

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
NEBRASKA PUBLIC POWER DISTRICT
AUGUST 11-12, 2021

(Marginal Index for Informational Purposes Only)

A meeting of the Board of Directors of Nebraska Public Power District was held at the Columbus General Office, Columbus, Nebraska, beginning at 2:00 p.m. on Wednesday, August 11, 2021.

In compliance with state law, legal notice announcing the date, hours, location and availability of the agenda for the meeting was published on the District’s corporate website, nppd.com, and also in the following newspapers on or about August 5, 2021:

LEGAL NOTICE
PUBLISHED PRIOR
TO THE MEETING

- (1) Columbus Telegram, Columbus, Nebraska;
- (2) Kearney Hub, Kearney, Nebraska;
- (3) Lincoln Journal Star, Lincoln, Nebraska;
- (4) Norfolk Daily News, Norfolk, Nebraska;
- (5) North Platte Telegraph, North Platte, Nebraska;
- (6) Omaha World-Herald, Omaha, Nebraska;
- (7) Scottsbluff Star-Herald, Scottsbluff, Nebraska;
- (8) York News-Times, York, Nebraska.

This notice was also e-mailed to each member of the Board of Directors.

Chair Harding called the regular meeting to order at 2:00 p.m. on Wednesday, August 11, 2021, and directed the roll be called:

ROLL CALL,
2:00 P.M.,
AUGUST 11, 2021

Present: Jerry L. Chlopek, Mary A. Harding, Bill C. Hoyt, William D. Johnson, Charlie C. Kennedy, Edward J. Schrock, Gary G. Thompson, Aaron D. Troester, Wayne E. Williams

Absent: Fred L. Christensen, Melissa S. Frelend

constituting a quorum of the Board of Directors.

Chair Harding announced that there was a posting of the Open Meetings Act and copies of the Board agenda in the Board Room and area conference rooms, for anyone wishing to examine those documents.

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

President and Chief Executive Officer Thomas J. Kent provided the Board an update on safety and system operations.

It was moved by Director Chlopek and seconded by Director Hoyt that the Board go into Executive Session at 2:15 p.m. to protect the public interest and discuss competitive and proprietary information, pending and potential litigation, and receive legal advice. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Harding, Hoyt, Johnson, Kennedy, Schrock, Thompson, Troester, Williams
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Christensen, Freelend

Whereupon the Chair declared the motion carried.

Director Williams left the executive session at 3:19 p.m.

Chair Harding announced the executive session was ended at 3:36 p.m., during which nothing was discussed beyond the items declared: competitive and proprietary information, pending and potential litigation, and receive legal advice.

The meeting was recessed at 3:38 p.m., to reconvene on Thursday, August 12, 2021.

AUGUST 12, 2021

Chair Harding called the regular meeting to order at 10:00 a.m. on Thursday, August 12, 2021, and directed the roll to be called:

Present: Jerry L. Chlopek, Fred L. Christensen, Melissa S. Freelend, Mary A. Harding, Bill C. Hoyt, William D. Johnson, Charlie C. Kennedy, Edward J. Schrock, Gary G. Thompson, Aaron D. Troester, Wayne E. Williams

Absent: None

constituting a quorum of the Board of Directors.

Chair Harding announced that there was a posting of the Open Meetings Act and copies of the Board agenda in the Board Room, for anyone wishing to examine those documents.

Guests at the meeting included Darin Bloomquist, Nebraska Electric G&T; and Molly Hunter, *Columbus Telegram*.

**MOTION (CARRIED):
GO INTO EXECUTIVE
SESSION AT
2:15 P.M. TO
PROTECT THE
PUBLIC INTEREST,
DISCUSS
COMPETITIVE AND
PROPRIETARY
INFORMATION,
PENDING AND
POTENTIAL
LITIGATION, AND
RECEIVE LEGAL
ADVICE**

EXECUTIVE
SESSION ENDED AT
3:36 P.M.

MEETING
RECESSED AT
3:38 P.M.

ROLL CALL,
10:00 A.M.,
AUGUST 12, 2021

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

GUESTS
WELCOMED TO
MEETING

Chair Harding asked for discussion of any consent agenda items, which included the following:

- Minutes of July 7-8, 2021, Regular Board Meeting
- October 2021 Regular Board Meeting Scheduled for October 13-14, 2021, in Columbus (September 2021 Regular Board Meeting Previously Scheduled for September 8-9, 2021, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- June 2021 Summary of Disbursements

Chair Harding asked whether any Directors desired any items on the consent agenda to be placed on the regular agenda and voted on separately. There were none.

It was moved by Director Hoyt and seconded by Director Freelend that all items on the consent agenda be approved as listed above. Votes were cast and recorded as follows:

Voting Aye:	Chlopek, Christensen, Freelend, Harding, Hoyt, Johnson, Kennedy, Schrock, Thompson, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chair declared the motion carried.

President and Chief Executive Officer Thomas J. Kent read an excerpt from NPPD’s “CNS Tools for Excellence” pocket guide.

President and Chief Executive Officer Thomas J. Kent provided an update on NPPD employee staffing levels, and presented the Report on Retirements and Former District Employee Rehires which is on file with the Assistant Secretary and attached and made a part of these minutes.

Proposed revisions to District Standard ERM-ST-001, Energy Risk Management Approved Products and Approved Limits Standard, were discussed during the August 11 executive session due to the confidential and proprietary nature of the document.

It was moved by Director Hoyt and seconded by Director Kennedy to approve revisions to ERM-ST-001, Energy Risk Management Approved Products and Approved Limits Standard, as presented. Votes were cast and recorded as follows:

CONSENT AGENDA

**MOTION (CARRIED):
APPROVE CONSENT
AGENDA**

EMPLOYEE
COUNTS,
RETIREMENTS AND
REHIRE FOR
AUGUST 2021

**MOTION (CARRIED):
APPROVE
REVISIONS TO
DISTRICT
STANDARD
ERM-ST-001
(PROPRIETARY/**

Voting Aye: Chlopek, Christensen, Freeland, Harding, Hoyt,
Johnson, Kennedy, Schrock, Thompson,
Troester, Williams

Voting Nay: None

Abstaining: None

Present But Not Voting: None

Absent: None

CONFIDENTIAL)

Whereupon the Chair declared the motion carried.

Pricing, Rates and Wholesale Billing Manager Todd S. Swartz presented information relating to the annual update to NPPD's rate formula template for purposes of establishing 2022 transmission rates for the NPPD pricing zone in the Southwest Power Pool (SPP). Pursuant to protocols that were approved by NPPD's Board of Directors and included in the SPP tariff, NPPD must post this annual rate update on the NPPD and SPP web sites no later than September 1 of each year. Formal action on the annual update to the NPPD's rate formula template for purposes of establishing 2022 transmission service revenue requirements and associated transmission rates for the NPPD pricing zone in SPP will be requested of the Board in November, with an effective date of January 1, 2022, if approved.

It was moved by Director Johnson and seconded by Director Christensen to approve the posting of NPPD's projected 2022 transmission revenue requirements and resulting rates under the SPP Open Access Tariff. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Freeland, Harding, Hoyt,
Johnson, Kennedy, Schrock, Thompson,
Troester, Williams

Voting Nay: None

Abstaining: None

Present But Not Voting: None

Absent: None

**MOTION (CARRIED):
APPROVE POSTING
OF PROJECTED
2022 NPPD
TRANSMISSION
REVENUE
REQUIREMENTS
AND RESULTING
RATES UNDER SPP
OPEN ACCESS
TARIFF**

Whereupon the Chair declared the motion carried.

Pricing, Rates, and Wholesale Billing Manager Todd S. Swartz reviewed preliminary proposed wholesale rates for 2022, which included no overall wholesale base rate increase for the fifth year in a row, and a Production Cost Adjustment (PCA) refund for the fourth year in a row. Specific wholesale rate changes being proposed for 2022 included: 5.0% increase for transmission; 0.8% decrease in production base rates, to offset the proposed increase in transmission; and a one-year refund of remaining funds in the production Rate Stabilization Account in excess of the 10% accumulation limit, resulting in a preliminary amount of \$10.7 million to be returned through the PCA in 2022 (to be applied to bills for service from February 2022 through January 2023). Changes would also be recommended for the following individual wholesale rate schedules:

**WHOLESALE RATE
UPDATE FOR 2022**

- General Firm Power Service (GFPS) Rate Schedule, to include proposed rates, add provisions for treatment of customer generation registered in the SPP Market, and incorporate clarifying language;
- Simultaneous Buy/Sell Rate Schedule (Special Power Product #2), to add provisions for treatment of customer generation registered in the SPP Market;
- Standby Service Rate Schedule, to revise provisions so that backup energy and excess energy are always priced at the SPP market price;
- Economic Development Rate Schedule (Special Power Product #6), to change the initial production energy rate (if recommended, following a review of projected incremental costs), and add clarifying language;
- Large Customer Market-Based Rate Schedule (Special Power Product #9), to revise the production demand rate; and
- T-2 Transmission Rate Schedule, to include proposed rates and add clarifying language.

Following further communication with customers and the Board, proposed rate schedules would be issued to wholesale and T-2 transmission customers in late September, with Board consideration of the proposed wholesale rates to be requested in December, and the revised rates taking effect February 1, 2022, if approved.

Vice President of Energy Delivery Arthur R. Wiese introduced two videos related to July 9, 2021, storms that caused damage to NPPD and other utilities' transmission and distribution systems, and ensuring repair and restoration efforts. Mr. Wiese also discussed the 2021 Nebraska Lineworkers Rodeo and commended the team that represented NPPD.

Executive Vice President of External Affairs and General Counsel John C. McClure provided an update on legislative and governmental matters at the state and federal levels.

During the time designated for public comments, Nebraska Electric G&T General Manager Darin Bloomquist addressed the Board and commented on the sustainable energy public outreach meetings and the preliminary draft of Strategic Directive BP-SD-05, Principles for Sustainable Carbon Emissions Reductions. Mr. Bloomquist also discussed NPPD's projected surplus for 2021 and the Rate Stabilization Fund/proposed Production Cost Adjustment for 2022.

A recess was taken from 11:21 to 11:29 a.m.

During the time designated for Directors' comments and questions, Director Schrock provided an update on the agricultural economy. Several Directors commented on the August 11 sustainable energy public forum in Norfolk, and shared appreciation to the team responsible for planning and coordinating the event.

DELIVERY EVENTS
OVERVIEW

GOVERNMENTAL
AFFAIRS UPDATE

PUBLIC COMMENTS

RECESS

DIRECTORS'
COMMENTS

The Nuclear Committee of the Whole, chaired by Director Johnson, met Thursday, August 12, 2021, from 11:35 to 11:53 a.m. during the Board of Directors meeting. Vice President and Chief Nuclear Officer John A. Dent, Jr., provided a status update regarding Cooper Nuclear Station.

NUCLEAR
COMMITTEE OF THE
WHOLE

Director Schrock left the meeting at 11:48 a.m.

A lunch recess was taken from 11:53 a.m. to 1:00 p.m.

LUNCH RECESS

Director Kennedy, Chair of the Energy Supply Committee, reported that the Energy Supply Committee met Thursday morning, August 12, 2021.

ENERGY SUPPLY
COMMITTEE

Director Kennedy, Chair of the Energy Supply Committee, reviewed the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Supply), which included an Agreement with BrandSafway Solutions, LLC, and provided for scaffolding services at GGS and Canaday Station for two years, January 1, 2022, through December 31, 2023.

It was moved by Director Kennedy and seconded by Director Williams to approve the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Supply), as presented. Votes were cast and recorded as follows:

**MOTION (CARRIED):
APPROVE REQUEST
FOR APPROVAL OF
PROCUREMENTS
FOR SERVICES,
EQUIPMENT AND/OR
MATERIALS FOR
ITEMS \$500,000 AND
ABOVE (ENERGY
SUPPLY)**

Voting Aye:	Chlopek, Christensen, Freelend, Harding, Hoyt, Johnson, Kennedy, Thompson, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Schrock

Whereupon the Chair declared the motion carried.

Director Kennedy, Chair of the Energy Supply Committee, reported that the Committee also heard reports on the following matters: 1) Energy Supply monthly generation performance; 2) Energy Supply look-ahead for September 2021; and 3) Water Supply.

ENERGY SUPPLY
COMMITTEE
REPORT

Director Chlopek, Chair of the Customer and Support Services Committee, reported that the Customer and Support Committee met Thursday morning, August 12, 2021.

CUSTOMER AND
SUPPORT SERVICES
COMMITTEE

Accounting Manager Joni J. Davis presented financial performance measures for June 2021, as well as the monthly financial report, which indicated that operating revenues from electric sales were \$20.5 million over budget for the month, and \$229.2 million over budget year to date. Firm electric sales were \$9.4 million over budget for the month, and

JUNE 2021
FINANCIAL
STATEMENTS

\$14.1 million over budget year to date. Other electric sales were \$11.1 million over budget for the month, and \$215.1 million over budget year to date. Total operating expenses were under budget by \$3.5 million for the month, and \$80 million over budget year to date. The balance of the regulatory liability for unearned revenues as of June 30, 2021, was \$301.5 million. This balance represents surplus net revenues to be applied as credits against revenue requirements in future rate periods.

It was moved by Director Chlopek and seconded by Director Hoyt that the June 2021 Financial Statements be accepted, as presented. Votes were cast and recorded as follows:

Voting Aye:	Chlopek, Christensen, Freelend, Harding, Hoyt, Johnson, Kennedy, Thompson, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Schrock

Whereupon the Chair declared the motion carried.

Director Chlopek, Chair of the Customer and Support Services Committee, recommended the appointment of Kayla K. Paczosa as an authorized signatory, for the purpose of signing for the disbursement of District funds on behalf of the Treasurer. Ms. Paczosa assumed the duties associated with the position of Treasury Assistant effective August 12, 2021.

It was moved by Director Chlopek and seconded by Director Freelend that the Board confirm the appointment of Kayla Paczosa as an authorized signatory for the District. Votes were cast and recorded as follows:

Voting Aye:	Chlopek, Christensen, Freelend, Harding, Hoyt, Johnson, Kennedy, Thompson, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Schrock

Whereupon the Chair declared the motion carried.

Director Chlopek, Chair of the Customer and Support Services Committee, recommended the following resolution:

**MOTION (CARRIED):
ACCEPT JUNE 2021
FINANCIAL
STATEMENTS**

**MOTION (CARRIED):
CONFIRM
APPOINTMENT OF
KAYLA PACZOSA
AS AUTHORIZED
NPPD SIGNATORY**

RESOLUTION NO. 21-33

WHEREAS, on July 9, 2021, the District sustained storm damage caused by high winds in the east/central part of Nebraska, which included damage to some of the District’s transmission, subtransmission, and distribution lines and related structures along an approximately 13-mile stretch of the Grand Island to McCool 345 kV transmission line; and

WHEREAS, the District’s operations in the east/central part of Nebraska are impacted by the damaged transmission lines and related facilities, requiring the procurement of materials and services to repair and replace the facilities to fully restore operation to the system; and

WHEREAS, after damage was discovered, District crews began to immediately assess the damage in order to develop a cost estimate for the repairs and restoration of the transmission lines, with such cost estimate being in excess of \$500,000; and

WHEREAS, there is not sufficient time to comply with Neb. Rev. Stat. Sections 70-637 through 70-641, and complete said repairs in a timely manner so as not to have a detrimental effect on the District’s electric system; and

WHEREAS, Neb. Rev. Stat. Section 70-642, provides that the Board of Directors, in the event of sudden or unexpected damage, injury, or impairment of the District’s plant, works, system, or other property, may declare an emergency and proceed with the necessary improvements, extensions, additions, or other works without complying with the provisions of said Neb. Rev. Stat. Sections 70-637 through 70-641.

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby declare an emergency, and hereby ratifies the actions that management of the District has taken, and will take, to procure the necessary labor, materials, equipment and services and negotiate any contracts required to repair the District’s electric system.

BE IT FURTHER RESOLVED that management be and hereby is directed to submit to the Board of Directors a monthly report of the procurements initiated pursuant to this Resolution.

It was moved by Director Chlopek and seconded by Director Christensen that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye:	Chlopek, Christensen, Freelend, Harding, Hoyt, Johnson, Kennedy, Thompson, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Schrock

**RESOLUTION
NO. 21-33
(ADOPTED):
DECLARE
EMERGENCY,
RATIFY
MANAGEMENT’S
ACTIONS TO REPAIR
ELECTRIC SYSTEM
FOLLOWING 7-9-21
STORMS**

Whereupon the Chair declared Resolution No. 21-33 adopted.

The monthly Transmission Projects Update was included in the electronic file provided to the Board.

Director Chlopek, Chair of the Energy Supply Committee, reviewed the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Customer Services and Delivery), which included Amendment No. 2 to the Agreement with First National Bank of Omaha, and provided for a two-year extension of lockbox remittance processing services (Retail).

It was moved by Director Chlopek and seconded by Director Hoyt to approve the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Customer Services and Delivery), as presented. Votes were cast and recorded as follows:

Voting Aye:	Chlopek, Christensen, Freeland, Harding, Hoyt, Johnson, Kennedy, Thompson, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Schrock

Whereupon the Chair declared the motion carried.

Director Chlopek, Chair of the Customer and Support Services Committee, reported that the Committee also heard reports on the following matters: 1) Second quarter 2021 NPPD investments and financial markets; 2) 2021 Series C and Series D General Revenue Bonds Proposed Financing; 3) Customer Services and Delivery look-ahead for August; and 4) Retail Business Unit performance.

Director Harding, Chair of the Audit, Risk and Compliance Committee, reported that the Audit, Risk and Compliance Committee met Wednesday, August 11, 2021. Director of North American Electrical Regulatory Corporation (NERC) Compliance Tony D. Eddleman provided updates on NPPD's compliance activities, the upcoming 2022 Midwest Reliability Organization (MRO) audit, and supply chain risk management; Resource Planning and Risk Manager James R. Fehr reviewed the second quarter Financial Power and Gas Position Report by; and the Committee discussed management's recommendation to request a fee proposal from PricewaterhouseCoopers, the District's external auditor, for extension of services for five years, with a further recommendation by the Committee to re-evaluate the current Agreement in three years. In addition, the Executive Committee of the Board conducted a performance update with President and Chief Executive Officer Thomas J. Kent.

TRANSMISSION
PROJECTS UPDATE

**MOTION (CARRIED):
APPROVE REQUEST
FOR APPROVAL OF
PROCUREMENTS
FOR SERVICES,
EQUIPMENT AND/OR
MATERIALS FOR
ITEMS \$500,000 AND
ABOVE (CUSTOMER
SERVICES AND
DELIVERY)**

CUSTOMER AND
SUPPORT SERVICES
COMMITTEE
REPORT

AUDIT, RISK AND
COMPLIANCE
COMMITTEE
REPORT

Director Thompson, Chair of the Board Governance and Strategic Planning Committee, reported that the Board Governance and Strategic Planning Committee met Wednesday afternoon, August 11, 2021. The Committee reviewed final arrangements for the sustainable carbon emissions reduction public outreach sessions, scheduled for August 11 (Norfolk), August 12 (Seward), August 16 (North Platte), August 17, (Scottsbluff), and August 18 (Kearney). The Committee also reviewed a draft of Strategic Directive BP-SD-05, Sustainable Carbon Emissions Reduction, and with no additional comments or changes recommended by Committee, the draft was provided to customers the afternoon of August 11 via e-mail from President and Chief Executive Officer Thomas J. Kent. Finally, the Committee began discussing a process for Board self-evaluation.

There being no further business to come before the Board, the meeting was duly adjourned at 1:25 p.m.

BOARD
GOVERNANCE AND
STRATEGIC
PLANNING
COMMITTEE
REPORT

ADJOURNMENT
1:25 P.M.

Minutes approved at
the meeting of
September 8-9, 2021

_____/s/_____
Mary A. Harding, Chair

_____/s/_____
Edward J. Schrock, Secretary

**REPORT ON RETIREMENTS AND
FORMER DISTRICT EMPLOYEE REHIRES
AUGUST 2021 BOARD MEETING**

RETIREMENTS

1. Michael A. Parr, Project Manager, General Office, Columbus, was employed May 7, 1989, and is retiring as of July 31, 2021.
2. William J. Bojanski, Mechanical Technician, Sheldon Station, Hallam, was employed February 1, 1982, and is retiring as of August 31, 2021.
3. Jeffry W. Hess, Senior Systems Analyst, General Office, Columbus, was employed April 22, 1991, and is retiring as of August 31, 2021.
4. Susie K. Spulak, Administrative Assistant II, General Office, Columbus, was employed August 1, 1978, and is retiring as of August 31, 2021.
5. Robin L. Curry, Innovation, Transformation and Change Team, General Office, Columbus, was employed August 24, 1989, and is retiring as of September 7, 2021.
6. Diane A. Bryant, Laboratory Technician, Gerald Gentleman Station, Sutherland, was employed February 2, 2004, and is retiring as of September 30, 2021.
7. Steven C. Rezab, Senior Staff Health Physicist, Cooper Nuclear Station, Brownville, was employed December 8, 1986, and is retiring as of November 18, 2021.

REHIRES

In accordance with the Board motion approved in February 1988, employees reemployed by the District within one year of their termination date (including those rehired directly or indirectly as a consultant) require approval of the President. Pursuant to that Board motion, Mr. Kent has approved these rehires:

David Dales was hired on April 4, 1988, and retired from the position of Senior Staff Attorney at Columbus on July 31, 2021. David will be rehired as a Part-Time Senior Staff Attorney at Columbus effective August 1, 2021.

Warren Madison was hired on April 3, 1978, and retired from the position of Journey Line Technician - Distribution at Scottsbluff on May 31, 2021. Warren will be rehired as a Part-time Inspector at Scottsbluff effective July 28, 2021.

Michael Parr was hired on February 1, 1978; he left the District on January 31, 1996 as an Instrument and Control Supervisor at Columbus. Michael was rehired on May 7, 2007, as a Project Manager at Columbus, and retired from this position on July 31, 2021. Michael will be rehired as a Part-time Project Manager at Columbus effective August 1, 2021.

Donald Olesen was hired April 1, 1992, and retired from the position of Nuclear Instructor at Cooper Nuclear Station on February 24, 2017. Donald was rehired intermittently from March 13, 2017, to December 31, 2020 as a Temporary Nuclear Instructor at Cooper Nuclear Station, and will again be rehired as a Temporary Nuclear Instructor at Cooper Nuclear Station effective August 2, 2021