

**OVERTON POWER DISTRICT NO. 5
BOARD MEETING**

APRIL 18, 2018

4:00 P.M.

Mesquite, Nevada

PRESENT: Mr. Mike Fetherston, Chairman
Mr. Doug Waite, Vice Chairman
Mr. Mike Young, Secretary / Treasurer
Mr. Robert Bunker, Trustee
Mr. Chad Leavitt, Trustee
Mrs. Judy Metz, Trustee
Mr. Jack Nelson, Trustee
Mr. Byron Mills, Attorney

Mr. Mendis Cooper, General Manager
Mrs. Teresa Romero, Assistant General Manager / Finance & Administration Manager
Mrs. Becky LaGrow, Executive Assistant
Mr. Jon Jensen, Engineering Manager
Mr. Bruce Hughes, Manager of Transmission & Distribution Operations
Mrs. MeLisa Garcia, Accounting Supervisor

Note: The minutes of this meeting have been tape-recorded and will remain on file in the District's main office for a period of one-year for public examination.

CALL TO ORDER

ORDER OF BUSINESS: At 4:00 p.m. Mr. Mike Fetherston called the meeting of the Overton Power District No. 5 Board of Trustees to order. The agenda items were addressed in the following order:

PUBLIC COMMENTS

All Public Comments are recorded and available upon request.

APPROVAL OF THE MINUTES

A motion was made by Mike Young and seconded by Doug Waite to approve the minutes of the March 21, 2018 Board Meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

CHAIRMAN'S REPORT

Mr. Mike Fetherston

Presentation - Terry Romero received her National Rural Electric Cooperative Association (NRECA) Director's Gold Training Certificate.

Recognition – This year, April 18th is Lineman Appreciation Day as recognized by United States Legislative decree. Mr. Fetherston thanked all the linemen for all the hard, dangerous work they do.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen

Paiute Travel Plaza – The time was turned over to Mr. Randall Ozaki, Overton Engineering Supervisor to inform the Board of a line extension agreement entered into with the Moapa Band of Paiutes. This project will be a 69-kV line from Tortoise Substation to just southwest of the Exit 75 Travel Plaza. The estimated duration of the project is fourteen to eighteen months; but is contingent on receiving Right-of-Ways from BLM, NV Energy and Union Pacific Railroad.

I-15 Freeway Crossing – the proposed dates for the rerouting through Mesquite Blvd are the nights of June 12th and 13th. The dirt work has begun, establishing the new structure location and access to pour the foundations. Currently, coordination continues with the City of Mesquite, UDOT, ADOT, NDOT and the Nevada Trucking Association and the District is still waiting for final approval from the local and regional engineers. The outage is estimated to last approximately four (4) hours.

138-kV Line – progress on this project has slowed due to an increase in new construction and the delayed arrival of the extended length boom truck. The truck should arrive late next week; Bruce and Corey are working on a schedule for the Overton crew to come and assist as needed. The work still needing to be completed is splicing the fiber, establishing communication, relay protection configured, uploaded and verified.

- **CONSTRUCTION**

Mr. Bruce Hughes reported there were five (5) unplanned outages, affecting twenty-nine (29) customers for eighty-one hours and thirty-six minutes. The causes range from unknown cause, concrete truck running over secondary vault, blown fuse, loose hot tap and trailer fire

The *Overton crew* is working on tree trimming, NDOT Alert System signs, pole changes, switch installation on the Mesa, hookups, wind damage repairs. Savanic Construction has been repairing the line roads for approximately two weeks.

The *Mesquite crew* worked on the 138-kV line, underground service in Bunkerville, hookups, and wind damage repairs.

Safety Meeting Topic – Circadian Survival and Sabotage

Training – National Commission for the Certification of Crane Operators (NCCO), four of our linemen completed and passed crane rigging class certification

New Vehicles – The District took delivery of a 2018 Ford Taurus that will go into the Overton office car pool.

Hook-ups – twenty (20) residential hookups for both valleys.

No Loss Time Record - To date the record stands at 6 months and 7 days.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported this month:

Minnesota Legislators – Mr. Cooper met with a group of State Legislators from Minnesota on behalf of the District and Nevada Rural Electric Association (NREA); also, in attendance was a Nevada legislator and a representative from NV Energy. The Minnesota legislators were seeking the rural utility viewpoint on the effects of the Energy Choice Initiative (ECI)

National Rural Electric Cooperative Association Legislative Conference – Attended the annual legislative conference in Washington D.C. The conference included visiting the offices of each of our legislators and meetings with BLM, Park Service, Fish & Wildlife, Forest Service and Bureau of Indian Affairs.

Senator Cortez-Masto – received a request for information from Senator Cortez-Masto in planning for a committee meeting she was attending.

PUCN - the Public Utilities Commission of Nevada issued their final draft report on ECI today.

- **FINANCE & ADMINISTRATION**

Mrs. Terry Romero reported:

Auditor – The contract with the current auditor is over. A Request for Proposal (RFP) will be released in an upcoming month for a new auditing services contract.

Health Insurance - we will be contacting insurance companies for bids in the next few weeks.

CFC Rate Design – making the finishing touches on the Cost of Service Study. Getting ready to begin working with the Board committee on Rate Design.

New Hire – the new part-time customer service clerk is a Mesquite resident and will begin working on April 24th.

- **ACCOUNTING**

Mrs. Garcia gave the financial report for March 2018, a copy of which is on file.

PRESENTATION ON CYBERSECURITY

Secure network access is essential for the day to day operations of the District. Protection of the District's electronic data is of the utmost importance to the District, its customers, and employees. The District's IT Department has worked hard to establish the access, security, and protection that is needed. Cybersecurity is a never-ending process that requires continued monitoring, adjustments, and upgrades to minimize cyber threats and attacks.

Mr. Scott Fullman, IT Supervisor presented the Board with an overview of the steps taken and a glimpse of the short-term path forward in this continuing process. Due to the sensitivity of the subject matter, Mr. Fullman asked the Board members to contact him directly with any questions or concerns.

REVIEW AND POSSIBLE APPROVAL TO SELECT A COMMITTEE OF BOARD MEMBERS TO WORK WITH STAFF ON RATE DESIGN

Staff requested the District's financing organization, the Cooperative Finance Corporation (CFC), to perform a Cost of Service Study for the District. The information from the Cost of Service Study can be

used in a Rate Design Process to update and adjust the District's rates. The Cost of Service Study was presented to the Board by a CFC representative at the March Board Meeting. The Rate Design process will be a detailed oriented and lengthy process. The Committee, Staff, and CFC will work together to utilize the Cost of Service information to review, change, and possibly create new rates for the District's customers in all rate classes. Once the Rate Design Process is completed, the results of the Rate Design Process and the committee's recommendations will be presented to the Board for discussion and possible approval. After discussion by the Board, a motion was made by Doug Waite and seconded by Jack Nelson to appoint Mike Young, Judy Metz and Bob Bunker to a committee to work with staff on rate design. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL TO RATIFY THE DECISION TO INTERVENE IN A FEDERAL ENERGY REGULATORY COMMISSION ORDER, DOCKET NO. EL18-72-000, ET AL.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 was signed into law. The Tax Cuts and Jobs Act reduced the corporate tax rate from 35% to 21%. The corporate tax rate is a component of investor owned utility transmission rates. The lower federal corporate tax rate should result in lower transmission rates in these cases.

On March 15, 2018, the Federal Energy Regulatory Commission (FERC) issued an Order to Show Cause, Docket No. EL18-72-000, et al., to direct certain entities to propose revisions to their transmission rates or to show cause why they are not required to do so. Nevada Power Company and Sierra Pacific Power Company are specifically identified in the FERC Order. Nevada Power Company and Sierra Pacific Power Company were given 60 days to respond to the FERC order.

Since OPD has discussed this topic with Nevada Power Company, and since OPD has been involved in transmission rate discussions with Nevada Power Company, OPD's counsel, FERC counsel, and Staff recommends that OPD should intervene.

OPD's FERC Counsel filed a short "document-less" intervention that gets OPD in the case. OPD will then have the right to participate further or withdraw from the case at a later date. If OPD decides to fully participate at a later date, Staff will seek board approval for full participation and approval for additional legal fees. The General Manager authorized FERC Counsel to intervene on behalf of OPD on April 4, 2018. Several other entities, including Nevada, California, and Utah entities have also intervened in this case. Mr. Mendis Cooper explained the situation that arose while he was in Washington D.C. This document keeps the District informed regarding information in the proceedings. The fiscal impact to the District is \$2,000. If the amount should exceed that, the General Manager will return to the Board with a request for additional funds.

A motion was made by Mike Young and seconded by Bob Bunker to Ratify the Decision to Intervene in the Federal Energy Regulatory Commission Order, Docket No. EL18-72-000, et al. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL TO RATIFY THE NON-DISCLOSURE AGREEMENT WITH NV ENERGY

This approval to ratify has to do with our on-going discussion with NV Energy regarding the transmission rates. This Non-Disclosure Agreement has been requested by NV Energy to protect certain data that we have requested from them. This agreement has been reviewed and reworked by our general and FERC counsel. There is no Fiscal impact to the District. After discussion by the Board, a motion was made by

Chad Leavitt and seconded by Mike Young to ratify the Non-Disclosure agreement with NV Energy as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF UPDATES TO THE DISTRICT’S COMMUNICATION POLICY OPD-A-12.001

The District approved the existing Communication Policy OPD-A-12.000 on August 20, 2014. This policy has not been reviewed by the Board of Trustees since it was last approved. Staff has made minor suggested edits to the policy and recommends that the policy be renamed as Communication Policy OPD-A-12.001. Staff recommends that the policy be reviewed by the Board of Trustees to ensure that the policy is current and that it meets their goals and expectations. After discussion by the Board, a motion was made by Chad Leavitt and seconded by Judy Metz to approve Communication Policy OPD-A-12.001 as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

PUBLIC COMMENTS

All Public Comments are recorded and available upon request. Public comments were provided about a new text messaging program used by the City of Mesquite. This led to a dynamic discussion between audience members and Board members.

BOARD COMMENTS

There we no official Board comments during this period.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Judy Metz to approve Wednesday, May 16, 2018 as the next Board Meeting date. The meeting will be held in the Overton Office at 4:00 PM. The Board voted seven (7) ayes, zero (0) nays in approval.

EXECUTIVE – CLOSED DOOR SESSION

There was no Executive Session.

ADJOURNMENT

The Board voted unanimously to adjourn at 5:40 PM.

Chairman, Mike Fetherston

Vice Chairman, Doug Waite

Secretary / Treasurer, Mike Young