



OPPDP BOARD OF DIRECTORS

BOARD GOVERNANCE WORKSHOP MEETING MINUTES

August 29, 2024

The Board of Directors of the Omaha Public Power District ("OPPDP" or "District") held a governance workshop in person on Thursday, August 29 at 8:30 a.m. at the Metro Community College, Mule Barn Board Room, 5300 North 30th St, Omaha, Nebraska and via WebEx audio and video conference.

Present in person at the workshop 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 and T. F. Meyerson 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, G. M. Langel, T. D. McAreavey, L. A. Olson, M. V. Purnell, B. R. Underwood and T. R. Via. 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 media¹; by publicizing same in the Omaha World Herald², OPPDP Outlets newsletter, oppdp.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 22, 2024. He also provided reminders for using the WebEx audio and video conferencing platform.

¹ 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.

² Public notice of meeting was published in the print version of the *Omaha World Herald* newspaper on August 21, 2024, and in the online version from August 21 through August 28, 2024.

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G. M. Langel, Vice President, Safety and Facilities provided physical and psychological safety reminders.

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. Current Situation

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 significant improvement in the level of collaboration and trust between Board and management.

S. M. Focht, Vice President – Corporate Strategy and Governance, presented the results of the Board governance survey (Five Habits of Effective Boards), which was taken by members of the Board and ELT:

- Ratings for each of the five habits have favorably increased since 2015. From 2023 to 2024, ratings increased for all five habits, and ratings for all characteristics either increased or held steady.
- Focus on "unity of control" (1.4) and Board governance training (4.3) provide the most significant opportunities to further strengthen level of agreement.
- There is a positive relationship between the Board and ELT, with both carefully listening to and raising difficult issues with each other. Both the Board and ELT should continue to build trust in their relationship and seek opportunities for informal communication.
- The Board is successfully implementing the operating principles that it established/applied in 2023-24.

The Board took a break at 9:45 a.m.

III. Opportunities

Mr. Douglas introduced a small group exercise for the purpose of discussing ways to sustain the Board-CEO/ELT relationship and keep building on the strong foundation. The groups consisting of both Board and management discussed ideas for sustaining and growing relationships. The small groups each presented their ideas to the full group. CEO Fernandez provided comments on building a strong foundation. Actions items which came from the discussion will be added to the Board work plan.

The Board took a lunch break at 11:40 a.m.

IV. Managing Transitions

Mr. Douglas asked the Board and ELT to discuss ways to best help new board members operate at a high level. All Board members and management participated in the discussion. Action items

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arising from these discussions will be reviewed by the Governance Committee for potential addition to the Board's onboarding process.

V. Board Work Plan and Training Plan

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.

There is general agreement with the following:

- GP policies sufficiently reflect the desired principles/processes for Board governance.
- BL policies sufficiently reflect the desired delegations from the Board to the CEO to carry out the work of OPPD.
- SD policies sufficiently reflect the desired strategic direction for OPPD.
- We are sufficiently in compliance with the GP and BL policies.

There is significant interest in revising the following:

- BL-4: Board-Corporate Secretary Relationship
- SD-7: Environmental Stewardship (in-process)
- SD:11 Economic Development

Other potential policy revisions include:

- GP-5: Election of Board Officers, GP-8: Board Committee Principles, GP-14: Board Expense Reimbursement, BL-8: Delegation to the President and Chief Executive Officer - Procurement, BL-10: Real and Personal Property, SD-4: Reliability, and SD-6: Safety.

The results will be referred to the Governance Committee to use in developing the 2024 Board Work Plan.

Mr. Douglas asked Board members to reflect on what strategic education and other training they would like to receive. All Board members participated in the discussion and provided examples.

- The Governance Committee will develop a plan for future strategic education and training.

VI. Other Governance Topics

Mr. Douglas asked how policy development can best be done between the Board and ELT. Board and ELT participated in a discussion about current and future process for policy revisions.

Mr. Douglas facilitated a discussion about a 2 year cycle for Board officers. All Board members agreed GP-5 should be updated in response to the discussion.

S. M. Focht presented the history of the Audit Subcommittee, the current charter and considerations for revisions to the committee function. The Board and ELT discussed the current and future state of the Audit Subcommittee, including the accountability of risk oversight. Board members suggested creating the Enterprise Risk Management committee which would include the audit subcommittee.

- The Governance Committee will review and come back with a recommendation; it will aim for October to bring back a high-level outline of a charter for an Enterprise Risk Management committee.

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VII. Other Business – Opportunity for comments on items of District business

Chair Williams asked for comments from members of the public in the room. There were no comments.

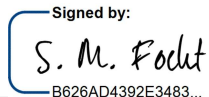
Chair Williams asked for comments from members of the public on WebEx. There were no comments.

VIII. Conclusion


All Board members and management participated in all aspects of the workshop discussion and any action items arising from these discussions will be added to the Board work plan.

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 3:50 p.m.

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

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E. H. Lane
Sr. Board Operations Specialist