



OPPD BOARD OF DIRECTORS BOARD POLICY WORKSHOP

August 25 and 26, 2020

The first day of the Board Policy Workshop of the Board of Directors of the Omaha Public Power District ("OPPD" or "District") was held via Webex audio and video conference on Tuesday, August 25, 2020 at 1:03 p.m.

Present via Webex were Directors A. E. Bogner, M. J. Cavanaugh, 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, S. M. Bruckner, General Counsel for the District, and M. F. Hinners, Senior Corporate Governance Specialist. The following senior management team members attended the session: 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, as well as a number of OPPD employees and customer-owners.

Messrs. Eric Douglas and Bill Slaton of Leading Resources, Inc. (LRI) facilitated the workshop discussion via Webex.

Chair Moody provided a brief opening statement, including an announcement regarding public notice of the meeting, which was publicized by notifying the area news media, by displaying such notice on OPPD.com, and by e-mailing such notice to each of the District's Directors on August 21, 2020.

President 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." He reminded everyone to wear a mask and of OPPD's policy requiring all employees, contractors and visitors to wear a mask.

Chair Moody noted that in preparation for the workshop, Board members and LRI conducted interviews and completed a board policy survey. He expressed appreciation to the Board members and staff for their engagement.

President Burke offered his perspective on the goals for the workshop, including alignment with the Board's vision for the organization and the importance of unity of control.

The workshop objectives were as follows:

- Refresh Board members' understanding of OPPD's governance system;
- Build consensus around the Board's approach to the refining of its policies;
- Identify the governance policies that the Board and executive team will focus on for the next year;
- Facilitate Board discussions about what is working well and areas of improvement; and
- Build trust and team camaraderie among the Board members.

The agenda for the first day of the workshop was as follows:

- I. Introduction (Craig Moody & Tim Burke) (1:00 – 1:15 p.m.)
 - Welcome and overview of workshop goals
 - Review of meeting ground rules
- II. Board Governance Overview (Eric Douglas, Bill Slaton LRI) (1:15 – 1:30 p.m.)
 - Share reflections on current state of OPPD Board governance based on Board interviews
- III. Discussion of Key Policy Principles and Recommendations (Eric Douglas, Bill Slaton, LRI) (1:30 – 2:30 p.m.)
 - Discuss principles of policy governance
 - Discuss purpose and role of the Board
 - Discuss Board/CEO communication
 - Discuss Board/stakeholder communication
 - Determine next steps

Director Gay joined the workshop at 2:11 p.m.

The Board took a break at 2:55 p.m. and reconvened at 3:10 p.m.

- IV. Discussion of Process for Refining Board Policies (Eric Douglas, Bill Slaton, LRI) (2:45 – 3:30 p.m.)
 - Discuss current process and potential refinements
 - Determine next steps
- V. Discussion of Next Steps (3:30 – 4:00 p.m.)
 - Recap next steps

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

Director Bogner departed the meeting at 3:45 p.m.

The workshop concluded at 4:00 p.m.

The second day of the Board Policy Workshop was held via Webex audio and video conference on Wednesday, August 26, 2020 at 1:02 p.m.

Present via Webex 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, S. M. Bruckner, General Counsel for the District, and M. F. Hinnert, Senior Corporate Governance Specialist. The following senior management team members attended the session: 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, as well as a number of OPPD employees and customer-owners.

Messrs. Eric Douglas and Bill Slaton of Leading Resources, Inc. (LRI) facilitated the workshop discussion via Webex.

Chair Moody provided a brief opening statement, including an announcement regarding public notice of the meeting, which was publicized by notifying the area news media, by displaying such notice on OPPD.com, and by e-mailing such notice to each of the District's Directors on August 21, 2020.

President 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." He reminded everyone to wear a mask and of OPPD's policy requiring all employees, contractors and visitors to wear a mask.

The agenda for the second day of the workshop was as follows:

- I. Introduction (Eric Douglas, Bill Slaton, LRI) (1:00 – 1:15 p.m.)
 - Welcome and overview of workshop goals
 - Quick review of ground rules

- II. Discuss Policies That Board Members and CEO Want to Revisit in Coming Year (Eric Douglas, Bill Slaton, LRI) (1:15 – 3:30 p.m.)
 - Discuss results of Board survey
 - Develop list of policies that Board members and CEO want to prioritize for the coming year

Director Gay departed the meeting at 2:00 p.m.

The Board took a break at 2:27 p.m. and reconvened at 2:45 p.m.

- III. Conclusion (Eric Douglas, Bill Slaton, LRI) (3:30 – 4:00 p.m.)
 - Recap next steps
 - Share reflections

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

Director Cavanaugh departed the meeting at 3:45 p.m.

The workshop concluded at 4:10 p.m.

The following page highlights discussion and action items resulting from the workshop.

The Board members agreed to work on the following with the management team:

- Continue to conduct an annual survey and review of all Board Policies – Strategic Directive (SD) policies, Governance Process (GP) policies, and Board-Staff Linkage (BL) policies
- In compliance with GP-4: Agenda Planning, develop a Board/Senior Management Team work plan (to include a parking lot)
- Revise BL-5: Unity of Control language regarding Board member communication to address requests of staff and evaluations of staff
- Revise BL-7: Delegation to the President & CEO language regarding CEO communication to the Board
- Review GP-2: Governance Focus/GP-3: Board Job Description/GP-7: Guidelines for Board member behavior to clarify and operationalize the Board's role in stakeholder engagement
- Clarify the different modes in which the Board can play a role in community engagement

The Board members identified and prioritized the following SD policies for revision on the Board's work plan:

- SD-9: Resource Planning (included discussion beyond the current framework of SD-9, including innovation and market transformation, connection points with other Strategic Direction policies, and the potential formation of an ad hoc committee).
- SD-2: Rates
- SD-4: Reliability

The Board members identified the following SD for the Board work plan "parking lot"

- SD-11: Economic Development