



## OPPDP BOARD OF DIRECTORS

### BOARD GOVERNANCE WORKSHOP MEETING MINUTES

**August 30, 2023**

The Board of Directors of the Omaha Public Power District ("OPPDP" or "District") held a governance workshop in person on Tuesday, August 30 at 8:30 a.m. at the Blue Cross Blue Shield, Aksarben Conference Room, 1919 Aksarben Dr., Omaha, Nebraska and via WebEx audio and video conference.

Present in person at the BCBS were Directors A. E. Bogner, M. J. Cavanaugh, M. R. Core, S. E. Howard, J. M. Mollhoff, C. C. Moody, M. G. Spurgeon and E. H. Williams. Also present in person were L. J. Fernandez, President and Chief Executive Officer, S. M. Bruckner of the Fraser Stryker law firm, General Counsel for the District, E. H. Lane, Sr. Board Operations Specialist, and other members of the OPPDP Board workshop logistics support staff. Chair E. H. Williams presided and E. H. Lane recorded the minutes. Members of the executive leadership team present in person included: J. M. Bishop, K. W. Brown, S. M. Focht, C. V. Fleener, T. D. McAreavey, K.S. McCormick, L. A. Olson, M. V. Purnell, and B. R. Underwood. T. R. Via joined on WebEx. Messrs. Eric Douglas and Bill Slaton of Leading Resources, Inc. (LRI) facilitated the workshop discussion.

#### I. Introduction

Chair Williams gave a brief opening statement, including an announcement regarding public notice of meeting, which was publicized by notifying the area news media<sup>1</sup>; by publicizing same in the Omaha World Herald<sup>2</sup>, OPPDP Outlets newsletter, oppd.com and social media; by displaying such notice on the Arcade Level of Energy Plaza; and by emailing such notice to each of the District's Directors on August 25, 2023. He also provided reminders for using the WebEx audio and video conferencing platform.

---

<sup>1</sup> News outlets that received OPPDP 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.

<sup>2</sup> Public notice of meeting was published in the print version of the *Omaha World Herald* newspaper on August 23, 2023, and in the online version from August 23 through August 30, 2023.

Board Minutes  
August 17, 2023  
Page 2

Josh Clark, Manager Protective Services provided physical safety reminders. CEO Fernandez provided psychological safety reminders, including current safety focus reminders about: (i) Speak up for safety; (ii) Helping hands; and (iii) Avoiding autopilot.

Mr. Douglas shared an overview of the workshop agenda, including the focus on the Board's policy governance framework and how to continue to make it work effectively. The workshop is an important opportunity for the Board to refocus on key principles of policy governance, assess how it works as a system of oversight, and then commit to the practice and operationalize it. The following ground rules were established; stay focused and engaged, ask questions before asserting opinions, be positive in tone and approach and use a "parking lot" to capture future topics.

## II. Summary of Results of Board Survey and Interviews

Mr. Slaton and Mr. Douglas then shared themes from the Board and Executive Leadership Team (ELT) interviews they conducted prior to the workshop. The major theme was building greater cohesion between the Board and management.

S. M. Focht, Vice President – Corporate Strategy and Governance, presented the results of the Board policies survey, which was taken by members of the Board:

- Ratings for *"As a Board member, I believe the policy sufficiently reflects the desired principles/processes for Board governance."*
- Ratings for *"As a Board member, I believe this Board-Staff Linkage policy sufficiently reflects the delegations from the Board to the CEO to carry out the work of OPPD."*
- Ratings for *"As a Board member, I believe the policy sufficiently reflects the desired strategic direction for OPPD."*
- Board Policies Sorted by Level of Agreement
- Board Policies Sorted by Level of Disagreement

Potential considerations for Board Work Plan:

- Primary Focus –
  1. SD-11: Economic Development (CPE)
  2. BL-10: Delegation to President & CEO – Real & Personal Property (SMNO)
  3. SD-13: Stakeholder Outreach and Engagement (CPE)\*
  4. SD-7: Environmental Stewardship (SMNO)
- Secondary Focus –
  5. BL-4: Board – Corporate Secretary Relationship (Governance)
  6. BL-8: Delegation to President & CEO – Procurement (SMNO)
  7. BL-9: Delegation to President & CEO – Legislation & Regulation (CPE)
  8. BL-13: Delegation to President & CEO – Grants (Finance)
  9. SD-2: Rates (Finance)\*
- Other "Non-Substantive" Changes

Mr. Focht then presented the results of the Five Habits of Effective Boards survey which have increased favorably overall since 2015. Ratings from the Board either were steady or increased from 2021 to 2023, while ratings from ELT declined during that period. The Five Habits are: (1) Board members cultivate the Board as a distinct entity (i.e. "unity of control"); (2) the Board

Board Minutes  
August 17, 2023  
Page 3

focuses on results and on monitoring results; (3) the Board ensures sufficient resources are on hand and that those resources are managed effectively; (4) the Board develops itself so that it can effectively serve the organization's needs; and (5) the Board provides feedback and support to the chief executive. Mr. Focht explained each habit has five characteristics, and the survey asked the Board and ELT members to rate the characteristics on a scale of 1 (Disagree) to 4 (Agree).

Mr. Focht presented the following information with respect to the Five Habits Survey:

- Habit 1: Board members cultivate the board as a distinct entity shows the most significant difference between the ratings from the Board and ELT for Further conversation. Potential Focus: Understanding the difference in perspective between the Board and ELT that individual Board members/committees provide direction.
- Habit 2: The board focuses on results – and on monitoring results shows the most significantly improved ratings since 2015 from both Board and ELT. Potential Focus: Definition by the Board of specific measures of performance.
- Habit 3: The board ensures sufficient resources are on hand and that those resources are managed effectively is the most highly rated by both the Board and ELT. Potential Focus: Understanding the difference in perspective between the Board and ELT that individual Board members provide direction.
- Habit 4: The board develops itself so that it can effectively serve the organization's needs shows the second most significantly improved ratings since 2015 from both Board and ELT. Potential Focus: Development of regular board governance training and effectiveness monitoring. \*
- Habit 5: The board provides feedback and support to the chief executive shows the second most significant difference between the ratings from the Board and ELT. Potential Focus: Understanding the difference in perspective regarding clear delegation of authority to and respect of the CEO role.

\*currently on the Board work plan

The Board took a break at 9:30 a.m.

### **III. Building Board and Management Cohesion**

CEO Fernandez described his vision of strengthened partnership between the Board and management, sharing he would like to bring Board members closer to the organization and keep them better informed. Along with this, he would provide more opportunities for the Board members to visit customers, be engaged with elected officials alongside management and engage with employees.

Mr. Douglas then introduced a small group exercise for the purpose of discussing the desired partnership between the Board and management. The groups consisting of both Board and management discussed their challenges and potential solutions. The small groups each presented their ideas to the full group. Actions items which came from the discussion will be added to the Board work plan.

Board Minutes  
August 17, 2023  
Page 4

The Board took a lunch break at 12:25 p.m.

#### IV. Building Board and Management Cohesion (continued)

Mr. Douglas and Mr. Slaton presented the Board and management with questions to discuss, to build understanding of specific areas of Board governance and related processes and behaviors:

- How can the Board effectively delegate without relinquishing oversight?
- How can the CEO/Management keep the Board better informed of decisions and actions on large projects delegated to the CEO? How can Board members provide input?
- What operating principles should we establish so that the Board and management communicate as effectively as possible?
- How can board members effectively serve as ambassadors for OPPD?
- How can we make the committee process work more effectively?

All Board members and management participated in all aspects of the workshop discussion and action items arising from these discussions will be added to the Board work plan. Director Moody left the workshop at 3:30 p.m.

#### V. Conclusion

Board members and management offered final reflections. Messrs. Douglas and Slaton will work with Mr. Focht and staff to develop a synopsis of the workshop for the Board's review.

The workshop concluded at 4:11 p.m.

DocuSigned by:  
*S. M. Focht*  
B626AD4392E3483...

---

S. M. Focht  
Vice President – Corporate Strategy and  
Governance and Assistant Secretary

DocuSigned by:  
*Erin Lane*  
965CE2363A0A42C...

---

E. H. Lane  
Sr. Board Operations Specialist