



OPPDP BOARD OF DIRECTORS

ALL COMMITTEE MEETING MINUTES

August 17, 2021

The regular committee meetings of the Board of Directors of the Omaha Public Power District ("OPPDP" or "District") were held via Webex audio and video conference on Tuesday, August 17, 2021 at 8:30 a.m.

Present via Webex conferencing 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 via Webex were L. J. Fernandez, President and Chief Executive Officer, and Messrs. S. M. Bruckner and T. F. Meyerson of the Fraser Stryker law firm, General Counsel for the District. Chair A. E. Bogner presided and M. F. Hinners, Senior Corporate Governance Specialist, recorded the minutes. M. L. Sedky, Vice Present – Human Capital and a number of OPPD employees also were present via Webex conferencing.

Committee Agenda Item 1: Board Chair Opening Statement

Chair Bogner gave a brief opening statement, including an announcement regarding public notice of meeting, which was publicized by notifying the area news media¹; by publicizing same in the Outlets newsletter and on OPPD.com; by displaying such notice on the Arcade Level of Energy Plaza since August 13, 2021; and by e-mailing such notice to each of the District's Directors on that same date. She also provided reminders for using the Webex audio and video conferencing platform. She noted the Board would conduct a closed session this morning to discuss three topics: (i) a Revision to the Corporate Officer Performance Review & Compensation Adjustment for Vice President Juli Comstock; (ii) the Appointment of an Interim Chief Financial Officer; and (iii) an update on the Power with Purpose generation project.

Committee Agenda Item 2: Closed Session

At 8:32 a.m., it was moved by Director Moody that the Board go into Closed Session. Director Moody stated as follows:

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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“I move that the Board go into closed session at this time (8:32 a.m.) to discuss three topics: (i) a Revision to the Corporate Officer Performance Review & Compensation Adjustment for Vice President Juli Comstock; (ii) the Appointment of an Interim Chief Financial Officer; and (iii) a Power with Purpose Update.

With respect to the revision to the Corporate Officer Performance Review and Compensation Adjustment for Vice President Juli Comstock, in June, the Board approved compensation adjustments for Lisa Olson and Juli Comstock. After the meeting, it was determined that an error had been made in the information that was presented during the meeting, specifically regarding Ms. Comstock’s current and proposed salary. The purpose of this revision is to correct the Board resolution. A closed session is necessary because the discussion will involve competitive and confidential compensation and retention information, as well as performance evaluation information. A closed session discussion is necessary to prevent needless injury to the reputation of Ms. Comstock, and she has not requested a public meeting.

With respect to the Appointment of an Interim Chief Financial Officer, a closed session is necessary because the discussion will involve evaluation information regarding the person being considered for the interim role, and a closed session discussion is necessary to prevent needless injury to that person’s reputation. The individual being considered for this interim position has not requested a public meeting.

With respect to the update on the Power with Purpose generation resource project, a closed session is necessary for the protection of the public interest because the discussion will involve competitively sensitive utility infrastructure information, including potential pricing 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 update also may involve discussion of legal matters, including contract negotiation matters that are protected by the attorney-client privilege.”

The motion was seconded by Director Cavanaugh.

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

Chair Bogner read the following:

“The motion to go into closed session has passed. This closed session will be limited to discussion regarding three topics: (i) a Revision to the Corporate Officer Performance Review & Compensation Adjustment for Vice President Juli Comstock; (ii) the Appointment of an Interim Chief Financial Officer; and (iii) an update on the Power with Purpose generation project. No votes or other action will be taken.”

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After confirming the Board members, President Fernandez, Vice President Sedky, S. M. Bruckner and T. F. Meyerson, General Counsel, and M. F. Hinnners were present, the Webex Event was locked to prevent additional attendees from joining the closed session. Thereafter, the Board conducted its closed session discussion on (i) the revision to the Corporate Officer Performance Review & Compensation Adjustment for Vice President Juli Comstock; and (ii) the Appointment of an Interim Chief Financial Officer.

At 8:53 a.m., the Board took a break. The Webex Event was unlocked to allow the senior management team, including K. W. Brown, J. A. Comstock, S. A. Eidem, S. M. Focht, K. S. McCormick, L. A. Olson, J. W. Thurber and T. R. Via to join the meeting. Additionally, a number of OPPD staff subject matter experts joined the meeting. The Webex Event was locked and the management team provided the Board with an update on the Power with Purpose generation project.

The Board took a break at 9:51 a.m. No further business was discussed. The Webex Event was unlocked to allow members of the public and OPPD staff to join the meeting.

At 10:01 a.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; Howard – Yes; Mollhoff – Yes; Moody – Yes; Spurgeon – Yes; Williams – Yes; Yoder – Yes. The motion carried (8-0).

Chair Bogner stated:

“The motion to come out of closed session at (10:02 a.m.) is carried. This closed session was limited to discussion regarding three topics: (i) a Revision to the Corporate Officer Performance Review & Compensation Adjustment for Vice President Juli Comstock; (ii) the Appointment of an Interim Chief Financial Officer; and (iii) an update on the Power with Purpose generation project. No votes or other board action were taken during the closed session.”

Committee Agenda Item 3: Public Session – Board Chair Opening Statement

Chair Bogner welcomed members of the public and gave an overview of the meeting agenda and reminders for using the Webex audio and video conferencing platform. She informed the public that per the Board’s Guidelines for Public Participation, the Board does not take public comment during the All Committees meeting. The Board will take public comments at the Board meeting on Thursday, August 19, 2021, which will be conducted in person at the Omaha Douglas Civic Center at 5:00 p.m.

Chair Bogner noted all board members were present via Webex, along with members of the senior management team and several attendees, consisting of OPPD employees and members of the public.

Committee Agenda Item 4: Safety Briefing

President Fernandez gave the safety briefing, including a reminder 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.

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Committee Agenda Item 5: Governance Committee

Governance Committee Chair Report

Director Moody reported the Governance Committee met on August 12, 2021 via Webex videoconference. A copy of the agenda for that meeting was made available in the Committee meeting materials for the Board to review. The Committee discussed the following topics: (i) health measures at Board meetings in light of the resurgence of COVID-19; (ii) OPPD election subdivision redistricting; (iii) Strategic Direction Policy Monitoring Report approach refinement; (iv) 2021 Board Annual Governance Assessment; (v) 2021 Board Governance Workshop update; (vi) appointment of an interim Chief Financial Officer; and (vii) confirmation of Governance Committee items on the Board Work Plan.

Director Moody requested S. M. Bruckner, General Counsel, to comment on the District's ability to require in person attendees to wear face masks at public meetings of the Board. Mr. Bruckner advised that the Board could require masks in the Legislative Chamber meeting room, but not in other public areas of the Omaha Douglas Civic Center. The Board members engaged in a discussion about mask wearing protocols and U.S. Centers for Disease Control and Prevention (CDC) guidelines.

Director Moody also requested Mr. Bruckner to address virtual Board member participation. Mr. Bruckner advised that Board members could be counted as present in a meeting and they may participate in the discussion. He stated that it was questionable whether Board members attending virtually may vote, under the current Open Meetings Act.

Director Moody provided an update on OPPD redistricting. He stated the Governance Committee is exploring the possibility of expanding the Board to nine members.

Supporting Data

Agenda

Revision to Compensation Adjustment for Corporate Officer – Juli A. Comstock, Vice President – Customer Service

M. L. Sedky, Vice President – Human Capital, provided the following information for the Board to approve the revision to the compensation adjustment for Juli A. Comstock, Vice President – Customer Service.

- a. Compensation adjustments for corporate officers are approved by the Board of Directors on an annual basis.
- b. On June 17, 2021, the Board approved compensation adjustments identified on Exhibit A, effective as of July 1, 2021 for:
 1. Juli A. Comstock, Vice President – Customer Service
 2. Lisa A. Olson, Vice President – Public Affairs
- c. The Present Salary for Vice President Juli A. Comstock was incorrect. The attached Exhibit A reflects the correct Present Salary and Proposed Salary for Juli A. Comstock.

The management team stated that the process for compensation adjustments is manual and that a peer review process has been implemented to prevent errors in the future. Management

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recommended Board approval of the revised compensation adjustment for Vice President Juli A. Comstock, as shown on Exhibit A. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet
Exhibit A
Resolution

Appointment of Interim Chief Financial Officer

President Fernandez presented the following information to support the Board's appointment of an interim Chief Financial Officer (CFO) in order to provide for continuity of the role and management of the Financial Services Business Unit during the District's ongoing search for new CFO.

- a. L. Javier Fernandez has been appointed as the District's President & Chief Executive Officer. At present, Mr. Fernandez, who previously served as the District's CFO, is the only officer authorized to execute certain financial documents, including documents related to District financings.
- b. Management is pursuing a search for a new Vice President & CFO to replace Mr. Fernandez.
- c. During the search, Management believes an interim CFO is needed to manage this important role and the operations of the Financial Services business unit.
- d. It is recommended to the Board that John W. Thurber, currently Director – Treasury & Financial Operations, be appointed as the interim CFO. Upon successful completion of the interim assignment, Mr. Thurber will receive a one-time lump-sum merit payment equivalent to 10% of his current base pay (\$24,920.10).

Management recommended appointment of John W. Thurber as an interim Vice President and the Chief Financial Officer of the District, effective as of July 23, 2021, to exercise all the necessary and lawful authority of that position until a new Vice President and Chief Financial Officer is appointed and commences employment. Board members expressed support for Mr. Thurber's appointment as interim CFO. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet
Resolution

Best Places to Work for YOU Survey Results

M. L. Sedky, Vice President – Human Capital, introduced A. Brown, Senior Insights Analyst at Quantum Workplace, and N. B. Swanson, OPPD's Director Organizational Development, who provided an overview of the 2021 Best Places to Work for You engagement survey results.

- a. The employee response rate was 86.0%.

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- b. The overall engagement score for OPPD was 74.5% for 2021.
- c. The survey data is being shared across all team levels. Action plans for improving employee engagement are in development across the organization.
- d. Board Policy SD-8 establishes a goal to achieve top-quartile performance for employee engagement for similar sized companies. Our 2021 results put us at the top of the 2nd quartile; we did not achieve the SD-8 goal for this year.

Ms. Swanson presented the following:

- Engagement Defined
- Executive Summary
- Response Rate and Overall % Favorable Trends
- Favorability across all categories continued to increase in 2021 vs 2020
- The proportion of Highly Engaged individuals held steady – more than half are considered Highly Engaged
- Engagement Outcomes
- Drivers of Engagement
- 2021 Most and Least Favorable Items
- Top Items Trends: 2021 vs. 2020
- Top Focus Areas to increase overall Favorability for Top Quartile

The Board and management team discussed a variety of issues about employee engagement, including transparency in decision-making and ways to improve engagement.

Supporting Data

Datasheet

2021 Best Places to Work for You Engagement, Insights & Results

Committee Agenda Item 6: Finance Committee

Finance Chair Report

Director Yoder reported the Finance Committee met on August 4, 2021 via Webex videoconference. A copy of the agenda for that meeting was made available in the All Committee meeting materials for the Board to review. The Committee discussed: (i) SD-2: Rates Policy Revision; (ii) Block Rate Project Update; (iii) Annual Report of the Interest Rate on Customer Security Deposits; (iv) Second Quarter 2021 Financial Report; (v) Second Quarter 2021 Retirement Fund Report; (vi) Approval of New Retirement Fund International Equity Manager; (vii) Rate 483 Net Metering Limit Increase to 100 kW; and (viii) confirmation of Finance Committee items on the Board Work Plan.

Supporting Data

Agenda

Annual Report of the Interest Rate on the Customer Security Deposits

J. W. Thurber, interim Chief Financial Officer, reviewed the formula for calculating the interest and report the current year's rate.

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- a. The District sets the interest rate to be paid on Customer Security Deposits on an annual basis. The current interest rate of 1.75% has been in effect since September 1, 2020.
- b. The interest rate is based on paying customers 90% of the one-year average earnings on these deposits rounded to the nearest quarter percent.
- c. Applying the most current actual earnings rate to the approved formula provides an interest rate of 0.66%.
- d. An annual interest rate of 0.75% will be applied to Customer Security Deposits beginning September 1, 2021.

Supporting Data

Datasheet

Second Quarter 2021 Financial Report

J. W. Thurber, interim CFO, provided the following report of quarterly financial results.

- a. The second quarter 2021 financial results were provided for review.
- b. Retail Revenue for the second quarter 2021 was \$251.0 million, which was \$7.1 million over budget. Off-system Revenue was \$55.0 million, which was \$18.2 million over budget. Other Income was \$21.8 million, which was \$6.1 million over budget.
- c. Operations and Maintenance Expense (less Fuel and Purchased Power) for the second quarter 2021 was \$105.1 million, which was \$2.8 million over budget. Fuel and Purchased Power Expense was \$100.7 million, which was \$12.1 million over budget. Other Expense was \$96.4 million, which was \$0.8 million under budget.
- d. Operating Income for the second quarter 2021 was \$29.4 million, which was \$9.8 million over budget.
- e. Net Income for the second quarter 2021 was \$25.5 million, which was \$17.3 million over budget.

Supporting Data

Datasheet

Quarterly Financial Report (Graphs)

Second Quarter 2021 Retirement Plan Report

J. W. Thurber, interim CFO, reported the Retirement Plan Fund's Second Quarter 2021 Performance Results.

- a. The Retirement Plan Fund market value at the end of the second quarter was \$1.21 billion. This compares to the market value at the beginning of the quarter of \$1.17 billion. During the quarter, employee contributions were \$4.19 million and OPPD contributions totaled \$15.1 million. Benefit payments totaled \$26.29 million and the investment market value (net of expenses) increased by \$49.3 million.

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- b. As of June 30, 2021, the Retirement Fund asset allocation was 56.5% Equity, 36.9% Fixed Income and 6.6% Alternative Assets, which is within the Investment Policy Guidelines approved by the Board.

- c. The Retirement Plan Fund sector performance (net of fees) was:

<u>Sector</u>	<u>Market Value</u>	<u>Quarterly Return</u>	<u>Index</u>
Domestic Equity	\$385,908,143	6.3%	6.9%
International Equity	\$297,147,585	5.0%	5.0%
Domestic Fixed Income	\$308,706,226	2.0%	2.1%
Global Fixed Income	\$139,397,106	2.3%	2.4%
Private Real Estate	\$79,403,208	3.4%	4.4%
Total	\$1,210,562,268	4.2%	4.3%

- d. Global markets all experienced gains. U.S. markets were strongest, followed by developed international and emerging markets. The Domestic Equity composite returned 6.9% with large cap outperforming small cap stocks and growth outperforming value in the large cap space. The International Equity composite returned 5.0% led by a reopening UK.

The Domestic Fixed Income composite returned 2.1% led by U.S. investment grade corporate bonds. The Global Fixed Income composite returned 2.4%. Central banks globally have implemented more stimulus measures as economic consequences of the pandemic linger. Interest rates remain low worldwide.

The Real Estate composite returned 4.4% with continued improvement across all sectors from the dislocation experienced in 2020.

Supporting Data

Datasheet

Summary of OPPD Retirement Plan Assets

OPPD Retirement Plan Total Assets – Annual Market Valuation Graph

OPPD Retirement Plan Total Assets – Quarterly Market Valuation Graph

Appointment of New International Equity Investment Manager for Retirement Plan

J. W. Thurber, interim CFO, provided the following facts to support Board approval of the appointment of an Investment Manager for the OPPD Retirement Plan.

- a. In March 2020, Retirement Fund investment manager, AQR, was placed on “watch” and have failed to meet the retention criteria of ranking in the top 40% of MSCI EAFE index managers and exceeding the MSCI EAFE index net of fees. Due to the failure to meet the retention criteria, the Trust Selection Committee (TSC), assisted by Segal Marco Advisors, initiated a search for a new international large capitalization equity manager to replace AQR using criteria established by the Board of Directors (Board).
- b. The TSC reviewed the three leading candidates and held interviews with Arrowstreet Capital, MFS Investment Management, and Wellington Management, which are all headquartered in Boston, Massachusetts.

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- c. After the interviews, MFS Investment Management was selected for recommendation to the Board. MFS Investment Management exceeds all of the Policy consideration criteria for an investment manager, and their performance ranks competitively in the international large capitalization equity universe.
- d. The TSC recommends that the Board appoint MFS Investment Management as an international large capitalization equity manager for OPPD's Retirement Plan.
- e. Attached is a letter from Segal Marco Advisors outlining the manager search process and concurring with the TSC's recommendation in the selection of MFS Investment Management as an OPPD Retirement Plan investment manager.

J. A. Petrulis, Manager Treasury, presented the following information:

- Current International Large Cap Manager
- Potential Replacement Managers and Process
- Candidate Assessments
 - Arrowstreet Capital
 - MFS Investment Management
 - Wellington Management
- Retirement Fund Manager Recommendation

Management recommended the Board appoint MFS Investment Management as an investment manager for OPPD's Retirement Plan. The Board and management team discussed a variety of issues, including performance of MFS Investment in different market conditions, ESG (environmental, social and governance) considerations, and membership of the Trust Selection Committee. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet

Segal Marco Advisors Letter

Resolution

Presentation

Rate Rider Schedule No. 483: Net Metering Service Limit Increase to 100 kW

J. W. Thurber, interim CFO, presented the following facts to support Board approval to update the applicability for Rider Schedule No. 483 – Net Metering Service.

- a. In 2009, Rider Schedule No. 483 was developed in response to Legislative Bill 436, which required utilities to accommodate net metering of electricity use for certain customer-owned generation. Customers taking service on Rider Schedule No. 483 are billed for their net electric usage at the monthly rate in the customer's applicable rate schedule, and the customer receives a credit for net excess generation.
- b. Rider Schedule No. 483 currently has a size limitation of 25kW aggregate system AC (alternating current) nameplate.
- c. In order to enhance customer choice and facilitate greater customer participation in distributed generation solutions, the District proposes to increase the aggregate system size limit for Net Metering services under Rider Schedule No. 483 from 25kW to 100kW.

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- d. The District's Rate Consultant, The Brattle Group, has issued an opinion letter stating their recommendation for the rider changes.

The District recommended Board approval of the revisions to Rider Schedule No. 483 – Net Metering Service, as set forth on the attached Exhibit A, to be effective as of September 1, 2021. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet
Exhibit A – Schedule 483 Proposed Revisions
Exhibit B – Letter from The Brattle Group
Resolution

The Board took a break for lunch at 11:40 a.m. and reconvened at 12:10 p.m.

Block Rate Update – Removing the Declining Energy Blocks: Rates 110 and 230

J. A. Comstock, Vice President – Customer Service, reminded the Board that a cross-functional team of employees has spent over a year and a half analyzing the potential impact of removing the declining energy blocks. This research effort was undertaken by request of the Finance Committee.

P. M. Fortney, Manager Product Development, presented the following:

- Removing the Declining Energy Blocks Approach and Process
- What we heard and learned

E. M. Hoyle, Manager Pricing and Rates, presented the following:

- Rates Guiding Principles – Strategic Directive (SD) 2: Rates
- Current Rate 110 and Rate 230
- Definitions
- Rate 110 Impact Analysis
- Initial Opinion regarding declining blocks and Results found through data
- Rate 110 Impact Analysis
 - Finding #1 – Older, smaller, less efficient homes will be affected just as much as larger homes
 - Finding #2 – Demographic data shows larger homes, but there are still vulnerable customers affected
 - Finding #3 – A change in blocks with no alternative offering will negatively impact all-electric customers by sending an inconsistent price signal that may discourage electrification
- District Wide Customer Count Impact – Rate 110
- Example Households – Rate 110
- Rate 230 Impact Analysis
- Customer Counts by Impact Level – Rate 230

P. M. Fortney next presented the following:

- Conclusions
- Recommendations

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H. B. Siebken, Director Product Development, then presented the following:

- A Look Ahead – Removing the Declining Blocks and More (a tentative and conceptual schedule)
- Questions

The Board and management team discussed a variety of issues throughout the presentation. The Board expressed appreciation for the data and in-depth analysis presented by the team. The Board also expressed consensus with management's recommendation to defer action on eliminating the declining energy blocks in favor of continuing the in-process strategic initiative work and developing a longer-term strategy on rates.

Supporting Data
Presentation

Committee Agenda Item 7: System Management & Nuclear Oversight Committee

System Management & Nuclear Oversight Committee Chair Report

Director Williams reported the System Committee did not meet this month. He requested management to present the action items on the agenda for the Board's consideration.

SD-9: Resource Planning Monitoring Report

B. R. Underwood, Director Financial Planning and Analysis, presented the following information to ensure full Board review, discussion and acceptance of SD-9: Resource Planning Monitoring Report.

- a. The Board confirmed the Corporate Governance Initiative Charter in December 2014, in order to assess and refine OPPD's corporate governance infrastructure.
- b. The first set of Board policies was approved by the Board on July 16, 2015. A second set of Board policies was approved by the Board on October 15, 2015.
- c. Each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process.
- d. The System Management and Nuclear Oversight Committee is responsible for evaluating Board Policy SD-9: Resource Planning Monitoring Report on an annual basis.
- e. The System Management and Nuclear Oversight Committee has reviewed SD-9: Resource Planning Monitoring Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.

Mr. Underwood presented the following:

- SD-9 Resource Planning Policy
- Resource Planning Process
- Short Term and Long Term Planning
- 2022 Integrated Resource Plan (IRP)
- Pathways to Decarbonization: Energy Portfolio Highlights
- Alignment with other OPPD Strategic Directive Policies

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- Recommendation

The Board and management team discussed a variety of issues throughout the presentation. The System Management and Nuclear Oversight Committee recommended Board approval of SD-9: Resource Planning Monitoring Report. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet
Exhibit A – Monitoring Report
Resolution

Award RFP No. 5895 “161-13.8-13.8kV 30/40/50(56) MVA OLTC Transformer”

T. R. Via, Vice President – Energy Deliver, presented the following facts to support Board of Directors authorization to award RFP No. 5895, a multi-year 161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer Contract, to support reliability and load growth in developing areas of the community.

- a. The 161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformers are required to support strategic spares, proactive replacements and provide flexibility for future projects.
 - i. Forty (40) similar units are in-service today ranging in age.
 - ii. Proactive replacements have been identified for two (2) sites.
 - iii. This contract will initially procure a quantity of one (1) 161-13.8-13.8kV 56 MVA transformer to support an inventory of two (2) spares.
- b. Five (5) proposals were received; three (3) are legally responsive and four (4) technically responsive.
- c. Virginia Transformer Corp. proposal was evaluated as the lowest and best bid.
- d. Virginia Transformer Corp. provided 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 Virginia Transformer Corp. 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. 5895 “161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer” for the procurement of substation power transformers. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet
Analysis of Proposals
Tabulation of Bids
Legal Opinion
Resolution
Photos

Award RFP No. 5896 “161-13.8-13.8kV 40/53.3/67(75) MVA OLTC Transformer”

T. R. Via, Vice President – Energy Delivery, presented the following facts to support Board of Directors authorization to award RFP No. 5896, a multi-year 161-13.8-13.8kV 40/53.3/67(75)

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MVA OLTC Transformer Contract to support reliability and load growth in developing areas of the community.

- a. The 161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformers are required to support strategic spares, proactive replacements and provide flexibility for future projects.
 - i. Nine (9) similar units are in-service today ranging in age and with no current spare.
 - ii. This contract will initially procure a quantity of one (1) 161-13.8-13.8kV 75 MVA transformer to support an inventory of one (1) spare.
- b. Four (4) proposals were received; two (2) are legally and three (3) technically responsive.
- c. Virginia Transformer Corp. proposal was evaluated as the lowest and best bid.
- d. Virginia Transformer Corp. provided 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 Virginia Transformer Corp. 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. 5896 "161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer" for the procurement of substation power transformers. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet

Analysis of Proposals

Tabulation of Bids

Legal Opinion

Resolution

Photos

North Omaha Station Auxiliary Steam Electrode Boiler – Engineer’s Certificate to Negotiate

S. A. Eidem, Director Engineering Services, presented the following information related to services for the design, supply and installation of an Auxiliary Steam Electrode Boiler for the North Omaha Station.

- a. Per Resolution No. 6006, the Board of Directors authorized management to refuel North Omaha Station Units 4 and 5 to natural gas.
- b. Based on an economic evaluation, an auxiliary steam electric boiler was selected to be utilized at the North Omaha Station to provide building heat and to support cold startups of Unit 4 and Unit 5 following fuel conversion to natural gas.
- c. The District’s engineer has certified the complex nature of the work and that use of the sealed bid process is impractical and not in the public’s best interest.
- d. The District will solicit competitive proposals from qualified contractors for the work. A negotiated contract process will provide more time for potential contractors to develop a detailed work plan with optimized project schedule, pricing, and risk mitigation.
- e. The work is scheduled to be complete in the fourth quarter of 2023.

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Management recommended approval of the Engineer's Certification and authorization for management to negotiate and enter into a contract for the supply of equipment and services for the design and installation of an Auxiliary Steam Electrode Boiler at the North Omaha Station. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet
Letter of Recommendation
Engineer's Certificate
Legal Opinion
Resolution

Nebraska City Station Unit 1 Combustion Air Preheater Replacement Basket and Seal Materials – Engineer's Certificate – Sole Source

S. A. Eidem, Director Engineering Services, presented the following information to supply combustion air preheater cold end basket materials for Nebraska City Station Unit 1.

- a. The Nebraska City Station Unit 1 air preheaters were inspected during the scheduled spring 2021 unit outage and the cold end baskets of the combustion air preheaters require replacement.
- b. The Original Equipment Manufacturer (OEM) of the air preheaters, Arvos-Ljungstrom, maintains dimensional data of the air preheater baskets as proprietary information.
- c. Lead times have increased from 20 weeks to 32 weeks for supply of air preheater baskets from the OEM.
- d. A contract for installation of the air preheater baskets will be awarded separately. The installation will occur in the spring of 2022 during a scheduled unit outage.

Management recommended authorization by the Board of Directors to negotiate a sole source contract with Arvos-Ljungstrom for the purchase of replacement cold end baskets for the Nebraska City Station Unit 1 air preheaters. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet
Letter of Recommendation
Engineer's Certificate
Legal Opinion
Resolution
Photos

Cass County Station Units 1 and 2 Direct Air Injection Systems – Engineer's Certificate

S. A. Eidem, Director Engineering Services, presented the following information to provide services for the design, supply and installation of a Direct Air Injection System for Cass County Station Units 1 and 2.

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- a. The Cass County Station Units 1 and 2 gas turbines have been evaluated and should be upgraded with a Direct Air Injection System to maintain reliability of each unit.
- b. The District's engineer has certified the complex nature of the work and that the Original Equipment Manufacturer ("OEM"), Siemens Energy, Inc., is the only available source of supply for the Direct Air Injection System.
- c. The District plans to solicit a sole source proposal from the OEM, Siemens Energy, Inc., for the work. A negotiated contract process will provide more time to develop a detailed work plan with optimized project schedule, pricing, and risk mitigation.
- d. Installation will be performed in the spring and fall of 2022 during scheduled maintenance outages for Units 2 and 1, respectively.

Management recommended approval of the Engineer's Certification and authorization by management to negotiate and enter into a contract with Siemens Energy, Inc. for the supply of equipment and services for the design, supply and installation of Direct Air Injection Systems at the Cass County Station. The Board was scheduled to vote on this matter at the August 19, 2021 meeting.

Supporting Data

Datasheet

Letter of Recommendation

Engineer's Certificate

Legal Opinion

Resolution

Nuclear Oversight Committee Report

S. A. Eidem, Director Engineering Services, reported the Nuclear Oversight Committee provides a regular oversight of items related to the Fort Calhoun Station (FCS) nuclear plant. In addition to safe and secure dry cask storage of fuel, the required Preventative Maintenance tasks and Surveillance Tests, the following major decommissioning activities were conducted in July:

- Demolition of the maintenance, chemistry and old security buildings has been performed. Interior demolition of the service building is under way and asbestos abatement in the turbine building is complete.
- Expansion of the containment opening is nearing completion. The activity was accomplished by means of heavy equipment hydraulic hammering followed by torch cutting of the containment liner. This action is necessary to support move in of equipment to support reactor vessel internal segmentation.
- The NRC completed the third quarter inspection and exited with positive comments and no violations or findings. Also, the Decommissioning Oversight Committee conducted an assessment of decommissioning performance. The three member team expressed confidence on progress as well as offering recommendations to further increase performance.

Mr. Eidem presented photos of the demolished buildings and containment access enlargement.

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Supporting Data

Datasheet
Photos

The Board took a break at 2:42 p.m. and reconvened at 2:52 p.m.

Committee Agenda Item 8: Public Information Committee

Public Information Committee Chair Report

Director Mollhoff reported the Public Information Committee met on August 10, 2021 via Webex videoconference. A copy of the agenda for that meeting was made available in the All Committee meeting materials for the Board to review. The Committee reviewed: (i) a legislative and regulatory update; (ii) block rate update; (iii) July 10 storm update; and (iv) confirmed the Public Information Committee items on the Board Work Plan.

Supporting Data

Agenda

Customer Trends Update

Due to time, this information was not presented during the meeting. The information was posted on oppd.com for the public to review.

1. In response to COVID-19 Directed Health Measures declared in March 2020, the Omaha Public Power District developed a Customer First Solutions Package, a variety of programs to assist customers during the COVID-19 pandemic.
2. The Board requested that management provide regular reports on the progress of customer programs and trends.
3. As customer accounts receivable balances have normalized in 2021 the reporting of customer trends will be done on a quarterly basis.
4. Management will provide an update on aged debt and related trends as of June 30, 2021.

Supporting Data

Datasheet
Customer Trends Quarterly Update Presentation

Legislative and Regulatory Update

L. A. Olson, Vice President – Public Affairs, provided an update on 2021 state and federal legislative matters and regulatory matters.

- a. Nebraska's 107th Legislature began on January 6, 2021 and ended on May 27, 2021.
- b. The 117th Congress began on January 3, 2021 and is expected to end January 3, 2023.

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

- State Legislative Update
 - 2021 Nebraska Legislative Calendar
 - 2021 Legislative Resolutions – Interim Studies
- Federal Legislative Update
 - Bipartisan Infrastructure Package
 - Federal Update

The Board and management team discussed a variety of issues, including the status of specific state and federal bills.

Supporting Data

Datasheet

State and Federal Legislative Update Presentation

Committee Agenda Item 9: Other Business

Confirmation of Board Meeting Agenda

The Board members reviewed and confirmed the agenda for the Board meeting on Thursday, August 19, 2021, which will be conducted in person at the Omaha Douglas Civic Center at 5:00 p.m.

Review of Board Work Plan

The Board members reviewed and discussed the topics on the Board Work Plan and process.

Power with Purpose Report

M. A. Walker, Manager Construction Management, and T. R. O'Brien, Director Economic Development and External Relations, provided the following updates on the Power with Purpose project for August 2021 (information as of July 30, 2021).

SOLAR FACTS

1. Continued support of requirements for Conditional Use Permit for the Platteview Solar Project in Saunders County.

FUEL SUPPLY FACTS

1. Natural gas supply infrastructure agreements are being finalized with Metropolitan Utilities District (MUD) for the Standing Bear Lake Station and Northern Natural Gas (NNG) for the Turtle Creek Station. The gas supply agreement with MUD for Standing Bear Lake Station is being coordinated with a land lease for the site.

NATURAL GAS FACTS

1. The Engineer, Procure, and Construct (EPC) bids for both the Turtle Creek and Standing Bear Lake Stations' generation facilities and substation infrastructure have been received and are being evaluated internally. Preliminary bid review meetings with all three suppliers have been completed and negotiations are in progress.
2. Ames Construction, Inc. will be conducting preliminary earthwork at both the Turtle Creek and Standing Bear Lake Station sites commencing in August.

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3. An air quality construction permit application for Standing Bear Lake Station has been submitted to the Nebraska Department of Environment and Energy (NDEE).
4. A project update on Turtle Creek Station was provided to the City of Papillion on July 29, 2021.
5. Technical assessments of both natural gas project sites continues to be conducted.

ENERGY DELIVERY FACTS

1. Detailed design is under way for the transmission and substation assets that will connect the new gas generation facilities to the existing grid.
2. Right of Entry discussions are taking place with landowners associated with the Sarpy Southwest Transmission Project to enable access to properties for survey and environmental assessment efforts.

Supporting Data
Datasheet
Presentation

There being no further business, the meeting adjourned at 3:35 p.m.

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S. M. Focht

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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