pledged securities.

#### **Pledged Securities**

L. J. Fernandez, Vice President and Chief Financial Officer, presented the following report indicating the District’s deposit balances held at financial institutions are sufficiently guaranteed. He stated the following facts.

- a. Nebraska statutes require that District balances held at financial institutions in excess of Federal Deposit Insurance Corporation (“FDIC”) limits are sufficiently guaranteed with pledged securities.
- b. Exhibit A identifies financial institutions which have District funds on deposit and separately lists those financial institutions with balances above and below the FDIC limits.

- c. The District and its financial institutions monitor balances on a daily basis to ensure that sufficient levels of pledged securities are in place.

Supporting Data

Datasheet  
Exhibit A

***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 did not hold a pre-committee meeting this month. He asked K. S. McCormick to present the SD-6: Safety Monitoring Report.

**SD-6: Safety Monitoring Report**

K. S. McCormick, Senior Director – Safety and Technical Training, presented the following information to ensure full board review, discussion and acceptance of SD-6: Safety 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 & Nuclear Oversight Committee is responsible for evaluating Board Policy SD-6: Safety Monitoring Report.
- d. The System Management & Nuclear Oversight Committee has reviewed the SD-6: Safety Monitoring Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.

Mr. McCormick presented the following information:

- SD-6: Safety Policy
- Terms and Definitions
  - Days Away, Restricted or Transferred (DART) Rate
  - Preventable Vehicle Incident (PVIR) Rate
- Awards earned by OPPD for employee safety and public safety in relation to OPPD operations
- Corporate DART Rate by Year
- Corporate PVIR Rate by Year
- OPPD Management Observation Program
- OPPD Good Catch Program
- OPPD Near Miss Program
- OPPD Ergonomics Assessments

- 2020 Initiatives
- Recommendation

Board members asked questions throughout the presentation. The System Management & Nuclear Oversight Committee recommended Board approval of the 2019 SD-6: Safety Monitoring Report. The Board was scheduled to vote on this matter at the January 16, 2020 meeting.

Supporting Data

Datasheet

Exhibit A – Monitoring Report

Resolution

**Spring 2020 Fiber Optic Ground Wire Installation**

T. R. Via, Vice President – Energy Delivery, presented the following facts to support Board of Directors authorization to award a contract for construction services to add fiber optic ground wire to existing transmission lines to support the Fiber Network Expansion (“FNE”) project and relocate transmission structures to support a customer project.

- FNE is a four-year project to upgrade communications circuits now leased from local telecommunications providers who plan to discontinue support of these aging facilities. The facilities, used mostly to ensure reliability and the ability to monitor and control energy delivery facilities, will be replaced with a combination of technologies including Fiber Optic Ground Wire (OPGW) installed on transmission lines across the OPPD territory. Upgrades are anticipated to be complete by the end of 2020.
- Two 161kV structures are required to be relocated to support a customer project.
- Construction labor including the following:
  - Removal of existing ground wire and existing hardware.
  - Installation of fiber optic ground wire and hardware.
  - Structure removal and replacement.
  - Wire stringing.
- Three proposals were received. All three proposals are legally and technically responsive.
- Construction will begin February 2020 and conclude May 2020.
- The bid from Watts Electric Company was evaluated to be the lowest and best bid.

Management recommended authorization by the Board to award a labor contract to Watts Electric Company for the evaluated amount of One Million, Six Hundred Forty-Nine Thousand, Six Hundred Sixty-One Dollars and Forty Cents (\$1,649,661.40) based on the evaluation of RFP No. 5654 – “Spring 2020 Fiber Optic Ground Wire Installations” for the procurement of construction services to add fiber optic ground wire to existing transmission lines and structure replacements. The Board was scheduled to vote on this matter at the January 16, 2020 meeting.

Supporting Data

Datasheet  
Analysis of Proposals  
Tabulation of Bids  
Legal Opinion  
Resolution

**Engineer's Certification – Nebraska City Station Unit 2 Distributed Control System  
Evergreen Upgrade Contract**

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, presented the following facts to support Board authorization for management to negotiate and enter into a contract with Emerson Process Management Power & Water Solutions, Inc. (“Emerson”) to upgrade the existing Nebraska City Unit 2 Ovation Distributed Control System (“DCS”).

- a. Upgrading the DCS equipment and software to the most current vendor platforms is required to maintain reliability and availability.
- b. The Ovation DCS is complex and highly technical. Emerson is the original equipment manufacturer and is most capable of providing replacement equipment best integrated with their DCS.
- c. Compliance with sealed bidding provisions of the Nebraska Revised Statutes Section 70-637 is impractical and not in the public's best interest.

Management recommended Board approval of the Engineer's Certification and authorization for management to negotiate and enter into a contract with Emerson to upgrade the Nebraska City Station Unit 2 DCS. The Board was scheduled to vote on this matter at the January 16, 2020 meeting.

Supporting Data

Datasheet  
Letter of Recommendation  
Engineer's Certification  
Legal Opinion  
Resolution

**Engineer's Certification – Nebraska City Station Unit 2 Steam Turbine Generator Controls  
Migration Contract**

M. J. Fisher, Vice President – Energy Production and Nuclear Decommissioning, presented the following facts to support Board authorization for management to negotiate and enter into a contract with Emerson Process Management Power & Water Solutions, Inc. (“Emerson”) to migrate the Nebraska City Unit 2 steam turbine generator controls.

- a. This system was installed in 2013 and supplied by the original equipment manufacturer, Toshiba America Energy Systems Corporation (“Toshiba”) and is now obsolete.

- b. The steam turbine generator controls are technically complex and unique. Both the Toshiba and Emerson controls are proprietary. It is in the best interest of the plant to have a common control system platform for the steam generator, balance of plant and the steam turbine generator. The steam generator and balance of plant equipment already are controlled with the Ovation DCS.
- c. The new controls are long lead delivery items. The installation will occur in the March 2021 scheduled unit outage.
- d. Compliance with sealed bidding provisions of the Nebraska Revised Statutes Section 70-637 is impractical and not in the public's best interest.

Management recommended Board approval of the Engineer's Certification and authorization for management to negotiate and enter into a contract with Emerson to migrate the Nebraska City Station Unit 2 steam turbine generator controls. The Board was scheduled to vote on this matter at the January 16, 2020 meeting.

#### Supporting Data

Datasheet  
Letter of Recommendation  
Engineer's Certification  
Legal Opinion  
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 December:

- Eight canisters, containing 256 spent fuel bundles, have been safely placed in dry fuel storage as of the end of December. The schedule has the remaining 22 canisters loaded and placed in storage by mid-2020. The "just in time" manufacturing production rate, along with associated documentation, continues to challenge the site. Heightened management oversight continues in an effort to resolve these issues and build contingency time in the schedule.
- Construction of the outer walls of the Independent Spent Fuel Storage Installation (ISFSI) Operations Facility (IOF) has been challenging. The manufacturer experienced several quality control lapses, having to re-pour the prefabricated walls two times. The wall panels accepted for use were not delivered until the end of December. While the on-site team mitigated the delays as possible, not being able to complete this key activity as scheduled is expected to cause a two to three week delay in final project completion.
- The site passed the one-year mark without a Days Away Restricted or Transferred (DART) injury. This is a testament to the behaviors demonstrated by the team daily as we continue to transition into active deconstruction of the facility.

Ms. Fisher also provided a verbal update on workforce issues, acceleration of the dry cask storage schedule, Nuclear Oversight Committee audits, and deconstruction planning.

Supporting Data  
Datasheet

### **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 January 7, 2020 at Energy Plaza. He gave a brief report on the items discussed, including (i) the role of directors in outreach, (ii) BL-9 Delegation to President and CEO – Local, State and Federal Legislation and Regulation, (iii) SD-13: Stakeholder Outreach and Engagement, and (iv) legislative update. A copy of the agenda for that meeting was made available in the Committee Meeting materials for the Board to review.

Supporting Data  
Agenda

The Board took a break for lunch at 11:54 a.m.

Director Gay departed at 11:54 a.m.

S. M. Focht departed at 12:20 p.m.

The Board reconvened at 12:20 p.m.

#### **Legislative Update**

L. A. Olson, Vice President – Public Affairs, discussed a preview of 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.

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

- Agenda
- 2020 Nebraska Legislative Session Preview
  - Calendar
  - Themes
  - Likely topics related to OPPD and the industry
- Legislative Policy Review Process
- Board Update Process

Supporting Data  
Datasheet  
Summary of Legislation  
Presentation

### ***Committee Agenda Item 7: Governance Committee***

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

Director Cavanaugh reported the Governance Committee did not hold a pre-committee meeting this month. He noted the Board would hold its annual election of officers at the January 16, 2020 meeting.

### ***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 December 31, 2019.

#### Solar Facts

- Supply Chain Management has engaged with 48 vendors around the solar RFP.
- Thirty-four (34) vendors executed a Non-Disclosure Agreement (NDA) and received the solar RFP to date.
- OPPD awarded a contract to Burns & McDonnell to serve as Owner's Engineer to support technical evaluation of solar bids through the RFP process on December 16, 2019.
- Intent to Bid forms were due on December 27, 2019.
- RFP due date extended by one week to January 29, 2020.

#### Gas Facts

- RFP issued for Owner's Engineer professional services to six qualified engineering firms on December 6, 2019. Bids are due back to OPPD on January 17, 2020.
- Five (5) Owner Engineer presentations outlining engineering firm capabilities and their ability to meet RFP requirements were completed during the week of December 16, 2019. The sixth firm declined the invitation to present.
- Gas technology vendor workshops are scheduled for the weeks of January 6, 2020 and January 13, 2020.

Ms. Fisher presented the following information:

- December 2019 Progress – Solar
- December 2019 Progress – Natural Gas
- Next Steps: January – February

#### Supporting Data

Datasheet  
Presentation



There being no further business, the meeting adjourned at 1:20 p.m.



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L. A. Olson  
Assistant Secretary



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M. F. Hinners  
Assistant Secretary of the Meeting