

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
NEBRASKA PUBLIC POWER DISTRICT
JULY 12-13, 2023

(Marginal Index for Informational Purposes Only)

A meeting of the Board of Directors of Nebraska Public Power District was held at the Norfolk Operations Center, Norfolk, Nebraska, beginning at 1:30 p.m. on Wednesday, July 12, 2023.

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 July 6, 2023:

- (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 1:30 p.m. on Wednesday, July 12, 2023, and directed the roll be called:

Present: Jerry L. Chlopek, Sue D. Fuchtman, David D. Gale, Mary A. Harding, Rusty M. Kemp, Ronald J. Mogul, Jr., Derek S. Rusher, Edward J. Schrock, 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 conference room, for anyone wishing to examine those documents.

Executive Vice President and Chief Operating Officer Michael J. Spencer provided an update on safety and system operations.

LEGAL NOTICE
PUBLISHED PRIOR
TO THE MEETING

ROLL CALL,
1:30 P.M., JULY 12,
2023

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

REPORT ON
SYSTEM AND
SAFETY STATUS

It was moved by Director Troester and seconded by Director Williams that the Board go into Executive Session at 1:41 p.m. to protect the public interest and discuss competitive and proprietary information, contract negotiations, pending and potential litigation, and receive legal advice. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Fuchtman, Gale, Harding, Kemp, Mogul, Rusher, Schrock, Troester, Williams
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: None

Whereupon the Chair declared the motion carried and restated the purpose of the Executive Session: to protect the public interest and discuss competitive and proprietary information, contract negotiations, pending and potential litigation, and receive legal advice.

Chair Chlopek announced the executive session was ended at 5:10 p.m., during which nothing was discussed beyond the items declared: competitive and proprietary information, contract negotiations, pending and potential litigation, and receive legal advice.

The meeting was recessed at 5:11 p.m., to reconvene on Thursday, July 13, 2023, at Divots Conference Center in Norfolk, Nebraska.

JULY 13, 2023

Chair Chlopek called the regular meeting to order at 10:07 a.m. on Thursday, July 13, 2023, at the Divots Conference Center in Norfolk, Nebraska, and directed the roll to be called:

Present: Jerry L. Chlopek, Sue D. Fuchtman, David D. Gale, Mary A. Harding, Rusty M. Kemp, Ronald J. Mogul, Jr., Derek S. Rusher, Edward J. Schrock, 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 conference room, for anyone wishing to examine those documents.

**MOTION (CARRIED):
GO INTO EXECUTIVE
SESSION AT
1:41 P.M. TO
PROTECT THE
PUBLIC INTEREST,
DISCUSS
COMPETITIVE AND
PROPRIETARY
INFORMATION,
CONTRACT
NEGOTIATIONS,
PENDING AND
POTENTIAL
LITIGATION, AND
RECEIVE LEGAL
ADVICE**

EXECUTIVE
SESSION ENDED AT
5:10 P.M.

MEETING
RECESSED AT
5:11 P.M.

ROLL CALL,
10:07 A.M., JULY 13,
2023

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

Guests at the meeting included Jon Dockhorn, Burt County Public Power District; Rick Nelson and April Gross, Custer Public Power District; Chet McWhorter, Cuming County Public Power District; Bob Beatty, KBR Rural Public Power District; Doyle Hazen, North Central Public Power District; and former NPPD Director Bill Johnson.

GUESTS
WELCOMED TO
MEETING

Director Sue Fuchtman welcomed the group to Norfolk and outlined several economic development projects and other happenings in the City, and recognized the excellent relationship between NPPD and the City of Norfolk.

WELCOME

General Manager of Retail Services Patrick M. Hanrahan and Sustainable Energy Manager David D. Rich provided an update on the community solar facility and battery storage system in Norfolk, the largest and first of its kind in the state. The facility, located on a 70-acre site, includes 8.5 MW of solar generation and approximately 1 MW / 2 MWh battery storage system.

NORFOLK SOLAR
AND BATTERY
STORAGE UPDATE

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 June 7-8, 2023, Regular Board Meeting
- September 2023 Regular Board Meeting scheduled for September 13-14, 2023, in Columbus (August 2023 Regular Board Meeting previously scheduled for August 9-10, 2023, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- May 2023 Summary of Disbursements
- Director Travel Requests
 - Jerry Chlopek – Electric Power Research Institute (EPRI) Summer Seminar 2023, August 6-8, 2023, Washington, DC
 - Mary Harding – EPRI Summer Seminar 2023, August 6-8, 2023, Washington, DC
 - Jerry Chlopek – The Utility Expo 2023, September 26-28, 2023, Louisville, KY

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 Fuchtman and seconded by Director Rusher 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, Fuchtmann, Gale, Harding, Kemp,
Mogul, Rusher, Schrock, 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 requested a moment of silence in honor of former NPPD Director Dave Duren, who passed away July 10. Duren, of Columbus, was a member of the Board for four terms (1973-1996) and served as Board Chair for five years.

President and Chief Executive Officer Thomas J. Kent read an excerpt from NPPD’s “Principles for Excellence in Corporate Performance” pocket guide.

A video outlining accomplishments achieved by the District during the second quarter of 2023 was shown.

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.

President and Chief Executive Officer Thomas J. Kent recommended the following resolution:

RESOLUTION NO. 23-32

WHEREAS, Dave Custer, Twin Valleys Public Power District (TVPPD) General Manager, has well and faithfully served the public and the electric industry in Nebraska for the past 34 years; and

WHEREAS, Dave Custer began his career in public power as an apprentice Lineman, and five years later became a Journeyman Lineman for TVPPD. Dave paved the way for future journeyman linemen by being the first TVPPD employee to complete the Merchant Job Training and Safety Program; and

WHEREAS, after working decades in the public power industry, in 2001, during the NPPD realignment plans, Dave Custer was asked to become the Apparatus Technician and advanced to become the Apparatus Supervisor. In August 2011, Dave was promoted to Director of Operations and Engineering and finally, on August 1, 2016, he was named General Manager; and

REPORT ON
SECOND QUARTER
2023
PERFORMANCE

EMPLOYEE
COUNTS,
RETIREMENTS AND
REHIRE FOR
JULY 2023

**RESOLUTION
NO. 23-32
(ADOPTED):
RECOGNIZE TVPPD
GENERAL
MANAGER DAVE
CUSTER**

WHEREAS, Dave will officially retire on August 4, 2023; and

WHEREAS, Twin Valleys Public Power District and Nebraska Public Power District have fostered an excellent working relationship, partnering to strengthen public power in Nebraska, due in part to the character, leadership, and professionalism embodied by Dave Custer and his years of service to the electric utility industry. Dave is also very active in several civic roles, serving on the diaconate and the board of trustees, and as a youth leader at his church, as well as coaching little league baseball and soccer. For the City of Cambridge, Dave served on the Park Board and is currently serving on the Economic Development Board.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Nebraska Public Power District, on behalf of its employees and the people in Nebraska whom it serves, hereby commends Dave Custer for his extraordinary character, commitment to excellence and loyalty to his employees and customers of Twin Valleys Public Power District; expresses its thanks for creating an outstanding model for management of an enterprise which is devoted to the good of public power; further expresses its appreciation for the friendship shown to NPPD, its Board of Directors, and its employees.

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

Voting Aye:	Chlopek, Fuchtmann, Gale, Harding, Kemp, Mogul, Rusher, Schrock, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	None

Whereupon the Chair declared Resolution No. 23-32 adopted.

Director of Pricing, Rates and Wholesale Billing Todd S. Swartz provided preliminary recommendations for changes to wholesale and retail rates for 2024. As a result of a wholesale rate study and retail cost-of-service study which were performed earlier this year, no changes are being recommended to overall wholesale base rates, transmission rates, or retail rates, however changes will be proposed for individual rates to align with cost of service as well as changes to various rate schedules. Mr. Swartz reviewed details of the proposed changes, which will be communicated and discussed with customers over the next few months; the Board will be asked to consider changes to the District's wholesale and retail rates at the November Board meeting and, if approved, would become effective for service provided on and after January 1, 2024.

Director Schrock left the meeting at 10:41, during the rate update presentation.

WHOLESALE AND
RETAIL RATE
UPDATE FOR 2024

President and Chief Executive Officer Thomas J. Kent provided a look-ahead of upcoming items for the August 2023 Board meeting.

BOARD AGENDA
LOOK-AHEAD

No governmental affairs update was provided.

GOVERNMENTAL
AFFAIRS
LEGISLATIVE
REPORT

A lunch recess was taken from 11:24 a.m. to 12:18 p.m.

LUNCH RECESS

During the time designated for Directors' comments and questions, Director Harding discussed a breakout session from the 2023 American Public Power Association (APPA) National Conference regarding rating agencies' outlook for public power.

DIRECTORS'
COMMENTS AND
QUESTIONS

The Nuclear Committee of the Whole, chaired by Director Williams, met Thursday, July 13, 2023, from 12:22 to 12:35 p.m. during the Board of Directors meeting. Executive Vice President and Chief Nuclear Officer John A. Dent, Jr., provided a status update regarding Cooper Nuclear Station.

NUCLEAR
COMMITTEE OF THE
WHOLE

Director Kemp temporarily stepped out of the meeting room.

Director Troester, Chair of the Energy Supply Committee, reported that the Energy Supply Committee met Thursday morning, July 13, 2023.

ENERGY SUPPLY
COMMITTEE

Vice President of Energy Delivery Arthur R. Wiese reviewed the following Capital Projects Report during the Energy Supply Committee meeting:

Report No. EP-1	Capital Projects \$500,000 and above not specifically identified in the Budget that require approval by the Board for the period June 1, 2023, through June 30, 2023 – 2023 Capital Additions Budget.
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It was moved by Director Troester and seconded by Director Harding that Capital Projects Report No. EP-1 be approved for the period June 1, 2023, through June 31, 2023, which included Capital Project C/10615, Coal Dozer Refurbishment (GGS). Votes were cast and recorded as follows:

**MOTION (CARRIED):
APPROVE CAPITAL
PROJECTS REPORT
NO. EP-1**

Voting Aye:	Chlopek, Fuchtmann, Gale, Harding, Mogul, Rusher, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Kemp, Schrock

Whereupon the Chair declared the motion carried.

Director Kemp entered the meeting room.

During the Energy Supply Committee meeting, Vice President of Energy Production Arthur R. Wiese reviewed Contract No. 23-022, A-2 Induced Draft Fan Rotor Rebuild (GGS). Director Troester, Chair of the Energy Supply Committee, recommended the following resolution:

RESOLUTION NO. 23-33

WHEREAS, pursuant to Board Resolution No. 23-23, 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 TLT-Turbo, Inc., is the lowest and best negotiated proposal on Contract No. 23-022.

NOW, THEREFORE, BE IT RESOLVED that, the following proposal negotiated with TLT-Turbo, Inc., in the form of Contract No. 23-022, be accepted by the District:

TLT-Turbo, Inc., Akron, Ohio, negotiated proposal price in the total estimated amount of \$568,344.

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 performance bond from TLT-Turbo, Inc., as provided in the Contract.

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

**RESOLUTION
NO. 23-33
(ADOPTED): AWARD
CONTRACT
NO. 23-022, A-2
INDUCED DRAFT
FAN ROTOR
REBUILD (GGS), TO
TLT-TURBO, INC.,
NEGOTIATED
PROPOSAL PRICE
OF \$568,344**

Voting Aye: Chlopek, Fuchtman, Gale, Harding, Kemp,
Mogul, Rusher, Troester, Williams
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Schrock

Whereupon the Chair declared Resolution No. 23-33 adopted.

During the Energy Supply Committee meeting, three items on the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Production) were reviewed: 1) Vice President of Energy Production Arthur R. Wiese discussed an Agreement with Nebraska Machinery Company for the rebuild of a Caterpillar coal dozer (GGS); 2) Director of Generation Strategies and Research John H. Swanson reviewed an Agreement with Baker Hughes Nuovo Pignone International Sri for a front-end engineering design (FEED) study for utilization of their Chilled Ammonia Process (CAP) carbon dioxide capture technology at GGS; and 3) Executive Vice President and Chief Operating Officer Michael J. Spencer reviewed an Agreement with Sargent & Lundy LLC for engineering and design services to act as NPPD's "owner engineer" in support of the FEED evaluation of a post combustion carbon dioxide capture system for the GGS flue gas stream.

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

Voting Aye: Chlopek, Fuchtman, Gale, Harding, Kemp,
Mogul, Rusher, Troester, Williams
Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: Schrock

Whereupon the Chair declared the motion carried.

Director Troester, Chair of the Energy Supply Committee, reported that the Energy Supply Committee also heard reports on the following matters: 1) Energy Supply monthly generation performance; 2) Energy Supply look-ahead for August 2023; 3) Generating capacity addition; and 4) Water supply.

Director Fuchtman, Chair of the Customer and Support Services Committee, reported that the Customer and Support Services Committee met Thursday morning, July 13, 2023.

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

ENERGY SUPPLY
COMMITTEE
REPORT

CUSTOMER AND
SUPPORT SERVICES
COMMITTEE

MAY 2023 FINANCIAL
STATEMENTS

Accounting Manager Joni J. Davis presented financial performance measures for May 2023, as well as the monthly financial report, which indicated that operating revenues from electric sales were \$22.3 million over budget for the month, and \$17.9 million over budget year to date. Firm electric sales were \$3.6 million over budget for the month, and \$2.0 million over budget year to date. Other electric sales were \$18.7 million over budget for the month, and \$15.9 million over budget year to date. Total operating expenses were over budget by \$2.0 million for the month, and \$10.3 million under budget year to date. The balance of the regulatory liability for unearned revenues as of May 31, 2023, was \$269.2 million. This balance represents surplus net revenues to be applied as credits against revenue requirements in future rate periods.

It was moved by Director Fuchtman and seconded by Director Rusher to accept the May 2023 Financial Statements, as presented. Votes were cast and recorded as follows:

Voting Aye:	Chlopek, Fuchtman, Gale, Harding, Kemp, Mogul, Rusher, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Schrock

Whereupon the Chair declared the motion carried.

Accounting Manager Joni J. Davis also shared preliminary financial results for June, reporting a surplus of \$9.9 million for the month and a preliminary year-to-date surplus of \$43.3 million.

During the Customer and Support Services Committee meeting, Vice President of Energy Delivery Scott R. Walz reviewed an engineer's certificate for the procurement of ten transformers for upcoming projects in various locations across the District's service territory. Director Fuchtman, Chair of the Customer and Support Services Committee, recommended the following resolution:

RESOLUTION NO. 23-34

WHEREAS, management has determined that it is in the best interest of the District to procure approximately ten power transformers in various sizes and voltages for three upcoming projects with new load in various locations in Nebraska; and

WHEREAS, the District has determined, as certified by a competent engineer, that pursuant to Neb. Rev. Stat. Section 70-637 (4)(a)(ii), the equipment being procured is unique and technologically complex.

PRELIMINARY
FINANCIAL RESULTS
FOR JUNE 2023

**RESOLUTION
NO. 23-34
(ADOPTED):
APPROVE
ENGINEER'S
CERTIFICATE,
PROCUREMENT OF
10 TRANSFORMERS**

NOW, THEREFORE, BE IT RESOLVED that this Board does hereby approve the attached engineer's certification, which is on file with the Assistant Secretary and which states that it is not in the public interest to comply with said Neb. Rev. Stat. Section 70-637 (2).

BE IT FURTHER RESOLVED that management be and hereby is authorized and instructed to enter into competitive negotiations, for and on behalf of the District, with vendors that may be capable of providing power transformers in the needed sizes and voltages, after first advertising notice pursuant to Nebraska law of its intention to enter into said negotiations, and as a result of the negotiations, bring a contract or contracts for the procurement of the power transformers back to the Board for approval, when the contract or contracts are in a form acceptable to management and legal counsel.

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

Voting Aye:	Chlopek, Fuchtman, Gale, Harding, Kemp, Mogul, Rusher, Troester, Williams
Voting Nay:	None
Abstaining:	None
Present But Not Voting:	None
Absent:	Schrock

Whereupon the Chair declared Resolution No. 23-34 adopted.

Director Fuchtman, Chair of the Customer and Support Services Committee, reported that the Customer and Support Services Committee also heard reports on the following matters: 1) Price-Anderson Act, NPPD financial guaranty; 2) Transmission Projects; 3) Energy Delivery look-ahead for August 2023; and 4) Retail Business Unit performance.

CUSTOMER AND
SUPPORT SERVICE
COMMITTEE
REPORT

Director Chlopek, Chair of the Audit, Risk and Compliance Committee, reported that the Audit, Risk and Compliance Committee met Wednesday, July 12, 2023, at NPPD's Operations Center in Norfolk. The Audit, Risk and Compliance Committee approved travel requests for Directors Chlopek and Harding, to be considered by the full Board on July 13 as part of the consent agenda, in accordance with Board Governance Policy BP-GP-11, Board Expense Reimbursement and Travel.

AUDIT, RISK AND
COMPLIANCE
COMMITTEE
REPORT

The Committee also heard reports on the following:

- NPPD Director of North American Electric Reliability Corporation (NERC) Reliability Compliance Tony D. Eddleman provided an update on District NERC compliance activities.

- Vice President of Corporate Strategy and Innovation Conrad L. Saltzgaber and Chief Audit and Ethics Officer Donna K. Starzec discussed a potential Request for Proposal (RFP) for external audit services, and reviewed a timeline; the Committee deferred discussion of a change to the District's external auditor and will revisit this subject following the 2023 audit, in accordance with Board Governance Policy BP-GP-10, External Auditor Relationship.

- The Committee completed an annual review of three Board Governance policies: BP-GP-10, External Auditor Relationship; BP-GP-11, Board Expense Reimbursement and Travel; and BP-BL-04, President and Chief Executive Officer's Performance Evaluation.

- Chief Audit and Ethics Officer Donna K. Starzec provided an update on Internal Audit Services activities.

There being no further business to come before the Board, the meeting was duly adjourned at 12:56 p.m.

ADJOURNMENT
12:56 P.M.

Minutes approved at
the meeting of
August 9-10, 2023

_____/s/_____
Jerry L. Chlopek, Chair

_____/s/_____
Aaron D. Troester, Secretary

**REPORT ON RETIREMENTS AND
FORMER DISTRICT EMPLOYEE REHIRES
JULY 2023 BOARD MEETING**

1. Kendall B. Curry, Specialist Assistant to the Chief Executive Officer, General Office, Columbus, was employed September 1, 1991, and retired as of June 30, 2023.
2. Nathan L. Abels, Distribution Journey Line Technician, South Sioux City, was employed January 21, 1999, and is retiring as of July 31, 2023.
3. Thomas J. Husa, Material Controller – Delivery, Operations Center, York, was employed June 12, 2000, and is retiring as of September 6, 2023.
4. Richard L. McKay, Maintenance Shop Specialist, Cooper Nuclear Station, Brownville, was employed May 1, 1985, and is retiring as of September 19, 2023.
5. Mark P. Olsen, Enterprise Technology Applications Manager, General Office, Columbus, was employed March 14, 1983, and is retiring as of September 30, 2023.

REHIRES

None this month.