

MINUTES OF REGULAR MEETING
OF THE BOARD OF DIRECTORS OF
NEBRASKA PUBLIC POWER DISTRICT
JUNE 7-8, 2023

(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 1:02 p.m. on Wednesday, June 7, 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 June 1, 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 1:02 p.m. on Wednesday, June 7, 2023, and directed the roll be called:

Present: Jerry L. Chlopek, Sue D. Fuchtman, David D. Gale, Ronald J. Mogul, Jr., Derek S. Rusher, Wayne E. Williams

Absent: Mary A. Harding, Rusty M. Kemp, Edward J. Schrock, Aaron D. Troester

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.

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

Director Troester entered the meeting during the report on system and safety status.

LEGAL NOTICE
PUBLISHED PRIOR
TO THE MEETING

ROLL CALL,
1:02 P.M., JUNE 7,
2023

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

REPORT ON
SYSTEM AND
SAFETY STATUS

Executive Vice President of External Affairs and General Counsel John C. McClure discussed carbon standards being proposed by the Environmental Protection Agency (EPA) and provided a historical timeline on the implementation of carbon standards.

UPDATE ON EPA PROPOSED CARBON STANDARDS

Environmental Operations and Coordination Supervisor Jason A. Vanek discussed carbon regulations being proposed by EPA for power plants, and reviewed a summary of the proposed regulations, repeal of the Affordable Clean Energy (ACE) Rule, existing guidelines, State Implementation Plans (SIP) for existing units, New Source Performance Standards (NSPS) for new and reconstructed fossil fuel-fired combustion turbines, and outlined potential options for affected NPPD facilities.

PROPOSED POWER PLANT CARBON REGULATIONS

Director Harding entered the meeting during the update on proposed carbon standards.

A recess was taken from 2:01 to 2:20 p.m.

RECESS

Environmental Protection Supervisor Brian J. Kozisek presented information on coal ash regulations and outlined on both existing regulations and those being proposed by the EPA, requirements of the proposed regulations, and NPPD locations potentially impacted.

UPDATE ON EPA PROPOSED REGULATIONS FOR COAL ASH MANAGEMENT

It was moved by Director Fuchtmann and seconded by Director Rusher that the Board go into Executive Session at 2:43 p.m. to protect the public interest and discuss competitive and proprietary information, personnel matters, pending and potential litigation, and receive legal advice. Votes were cast and recorded as follows:

MOTION (CARRIED): GO INTO EXECUTIVE SESSION AT 2:43 P.M. TO PROTECT THE PUBLIC INTEREST, DISCUSS COMPETITIVE AND PROPRIETARY INFORMATION, PERSONNEL MATTERS, PENDING AND POTENTIAL LITIGATION, AND RECEIVE LEGAL ADVICE

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 and restated the purpose of the Executive Session: to protect the public interest and discuss competitive and proprietary information, personnel matters, pending and potential litigation, and receive legal advice.

Chair Chlopek announced the executive session was ended at 5:14 p.m., during which nothing was discussed beyond the items declared: competitive and proprietary information, personnel matters, pending and potential litigation, and receive legal advice.

EXECUTIVE SESSION ENDED AT 5:14 P.M.

The meeting was recessed at 5:20 p.m., to reconvene on Thursday, June 8, 2023, at the Columbus General Office.

MEETING RECESSED AT 5:20 P.M.

JUNE 8, 2023

Chair Chlopek called the regular meeting to order at 9:36 a.m. on Thursday, June 8, 2023, and directed the roll to be called:

Present: Jerry L. Chlopek, Sue D. Fuchtman, David D. Gale, Mary A. Harding, Ronald J. Mogul, Jr., Derek S. Rusher, Aaron D. Troester, Wayne E. Williams

Absent: Rusty M. Kemp, Edward J. Schrock

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.

Guests at the meeting included Darin Bloomquist, Nebraska Electric G&T; Gerald Bohling, Mike Chatt, Jon Dockhorn, and Greg Johnson, Burt County Public Power District; Chet McWhorter, Cuming County Public Power District; and Pat Berry.

Dr. Don Beck, President and Chief Executive Officer for The MSR Group, reviewed the results of the annual reputation survey performed for NPPD. The survey polled several NPPD stakeholder groups, including retail residential customers, retail commercial customers, retail community leaders, wholesale general managers/city managers, and NPPD employees and retirees. As outlined in Strategic Directives, NPPD's goal is to achieve a 93% or higher 'good' or 'excellent' public perception rating in the annual reputation survey; in 2023, NPPD's overall results indicated a 92% rating with overall reputation, 89% rating for trust, and 93% rating for overall satisfaction.

Dr. Beck outlined several key findings from the research, including:

- NPPD's relationships with key stakeholder groups remains consistently strong;
- Both commercial and retail customers rate trust higher than last year;
- Scores for wholesale general managers remain lower than other stakeholders but ...
- ... dramatic improvement with rural wholesale general managers;
- The degree to which the NPPD bill is a financial strain negatively impacts NPPD scores;
- Service delivery remains the most important driver of customer scores;
- About 90% of stakeholders rate NPPD extremely high across most service attributes;

ROLL CALL,
9:36 A.M., JUNE 8,
2023

ANNOUNCEMENT OF
POSTING OF OPEN
MEETINGS ACT AND
AGENDA

GUESTS
WELCOMED TO
MEETING

NPPD REPUTATION
RESEARCH
RESULTS

- About 80-90% of customers rate NPPD high on environmental criteria;
- NPPD is viewed as a responsible environmental steward;
- NPPD scores are higher than other utility scores in the Midwest;
- NPPD employees continue to be very highly engaged but the trendline is down slightly.

Recommendations to the District based on the most recent survey results included:

- Celebrate “catching your teams in the act of excellence”;
- “Stay the course”, your relationships are strong;
- Continue tailored involvement efforts;
- Continue substantive public meetings;
- Continue to stress excellence in service delivery, being ethical and demonstrating leadership;
- Address slipping employee engagement scores by:
 - o Measuring employee engagement at least twice a year and collect data down to the work group level (e.g., groups with five or more employees);
 - o Tracking engagement by workplace flexibility arrangements;
- Hold managers accountable for sharing the results and action planning.

Vice President of Customer Service and External Affairs and Chief Customer Officer Courtney A. Dentlinger provided the annual review of Strategic Directive BP-SD-06, Customer Experience, which included an overview of customer activities and communications over the past year, and results of those communication efforts.

REPORT ON
BP-SD-06,
CUSTOMER
SERVICE

Corporate Communications and Public Relations Manager Heidi J. Elliott provided the annual review of Strategic Directive BP-SD-07, Public Relations. Ms. Elliott discussed the District’s public communications efforts and provided details regarding advertising, social media, press releases, energy education, community engagement, public meetings and events, and creative collateral creation for teammates.

REPORT ON
BP-SD-07, PUBLIC
RELATIONS

Dr. Jerry Hudgins, Interim Director of the Nebraska Center for Energy Sciences Research (NCESR), provided the annual NCESR update to the NPPD Board. Dr. Hudgins reiterated the mission of the NCESR, to conduct energy research that produces new technologies, processes and systems that provide new or significantly enhanced energy sources and improve the quality of life and economic opportunity for Nebraskans. Updates were given on the Center with regard to the students, research, resultant impact and general operations. The Center funds projects within two-year cycles; Cycle 17 (2022-2024) year 1 projects are in progress, and year 2 applications will be awarded by the NCESR External Advisory Committee in December 2023.

NCESR UPDATE

Dr. Hudgins also provided an update on the search for a new Director for the NCESR, and shared his appreciation for the opportunity to serve in the interim capacity for the past several years.

Director of Generation Strategies and Research John H. Swanson discussed Strategic Directive BP-SD-11, Research and Development. In addition to the partnership with UN-L and the NCESR, NPPD is pursuing many other initiatives including membership in and collaboration with the Electric Power Research Institute (EPRI), and work with other universities, engineering firms, national laboratories, the Department of Energy, State of Nebraska agencies, and industry groups. Mr. Swanson also reviewed current and ongoing projects in support of the intent of BP-SD-11.

A recess was taken from 11:12 to 11:23 a.m.

Interim Governmental Affairs Manager John S. McNally provided a summary of the 2023 Nebraska Legislature and reviewed bills of interest. Mr. McNally also highlighted interim studies of note and provided a look-ahead for the 2024 session.

There were no public comments.

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

- Minutes of May 11-12, 2023, Regular Board Meeting
- August 2023 Regular Board Meeting scheduled for August 9-10, 2023, in Columbus (July 2023 Regular Board Meeting previously scheduled for July 12-13, 2023, in Norfolk)
- Ratification/Confirmation of Signatures of Staff Members
- April 2023 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 Williams and seconded by Director Harding that all items on the consent agenda be approved as listed above. Votes were cast and recorded as follows:

| | |
|-------------------------|--|
| 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.

REPORT ON
BP-SD-11,
RESEARCH AND
DEVELOPMENT

RECESS

LEGISLATIVE
UPDATE

PUBLIC COMMENTS

CONSENT AGENDA

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

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

President and Chief Executive Officer congratulated NPPD's Manager of Economic Development Nicole J. Sedlacek on receipt of the Rocky Mountain Electric League (RMEL) Emerging Leader Award, conferred at RMEL's 2023 Spring Management, Engineering and Operations Conference.

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.

Pricing and Rates Supervisor R. Scott Jackson provided an update and draft management reports, including initial recommendations, related to two new federal standards added to the Public Utility Regulatory Policies Act (PURPA) as part of the Infrastructure Investment and Jobs Act of 2021 (IIJA). The two new standards relate to: 1) Demand Response Practices; and 2) Electric Vehicle Charging Programs. NPPD is required to consider the new standards since it meets the minimum qualifications under PURPA. After communicating information to and gathering input from retail customers and the public on the two standards, a public hearing will be conducted, followed by formal Board consideration of the standards. Based on examination of the standards, management's initial recommendation is to adopt a modified standard for both items.

It was moved by Director Mogul and seconded by Director Williams to set the date and time of the public hearing for discussion of the two PURPA standards for Thursday, October 12, 2023, 2:00 p.m. CDT. Votes were cast and recorded as follows:

| | |
|-------------------------|---|
| 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.

A lunch recess was taken from 12:02 to 12:46 p.m.

Associate Financial Manager Meghan R. Matteson reviewed a proposed new District standard, "Establishing the Minimum Balance of the Retail Rate Stabilization Fund", and recommended that the Board approve the document.

RMEL EMERGING
LEADER

EMPLOYEE
COUNTS,
RETIREMENTS AND
REHIRE FOR
JUNE 2023

PURPA STANDARDS
CONSIDERATION
PROCESS UPDATE

**MOTION (CARRIED):
SET PURPA PUBLIC
HEARING FOR
OCTOBER 12, 2023,
2:00 P.M. CDT**

LUNCH RECESS

It was moved by Director Harding and seconded by Director Fuchtman to approve a new District Standard to establish a minimum balance of the Retail Rate Stabilization Fund. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Fuchtman, 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.

Chief Audit and Ethics Officer Donna K. Starzec reviewed proposed changes to the District's Corporate Financial Management (FM) Policy and recommended the Board's approval of the revised FM Policy.

It was moved by Director Mogul and seconded by Director Fuchtman to approve revisions to the Corporate Financial Management (FM) Policy. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Fuchtman, 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.

President and Chief Executive Officer Thomas J. Kent recommended the appointment of several officers, all effective July 1, 2023:

- Vice President of Energy Production Michael J. Spencer to the position of Executive Vice President and Chief Operating Officer (vacant since the appointment of Mr. Kent to President and Chief Executive Officer in May 2020);
- Vice President of Energy Delivery Arthur R. Wiese to the position of Vice President of Energy Production; and
- Transmission and Distribution Construction and Maintenance Manager Scott R. Walz to the position of Vice President of Energy Delivery.

It was moved by Director Rusher and seconded by Director Gale to confirm the following officer appointments effective July 1, 2023: Michael J. Spencer, Executive Vice President and Chief Operating Officer; Arthur R. Wiese, Vice President of Energy Production; and Scott R. Walz, Vice President of Energy Delivery. Votes were cast and recorded as follows:

**MOTION (CARRIED):
APPROVE NEW
DISTRICT
STANDARD,
ESTABLISHING THE
MINIMUM BALANCE
OF THE RETAIL
RATE
STABILIZATION
FUND**

**MOTION (CARRIED):
APPROVE
REVISIONS TO
CORPORATE
FINANCIAL
MANAGEMENT
POLICY**

**MOTION (CARRIED):
CONFIRM OFFICER
APPOINTMENTS:
SPENCER, WIESE
AND WALZ,
EFFECTIVE 7-1-23**

Voting Aye: Chlopek, Fuchtman, 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.

President and Chief Executive Officer Thomas J. Kent provided a look-ahead of upcoming items for the July 2023 Board meeting, to be conducted in Norfolk.

A governmental affairs update was not provided since a legislative update was given during the Strategic Business Matters portion of the meeting.

There were no comments made during the time designated for Directors' comments and questions.

The Nuclear Committee of the Whole, chaired by Director Troester, met Thursday, June 8, 2023, from 12:59 to 1:09 p.m. during the Board of Directors meeting. CNS Site Vice President Khalil M. Dia provided a status update regarding Cooper Nuclear Station.

Director Troester, Chair of the Energy Supply Committee, reported that the Energy Supply Committee met Thursday morning, June 8, 2023.

During the Energy Supply Committee meeting, Vice President of Energy Production Michael J. Spencer reviewed Contract No. 23-013, Industrial Cleaning – Grit Blasting, Vacuuming, Online Deslagging and Hydroblasting Services (GGS). Director Troester, Chair of the Energy Supply Committee, recommended the following resolution:

RESOLUTION NO. 23-29

WHEREAS, pursuant to and in accordance with law, bids on Contract No. 23-013, Industrial Cleaning - Grit Blasting, Vacuuming, Online Deslagging and Hydroblasting Services for Gerald Gentleman Station, have been duly invited, received, opened, read, and tabulated; and

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

BOARD AGENDA
LOOK-AHEAD

GOVERNMENTAL
AFFAIRS
LEGISLATIVE
REPORT

DIRECTORS'
COMMENTS AND
QUESTIONS

NUCLEAR
COMMITTEE OF THE
WHOLE

ENERGY SUPPLY
COMMITTEE

**RESOLUTION
NO. 23-29
(ADOPTED): AWARD
CONTRACT
NO. 23-013,
INDUSTRIAL
CLEANING (GGS),
TO HPC INDUSTRIAL
SERVICES, LLC,
ESTIMATED BASE
BASE BID PRICE OF
\$5,224,942.52**

WHEREAS, on the basis of evidence and information received, and after an analysis of the responsibility of the bidder, amounts and terms of the bid, delivery dates, and the needs of the District, this Board has determined and does hereby find that the bid of HPC Industrial Services, LLC, Pueblo West, Colorado, is the lowest and best evaluated bid on Contract No. 23-013.

NOW, THEREFORE, BE IT RESOLVED that, subject to receipt and approval of a performance bond and certificate of insurance as herein provided, the following bid submitted on Contract No. 23-013 be accepted by the District:

HPC Industrial Services, LLC, Pueblo West,
Colorado, estimated base bid price of
\$5,224,942.52.

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 bidder 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 and certificate of insurance from HPC Industrial Services, LLC as provided in the Contract.

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

| | |
|-------------------------|---|
| 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 Resolution No. 23-29 adopted.

During the Energy Supply Committee meeting, Vice President of Energy Production Michael J. Spencer presented information on agreements for natural gas at Canaday Station and Gerald Gentleman Station. Director Troester, Chair of the Energy Supply Committee, recommended the following two resolutions:

RESOLUTION NO. 23-30

WHEREAS, Canaday Station (“Canaday”) uses natural gas as the primary fuel for generating electricity and for plant heating, which periodically requires that the District enter into new agreements and/or amend existing agreements for the supply, transportation, and balancing of such natural gas; and

WHEREAS, the existing agreements for the supply, transportation, and balancing of natural gas to Canaday that were entered into pursuant to Resolution No. 19-32 expire on October 31, 2023; and

WHEREAS, a natural gas supplier’s ability to supply natural gas to Canaday is dependent on the amount of transport capacity, balancing capacity, and other pipeline services they control on the pipeline connecting to the station and to the numerous gas delivery points within the region. Natural gas suppliers typically market this capacity and these services on a negotiated time dependent basis and any binding proposals from these natural gas suppliers are valid for a short period, typically, one week or less. Management is in the best position to obtain the lowest and best natural gas, transportation, and balancing prices as well as pipeline services by selecting the supplier during the short period of time that the price quotations are offered, which prevents a recommendation for agreements with a specific supplier from being presented to the Board for approval in advance of entering into binding agreements with the natural gas supplier; and

WHEREAS, the District intends to request price quotations and service proposals from the natural gas suppliers which own or manage transportation capacity, balancing capacity, and other pipeline services on the pipeline that serves Canaday and have the potential to provide the natural gas supply for Canaday and determine through negotiations with selected companies the best and lowest priced supplier for the natural gas supply, transportation, and balancing services for Canaday; and

WHEREAS, said natural gas supply, transportation, and balancing agreements shall be for a term that shall not begin prior to November 1, 2023, and shall not extend past October 31, 2027, and for said period of time management has estimated the amount of such agreements should be in a total amount not to exceed \$26,500,000.

NOW, THEREFORE, BE IT RESOLVED that management be and hereby is authorized to engage in negotiations with selected natural gas suppliers for the sale, transportation, and balancing of natural gas for Canaday for the period of November 1, 2023, through October 31, 2027, in a total dollar amount not to exceed \$26,500,000 and, based on the lowest and best evaluated price and service proposal solicited from said suppliers, to execute new and/or amended natural gas supply, transportation, and balancing agreements for said total amount and duration at such time that said agreements are in form acceptable to management and legal counsel, said agreements to be presented to the Board for ratification.

**RESOLUTION
NO. 23-30
(ADOPTED):
AUTHORIZE
NEGOTIATIONS FOR
THE SALE,
TRANSPORTATION,
AND BALANCING OF
NATURAL GAS FOR
CANADAY STATION,
11/1/23-10/31/27**

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

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

Whereupon the Chair declared Resolution No. 23-30 adopted.

RESOLUTION NO. 23-31

WHEREAS, Gerald Gentleman Station (“GGS”) uses natural gas for warming the boiler during unit start-ups and for coal burner flame stabilization, which periodically requires that the District enter into new agreements and/or amend existing agreements for the supply, transportation, and balancing of such natural gas; and

WHEREAS, the existing agreements for the supply, transportation, and balancing of natural gas to GGS that were entered into pursuant to Resolution No. 19-33 expire on October 31, 2023; and

WHEREAS, a natural gas supplier’s ability to supply natural gas to GGS is dependent on the amount of transport capacity, balancing capacity, and other pipeline services they control on the pipelines connecting to the station and to the numerous gas delivery points within the region. Natural gas suppliers typically market this capacity and these services on a negotiated time dependent basis and any binding proposals from these natural gas suppliers are valid for a short period, typically, one week or less. Management is in the best position to obtain the lowest and best natural gas, transportation, and balancing prices as well as pipeline services by selecting the supplier during the short period of time that the price quotations are offered, which prevents a recommendation for agreements with a specific supplier from being presented to the Board for approval in advance of entering into binding agreements with the natural gas supplier; and

WHEREAS, the District intends to request price quotations and service proposals from the natural gas suppliers which own or manage transportation capacity, balancing capacity, and other pipeline services on the pipelines that serves GGS and have the potential to provide the natural gas supply for GGS and determine through negotiations with selected companies the best and lowest priced supplier for the natural gas supply, transportation, and balancing service for GGS; and

**RESOLUTION
NO. 23-31
(ADOPTED):
AUTHORIZE
NEGOTIATIONS FOR
THE SALE,
TRANSPORTATION,
AND BALANCING OF
NATURAL GAS FOR
GGS, 11/1/23-
10/31/27**

WHEREAS, said natural gas supply, transportation, and balancing agreements shall be for a term that shall not begin prior to November 1, 2023, and shall not extend past October 31, 2027, and for said period of time management has estimated the amount of such agreements should be in a total amount not to exceed \$9,000,000.

NOW, THEREFORE, BE IT RESOLVED that management be and hereby is authorized to engage in negotiations with selected natural gas suppliers for the sale, transportation, and balancing of natural gas for GGS for the period of November 1, 2023, through October 31, 2027, in a total dollar amount not to exceed \$9,000,000 and, based on the lowest and best evaluated price and service proposal solicited from said suppliers, to execute new and/or amended natural gas supply, transportation, and balancing agreements for said total amount and duration at such time that said agreements are in form acceptable to management and legal counsel, said agreements to be presented to the Board for ratification.

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

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

Whereupon the Chair declared Resolution No. 23-31 adopted.

During the Energy Supply Committee meeting, Vice President of Energy Production Michael J. Spencer discussed an item on the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Production), which included an agreement with Sargent and Lundy LLC for engineering services to assist in the development phases of new Reciprocating Internal Combustion Engine (RICE) generation facility project(s).

It was moved by Director Troester and seconded by Director Rusher 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, Mogul, Rusher, Troester |
| Voting Nay: | None |
| Abstaining: | None |
| Present But Not Voting: | None |
| Absent: | Kemp, Schrock |

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

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 June 2023; 3) Generating capacity addition; 4) Water supply; and 5) Renewable projects.

ENERGY SUPPLY
COMMITTEE
REPORT

Director Fuchtman, member of the Customer and Support Services Committee, reported that the Customer and Support Services Committee met Thursday morning, June 8, 2023.

CUSTOMER AND
SUPPORT SERVICES
COMMITTEE

Accounting Manager Joni J. Davis presented financial performance measures for April 2023, as well as the monthly financial report, which indicated that operating revenues from electric sales were \$0.5 million under budget for the month, and \$4.4 million under budget year to date. Firm electric sales were \$0.4 million under budget for the month, and \$1.7 million under budget year to date. Other electric sales were less than \$0.1 million under budget for the month, and \$2.7 million under budget year to date. Total operating expenses were under budget by \$3.0 million for the month, and \$12.3 million under budget year to date. The balance of the regulatory liability for unearned revenues as of April 30, 2023, was \$256.3 million. This balance represents surplus net revenues to be applied as credits against revenue requirements in future rate periods.

APRIL 2023
FINANCIAL
STATEMENTS

It was moved by Director Fuchtman and seconded by Director Williams that the April 2023 Financial Statements be accepted, as presented. Votes were cast and recorded as follows:

| | |
|-------------------------|--|
| Voting Aye: | Chlopek, Fuchtman, 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.

Accounting Manager Joni J. Davis also shared preliminary financial results for May, reporting that these results showed a surplus of \$19.3 million for the month, and a preliminary year-to-date surplus of \$33.3 million.

PRELIMINARY
FINANCIAL RESULTS
FOR MAY 2023

Chief Audit and Ethics Officer Donna K. Starzec reviewed the results of the 2023 Series A Bond sale, to refinance existing debt associated with the R-Project 345 kV transmission line. Total bonds in the amount of \$149.6 million par amount were issued as five-year option “bullet” bonds, expected to be refunded in the future with long-term financing to align future debt service with the expected future Southwest Power Pool (SPP) revenues associated with this transmission project.

2023 SERIES A
BOND SALE UPDATE

Vice President of Energy Delivery Arthur R. Wiese reviewed the following Capital Projects Report during the Customer and Support Services Committee meeting:

Report No. ED-1 Capital Projects \$500,000 and above not specifically identified in the Budget that require approval by the Board for the period May 1, 2023, through May 31, 2023 – 2023 Capital Additions Budget.

It was moved by Director Fuchtman and seconded by Director Mogul that Capital Projects Report No. ED-1 be approved for the period May 1, 2023, through May 31, 2023, which included: a) Capital Project C/6141, Upgrade Brule Substation (Distribution Work); and b) Capital Project C/10603, Upgrade Brule Substation (Subtransmission Work). Votes were cast and recorded as follows:

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

Whereupon the first Chair declared the motion carried.

During the Energy Supply Committee meeting, Vice President of Energy Delivery Arthur R. Wiese discussed an item on the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Delivery), a three-year agreement with Doble Engineering Company for the lease of test equipment for non-destructive testing of breakers, generators, and transformers.

It was moved by Director Fuchtman 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 Delivery), as presented. Votes were cast and recorded as follows:

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

Whereupon the Chair declared the motion carried.

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

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

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) 2023 Series A Bond sale; 2) Transmission Projects; 3) Energy Delivery look-ahead for July 2023; and 4) Retail Business Unit performance.

CUSTOMER AND
SUPPORT SERVICE
COMMITTEE
REPORT

Director Gale, Chair of the Budget Committee, reported that the Budget Committee met Thursday morning, June 8, 2023. Chief Audit and Ethics Officer Donna K. Starzec presented an overview of the 2024-2029 Rate Outlook. Key items discussed included key assumptions and changes, revenues and expenses, capital budget, financial metrics, management recommendations and a proposed schedule.

BUDGET
COMMITTEE
REPORT

Preliminary recommendations for 2024 wholesale rates include no overall change in wholesale base rates, however various rates within wholesale may change as a result of updating rate studies. Also recommended was the use of approximately \$3 million of transmission rate stabilization funds and a wholesale Production Cost Adjustment (PCA) refund amount of approximately \$56.8 million. This would result in no change to overall wholesale base rates for the seventh year in a row. For 2024 retail rates, the preliminary rate outlook indicated, for the eleventh year in a row, that no overall increase in retail base rates will be required, however there may be changes to customer rate classes and individual customers will see impacts depending upon their usage characteristics. The PCA refund for retail is recommended to be phased out, with the exception of the Large Industrial Service class, which will be adjusted to follow the wholesale PCA.

Continued analysis of future options to service new load was recommended for rate outlook years beyond 2024.

There being no further business to come before the Board, the meeting was duly adjourned at 1:40 p.m.

ADJOURNMENT
1:40 P.M.

Minutes approved at
the meeting of
July 12-13, 2023

_____/s/_____
Jerry L. Chlopek, Chair

_____/s/_____
Aaron D. Troester, Secretary

**REPORT ON RETIREMENTS AND
FORMER DISTRICT EMPLOYEE REHIRS
JUNE 2023 BOARD MEETING**

RETIREMENTS

1. Kristina S. Haynes, Emergency Preparedness Coordinator, Cooper Nuclear Station, Brownville, was employed July 1, 1995, and retired as of May 31, 2023.
2. Dwaine L. Anno, Asset Management Specialist – Production, Lincoln, was employed March 16, 1987, and is retiring as of June 30, 2023.
3. Jeff E. Dael, Engineering Specialist VI, Cooper Nuclear Station, Brownville, was employed April 1, 1992, and is retiring as of July 31, 2023.
4. Christine A. Cook, Administrative Assistant I, General Office, Columbus, was employed January 16, 1987, and is retiring as of August 31, 2023.
5. James D. Dykstra, Engineer V, Cooper Nuclear Station, Brownville, was employed June 1, 1987, and is retiring as of August 31, 2023.

REHIRS

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 this rehire:

William Dugger was rehired on May 1, 2022, as a Temporary Part-Time Planner/Scheduler at Lexington. His temporary position ended October 31, 2022. William will be rehired as a Part-Time Inspector at Kearney effective June 5, 2023.