

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
NEBRASKA PUBLIC POWER DISTRICT
FEBRUARY 9-10, 2022

(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 2:36 p.m. on Wednesday, February 9, 2022.

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 February 3, 2022:

- (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 Chlopek called the regular meeting to order at 2:36 p.m. on Wednesday, February 9, 2022, and directed the roll be called:

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: Melissa S. Freelend, Fred L. Christensen

constituting a quorum of the Board of Directors.

Director Freelend entered the meeting shortly after roll call.

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

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

LEGAL NOTICE
PUBLISHED PRIOR
TO THE MEETING

ROLL CALL,
2:36 P.M.,
FEBRUARY 9, 2022

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

REPORT ON
SYSTEM AND
SAFETY STATUS

It was moved by Director Harding and seconded by Director Johnson that the Board go into Executive Session at 2:47 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, Freelend, Harding, Hoyt, Johnson, Kennedy, Schrock, Thompson, Troester, Williams
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Christensen

Whereupon the Chair declared the motion carried.

Chair Chlopek announced the executive session was ended at 5:33 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 5:33 p.m., to reconvene on Thursday, February 10, 2022.

FEBRUARY 10, 2022

Chair Chlopek called the regular meeting to order at 9:55 a.m. on Thursday, February 10, 2022, 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 Chlopek announced that there was a posting of the Open Meetings Act and copies of the Board agenda at the entrance of the Board Room, for anyone wishing to examine those documents.

Guests at the meeting included Darin Bloomquist, Nebraska Electric G&T; Jon Dockhorn, Burt County Public Power District; and Chet McWhorter, Cuming County Public Power District.

**MOTION (CARRIED):
GO INTO EXECUTIVE
SESSION AT
2:47 P.M. TO
PROTECT THE
PUBLIC INTEREST,
DISCUSS
COMPETITIVE AND
PROPRIETARY
INFORMATION,
PENDING AND
POTENTIAL
LITIGATION, AND
RECEIVE LEGAL
ADVICE**

EXECUTIVE
SESSION ENDED AT
5:33 P.M.

MEETING
RECESSED AT
5:33 P.M.

ROLL CALL,
9:55 A.M.,
FEBRUARY 10, 2022

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

GUESTS
WELCOMED TO
MEETING

LEGISLATIVE
UPDATE

Director of Wholesale Services and External Affairs Courtney A. Dentlinger discussed the 2022 session of the Nebraska Legislature and reviewed several bills of interest, including:

- Legislative Bill (LB) 743, Change provisions relating to when closed sessions may be held under the Open Meetings Act (oppose);
- LB 746, Eliminate the requirement that the Director of Natural Resources be a professional engineer (oppose);
- LB 761, Adopt the Precision Agriculture Infrastructure Grant Act and state intent regarding appropriation of federal funds (monitor);
- LB 775, Prohibit land disposal of wind turbine blades and their component parts (monitor);
- LB 801, Redefine qualified location under the ImagineNE Nebraska Act (monitor);
- LB 804, Change compensation of certain members of the Nebraska Power Review Board (support);
- LB 847, Redefine political subdivision under the Political Subdivisions Construction Alternatives Act (support);
- LB 944, Change the sales tax rate imposed on the furnishing of electricity service (oppose);
- LB 969, Appropriate federal funds to the Department of Environment and Energy to improve reliability and resiliency of the electric grid (support);
- LB 977, Appropriate federal funds to the Department of Economic Development for expanding electrical system capabilities (monitor);
- LB 978, Provide powers and duties relating to the treatment of dredged and fill material under the Environmental Protection Act (support);
- LB 1008, Prohibit a count, city, or village from restricting energy utility service (monitor);
- LB 1015, Adopt the Perkins County Canal Project Act (support);
- LB 1045, Change qualifications of certain public power district board member (monitor);
- LB 1046, Change provisions relating to selection of the board of directors and chief executive officer of certain public power districts (oppose);
- LB 1047, Change requirements regarding annual load and capability reports filed with the Nebraska Power Review Board (oppose);
- LB 1058, Provide requirements for public power suppliers relating to baseload units (oppose);
- LB 1099, Create the Nebraska Hydrogen Hub Industry Work Group (support);
- LB 1100, Appropriate federal funds to the Department of Economic Development for a feasibility study relating to nuclear reactors (support);
- LB 1101, Change provisions relating to the Nebraska Telecommunications Universal Service Fund and the Nebraska Broadband Bridge Act (support);
- LB 1134, Prohibit use of public resources by a board member or employee of an electric cooperative corporation under the Nebraska Political Accountability and Disclosure Act (monitor);

LB 1139, Prohibit certain corporations from making contributions or expenditures or providing personal services under the Nebraska Political Accountability and Disclosure Act (monitor);

LB 1185, Changes provisions relating to the powers of an electric cooperative corporation (oppose); and

LB 1208, Adopt the Broadband Pole Replacement Fund Act and appropriate federal funds (oppose).

NPPD staff will monitor bills throughout the session and continue to keep the Board apprised on issues affecting NPPD and public power.

There were no public comments.

PUBLIC COMMENTS

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

CONSENT AGENDA

- Minutes of January 12-13, 2022, Regular Board Meeting
- April 2022 Regular Board Meeting scheduled for April 13-14, 2022, in Columbus (March 2022 Regular Board Meeting previously scheduled for March 10-11, 2022, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- December 2021 Summary of Disbursements

Chair Chlopek 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 Johnson that all items on the consent agenda be approved as listed above. Votes were cast and recorded as follows:

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

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

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.

Vice President of Corporate Strategy and Innovation Timothy J. Arlt, serving as Emergency Manager and Director of the District's Executive Response Team for the COVID-19 Pandemic Response, provided a pandemic update to the Board. Mr. Arlt reviewed the historical positive COVID

COVID-19 PANDEMIC
UPDATE

cases experienced by NPPD. Variants of the virus, specifically Omicron, have caused a higher case rate in recent months, and the District's Infectious Disease Prevention and Control (IDPC) Team has been meeting weekly to monitor the situation.

Similar to state and national trends, the District's positive case numbers and contacts with positives are beginning to decline. As such, the IDPC Team continues to recommend that NPPD maintain a normal risk status with regard to the Pandemic Response Plan, defined as "no predicted or actual high-risk health threat to NPPD teammates and their families".

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.

Retirees Bryce Landen and Steve Walker addressed the Board and commented on their careers at NPPD.

President and Chief Executive Officer Thomas J. Kent discussed benchmarks for chief executive officer compensation, which are reviewed regularly to ensure NPPD's executive compensation levels are in line with other similar entities, utilities in the region, and survey samples done by industry groups and compensation consultants.

Director of Operations Support and Business Continuity Matthew J. Gilliland discussed NPPD's Supply Chain Disruption Mitigation Team, including the Team's mission, recent production and delivery challenges being experienced by NPPD, resulting impacts on costs and inventory levels, and the Team's effort to anticipate and mitigate supply chain problems in order to maintain District operations.

Chief Audit and Ethics Officer Conrad L. Saltzgeber reviewed proposed changes to four corporate policies, which the Board will be asked to formally consider at the March 2022 meeting, including: 1) Electric Reliability Compliance Program (ERCP); 2) Energy Risk Management (ERM); 3) Nuclear Risk Management (NRM); and 4) Strategic Risk Management (SRM).

President and Chief Executive Officer Thomas J. Kent provided a look-ahead of upcoming items for the March 2022 Board meeting.

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, and also commented on some industry-related items of interest.

A recess was taken from 11:19 to 11:29 a.m.

EMPLOYEE
COUNTS,
RETIREMENTS AND
REHIRE FOR
FEBRUARY 2022

CEO
COMPENSATION
BENCHMARKS

SUPPLY CHAIN
UPDATE

PROPOSED
REVISIONS TO NPPD
CORPORATE
POLICIES

BOARD AGENDA
LOOK-AHEAD FOR
MARCH 2022

GOVERNMENTAL
AFFAIRS UPDATE

RECESS

During the time designated for Directors' comments and questions, Director Hoyt reported on his attendance at the GGS/Water Resources holiday party and the CNS all-hands virtual meeting. Director Thompson discussed electrification of the economy and the need to stay informed and prepare as electric vehicles become more prolific. Mr. Thompson also discussed Strategic Directive BP-SD-05, Carbon Emissions Reductions, commenting on the teamwork it took to complete this endeavor, and hoped that this camaraderie would continue for other efforts and initiatives.

DIRECTORS'
COMMENTS

The Nuclear Committee of the Whole, chaired by Director Johnson, met Thursday, February 10, 2022, from 11:38 to 11:49 a.m. during the Board of Directors meeting. CNS General Manager of Plant Operations Khalil M. Dia provided an update regarding Cooper Nuclear Station.

NUCLEAR
COMMITTEE OF THE
WHOLE

A lunch recess was taken from 11:49 a.m. to 12:40 p.m.

LUNCH RECESS

Director Harding, Chair of the Energy Supply Committee, reported that the Energy Supply Committee met Thursday morning, February 10, 2022.

ENERGY SUPPLY
COMMITTEE
REPORT

Director Harding, Chair of the Energy Supply Committee, recommended the following resolution:

RESOLUTION NO. 22-7

WHEREAS, pursuant to Board Resolution No. 21-47, management was authorized, under an Engineer's Certificate, to negotiate with vendors capable of refurbishing an Induced Draft Fan Rotor Assembly at Gerald Gentleman Station; and

WHEREAS, the District received proposals from two vendors for the refurbishment of an Induced Draft Fan Rotor Assembly, which includes transportation to and from the vendor's repair facility to perform a complete disassembly, inspection, cleaning, and rebuild of the rotor assembly, main bearing assembly, and hydraulic unit of the Induced Draft Fan Rotor Assembly; and

WHEREAS, on the basis of the evidence and information received in the proposals from the two vendors, and based on the results of the negotiations with the vendors, and the vendors' ability to meet the needs of the District, this Board has determined and does hereby find that the proposal negotiated with Howden USA Company is the lowest and best negotiated proposal on Contract No. 22-005.

NOW, THEREFORE, BE IT RESOLVED that, the following proposal negotiated with Howden USA Company in the form of Contract No. 22-005, be accepted by the District:

**RESOLUTION
NO. 22-7 (ADOPTED):
AWARD CONTRACT
NO. 22-005,
INDUCED DRAFT
FAN ROTOR
REFURBISHMENT
(GGS), TO HOWDEN
USA COMPANY,
NEGOTIATED
(ESTIMATED)
PROPOSAL PRICE
OF \$529,215.10**

Howden USA Company, Akron, Ohio, negotiated proposal price in the total estimated amount of \$529,215.10.

BE IT FURTHER RESOLVED that the President or a Vice President be, and each of them is hereby authorized and instructed to execute for and on behalf of the District, a Contract with the aforementioned vendor in accordance with the plans and specifications and on the form of Contract, when the Contract is in a form acceptable to management and Legal Counsel.

BE IT FURTHER RESOLVED that the award of the Contract is contingent upon receipt and approval by the District of a standby letter of credit from Howden USA Company, as provided in the Contract.

It was moved by Director Harding and seconded by Director Hoyt that the foregoing resolution be adopted. 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

Whereupon the Chair declared Resolution No. 22-7 adopted.

Director Harding, 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 March 2022; and 3) Water Supply.

Director Williams, Chair of the Customer and Support Services Committee, reported that the Customer and Support Committee met Thursday morning, February 10, 2022.

Accounting Manager Joni J. Davis presented unaudited financial performance measures, as well as the financial report, for December 2021 and year-end 2021, stating that the District realized a \$66.4 million deficit for the month compared to budget, due primarily to the payment of \$60 million for production-financed debt from the 2021 surplus. The District also realized a \$144.6 million surplus for the year.

The December 2021 performance measures and monthly financial report indicated that operating revenues from electric sales were \$4.8 million over budget for the month, and \$270.3 million over budget for the year. Firm electric sales were \$0.4 million under budget for the month, and \$29.9 million over budget for the year. Other electric sales were \$5.2 million over budget for the month, and \$240.4 million over budget for the year. Total operating expenses were \$2.3 million over budget for the month, and

CUSTOMER AND
SUPPORT SERVICES
COMMITTEE

DECEMBER 2021
FINANCIAL
STATEMENTS /
YEAR-END RESULTS

\$43.5 million over budget for the year. The balance in the Unearned Revenue account as of December 31, 2021, was \$268.1 million. This balance represents surplus net revenues to be applied to revenue requirements in future rate periods.

It was moved by Director Williams and seconded by Director Kennedy that the December 2021 Financial Statements / Year-end results be accepted, as presented. 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

Whereupon the Chair declared the motion carried.

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

RESOLUTION NO. 22-8

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 21-020, Transmission and Substation Utility Steel – Part III, have been duly invited, received, opened, read, and tabulated; and

WHEREAS, management has studied and analyzed the bids and recommended acceptance of certain bids as the lowest and best evaluated bids, as per data filed with the Board; and

WHEREAS, on the basis of evidence and information received, and after an analysis of the responsibility of the bidders, amounts and terms of the bids, delivery dates, and the needs of the District, this Board has determined and does hereby find that the bid of Irby Utilities, Rapid City, South Dakota, is the lowest and best evaluated bid on Contract No. 21-020 – Part III.

NOW, THEREFORE, BE IT RESOLVED that, subject to receipt and approval of a performance bond as herein provided, the following bid submitted on Contract No. 21-020 – Part III be accepted by the District:

Irby Utilities, Rapid City, South Dakota, firm base bid price of \$2,832,927.84 for Part III.

**MOTION (CARRIED):
ACCEPT
DECEMBER 2021
FINANCIAL
STATEMENTS /
YEAR-END RESULTS**

**RESOLUTION
NO. 22-8 (ADOPTED):
AWARD CONTRACT
NO. 21-020,
TRANSMISSION AND
SUBSTATION
UTILITY STEEL
(MONOLITH):
PART III TO IRBY
UTILITIES, FIRM
BASE BID PRICE OF
\$2,832,927.84**

BE IT FURTHER RESOLVED that the President or a Vice President be, and each of them is hereby authorized and instructed to execute for and on behalf of the District, Contracts with the aforementioned bidders in accordance with the plans and specifications and on the form of Contract submitted to bidders.

BE IT FURTHER RESOLVED that the award of the Contract is contingent upon receipt and approval by the District of a performance bond from Irby Utilities, as provided in the Contract.

It was moved by Director Williams and seconded by Director Christensen that the foregoing resolution be adopted. 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

Whereupon the Chair declared Resolution No. 22-8 adopted.

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

TRANSMISSION
PROJECTS UPDATE

Director Williams, Chair of the Customer and Support Services Committee, reported that the Committee also heard reports on the following matters: 1) Fourth Quarter 2020 NPPD Investments, Financial Markets and 2022 Financing Plan; 2) Customer Services and Delivery look-ahead for March 2022; and 3) Retail Business Unit performance.

CUSTOMER AND
SUPPORT SERVICES
COMMITTEE
REPORT

Director Chlopek, Chair of the Audit, Risk and Compliance Committee, reported that the Audit, Risk and Compliance Committee met Wednesday, February 9, 2022. Chief Audit and Ethics Officer Conrad L. Saltzgaber reviewed the proposed 2022 Audit Services Plan, which was then approved by the Committee. Mr. Saltzgaber also provided an update on the Internal Audit Services Department. Resource Planning and Risk Manager James R. Fehr and Insurance and Risk Administrator Linda Mukusha provided an update to the Committee on the District's strategic risk management processes. Executive Vice President of External Affairs and General Counsel John C. McClure, Director of Wholesale Services and External Affairs Courtney A. Dentlinger, and Governmental Affairs Manager Shirley A. Higgins provided a governmental affairs update. The Audit, Risk and Compliance Committee also discussed reciting the Pledge of Allegiance at Board meetings.

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 Thursday morning, February 10, 2022. Items of discussion included agenda planning for 2022 Board Governance and Strategic Planning Committee meetings; Board self-evaluation; training for Board self-evaluations and chief executive officer evaluations; and Strategic Directive BP-SD-05, Carbon Emissions Reductions.

BOARD
GOVERNANCE AND
STRATEGIC
PLANNING
COMMITTEE
REPORT

There being no further business to come before the Board, the meeting was duly adjourned at 1:07 p.m.

ADJOURNMENT
1:07 P.M.

Minutes approved at
the meeting of
March 10-11, 2022

_____/s/_____
Jerry L. Chlopek, Chair

_____/s/_____
Wayne E. Williams, Secretary

**REPORT ON RETIREMENTS AND
FORMER DISTRICT EMPLOYEE REHIRS
FEBRUARY 2022 BOARD MEETING**

RETIREMENTS

1. Kim R. Nelsen, Engineering Technician III – Production, Cozad, was employed January 14, 1980, and is retiring as of February 15, 2022.
2. Bryce J. Landen, Energy Efficiency Consultant, Chadron, was employed June 28, 1978, and is retiring as of February 16, 2022.
3. Brian S. Johnson, Security Range Master/Instructor, Cooper Nuclear Station, Brownville, was employed September 1, 2005, and is retiring as of February 28, 2022.
4. Robert F. Koch, Journey Line Technician, North Platte, was employed April 2, 1984, and is retiring as of February 28, 2022.
5. Steven H. Walker, Energy Efficiency Consultant, North Platte, was employed July 23, 2007, and is retiring as of February 28, 2022.
6. Marty R. Courtney, Hydro Operator, Spencer Hydro, was employed July 1, 2000, and is retiring as of March 18, 2022.
7. William G. Dugger, Distribution Supervisor, Lexington, was employed February 1, 1984, and is retiring as of April 29, 2022.
8. Terrance J. Korth, Wholesale Billing Supervisor, General Office, Columbus, was employed September 2, 1976, and is retiring as of April 30, 2022.
9. Kenneth M. Lemke, Economist, General Office, Columbus, was employed February 1, 2006, and is retiring as of April 30, 2022.

REHIRS

None this month.