

OVERTON POWER DISTRICT NO. 5
BOARD MEETING

August 15, 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
Mr. Jon Jensen, Engineering Manager
Mr. Bruce Hughes, Manager of Transmission & Distribution Operations
Mrs. MeLisa Garcia, Accounting Supervisor
Mrs. Becky LaGrow, Executive Assistant

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 June 15, 2018 Board Meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

CHAIRMAN'S REPORT

Mr. Mike Fetherston reported four more thank you notes from scholarship recipients have been received.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

CONSTRUCTION

Mr. Bruce Hughes reported on the six (6) unplanned outages this month. These outages affected approximately 7856 customers for approximately 9,436 hours.

The *Mesquite crew* worked on installing services for the NDOT Amber Alert System, Boulder Height Subdivision, Coal Creek Subdivision in Bunkerville, Virgin valley Water District Well 27, and numerous hookups. The crew also made storm damage repairs.

The *Overton crew* is working on installing Aclara components at Payne substation, removal of seven obsolete structures at Mack Lyon Middle School, Set a concrete vault and underground infrastructure. The crew also trimmed trees and made storm damage repairs.

Hook-ups – June - twenty-seven (27) residential and three (3) commercial hookups for both valleys

July - - thirty-six (36) residential and one (1) commercial hookups for both valleys.

Safety Meeting Topic for August – Defensive Driving and Traffic Flagging Certification

No Loss Time Record - To date the record stands at 10 months and 6 days.

ENGINEERING & OPERATIONS

Mr. Jon Jensen reported on the tasks the General Manager has assigned the Engineering Department.

- Grant – finalized a grant application to be submitted to the Governor's office of Energy for an electric vehicle charging station to be located at the AM/PM in Glendale. We are still seeking a location in Mesquite to partner with.
- Cost Estimating and Engineering Design – Dinosaur to Gila Substation, 230 kV ring bus at Tortoise Substation, second bay at Canyon Substation.
- Cost and Scope of Work for a Transmission Planning Study and Power Requirement Study.
- Cost and Scope of Work for system control rooms, expansion of Board Rooms and possible drive thru tellers at both offices.
- Moapa Band of Paiutes 69 kV line and substations – the BLM Right-of-Way, NDOT and Union Pacific railroad crossing permits process has begun. An RFP has been released to build the transformer.

An issue that has arisen in Overton Substation during heavy rain showers the current fencing is eroding. OPD will seek a bid request for a stem wall and improved fencing to remedy the problem.

GENERAL MANAGER

Mr. Mendis Cooper reported on the following events:

NREA Conference Call – participated in a conference call and a follow up meeting with the NREA president. The Executive Director has announced his retirement and Mendis has been asked to participate on committee to hire a new Executive Director.

State Water Engineer Meeting – attended a meeting with Joe Davis of Moapa Valley Water District and Kevin Brown of Virgin Valley Water District. The meeting was hosted by the State Water Engineer. The topic was water issues that affect the local communities and the future of Coyote Springs Development.

SEDC – supplies our utility software. They asked the District Staff to participate in a commercial they were shooting to promote their product.

CREDA – attended the summer CREDA meeting, the topic was issues of the Colorado River, environmental and regulatory issues still are a problem.

SLCAIP / CRSP Renewal – the application renewal was received and approved by staff for a thirty (30) year term. Although, there will be a 7% reduction in the allocation. Approval by the CRC is required.

CFC Rate Design – Staff requested CFC use the 2017 audited information. This update review produced results comparable to staff expectations.

- **FINANCE & ADMINISTRATION**

Mrs. Terry Romero reported:

CFC – our next CFC patronage capital dividend of approximately \$96,144 will arrive on or about August 30th.

Everbridge – Keith and Merlin are working to implement the system with an August 29th release date.

MMP Program – there are sixteen (16) current participants working on online classes, public speaking and presenting their first individual projects and working on group projects that include the District's Emergency Plan, Cyber Policy and Transmission Plan.

MLP – Members from the first MMP graduates applied for this program. They are tasked with mentoring the current MMP participants and heading various company committees.

- **ACCOUNTING**

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

DISCUSSION ON CAPITAL PROJECTS

Mr. Mendis Cooper gave a presentation on future capital projects for the District. Each year the District identifies priority projects for the coming year or years. Capital projects are typically large projects that may include building substations and power lines. These projects require planning, coordination, and may require large amounts of funding; and are typically discussed for several months to ensure that funds and resources are directed to the proper projects. A final capital project list will be developed from these discussions and presented for board approval later in the year. This item is for discussion only; no action was taken.

REVIEW AND POSSIBLE APPROVAL TO RE-PRICE CFC LOAN (4) # 9000004 AND CFC LOAN (5) #9000005

Mrs. Terry Romero presented the information on the cost and savings for the two loans available for repricing. CFC Loan #9000004 (Loan #4) and CFC Loan #9000005 (Loan #5) are due for repricing on October 1, 2018. The loans currently have interest rates of 6.23% for Loan 4 and 6.33% for Loan 5. The District has the option to reprice the loan at approximately 5.0% for each loan thru the end of the term (09/30/2028). Current rates for less than 10 years for each loan are 4.95% and that would put each loan due to re-price again in the future.

Loan #	Current Interest Rate	Interest Yearly Expense
9000004	6.23%	\$205,510.44
9000005	6.33%	\$209,584.83
	Re-price Interest Rate	Interest Yearly Expense
9000004	5.00%	\$168,458.46
9000005	5.00%	\$167,207.95

The financial impact to the District if both loans are repriced is a Decrease in Interest Expense for 2019 \$79,428.86 - Loan 9000004- Decrease of \$37,051.98, Loan 9000005- Decrease of \$42,376.88.

Mike Young suggested OPD pay off one of the loans and pay one million dollars towards the other loan. The recommendation of staff is to approve repricing of CFC Loan #9000004 (Loan #4) and Loan #9000005 (Loan #5) at an interest rate of approximately 5.00% for the remainder of the loan term. It was mentioned there is another loan with a 2.7% interest rate that is up for repricing in December 2018. After discussion by the Board, a motion was made by Mike Young and seconded by Bob Bunker to reprice CFC Loan #9000004 (Loan #4) for a ten-year term; and pay off Loan #9000005 (Loan #5) in full using savings and funds previously allocated for debt reduction. The Board voted five (5) aye and Judy Metz and Jack Nelson voted nay. The motion passed.

PRESENTATION ON KEY RATIOS

Mrs. MeLisa Garcia gave a presentation on the current CFC Key Ratios. Each year the District's lending institution, the National Rural Utilities Cooperative Finance Corporation (CFC), provides key ratio statistics to the District based on the District's past year's financial performance. CFC provides the District's ratios and comparative ratios from other cooperatives and power districts from the state and the nation. The ratios are also subdivided into categories that facilitate comparisons with cooperatives and power districts matching the same size categories. These ratios and corresponding comparisons can be used to gauge the overall performance and financial health of the District.

REVIEW AND POSSIBLE APPROVAL OF AUDTING SERVICES

As per board approval in June 2018. Staff sent 9 RFP's for the District's year end auditing services for 2018 thru 2020 with a possible 1-year extension.

Staff received 2 responses to the RFP:

- Hafen, Buckner, Everitt, & Graff for a yearly amount for the term of the contract for \$20,000 per year.
- Bolinger, Segars, Gilbert & Moss for a yearly amount for 2018 of \$31,000-\$33,000 (depending on expenses). Year 2019 - \$30,000 & Year 2020 - \$30,000

The Board members would like to have a fresh set of eyes doing the audit.

After discussion by the Board, Mike Young moved to accept Bolinger, Segars, Gilbert & Moss' proposal. There was no second, the motion died.

Chad Leavitt made a motion and Jack Nelson seconded to accept the proposal from Hafen, Buckner, Everitt, & Graff for the District's auditing services for years ending 2018 through 2020 with a possible one-year extension for the maximum price of \$20,000 per year. The Board voted six (6) aye with Mike Young voting nay. The motion passed.

PUBLIC COMMENTS

All Public Comments are recorded and available upon request.

BOARD COMMENTS

Mike Young – At the last meeting public comments were made regarding the District’s rates in comparison with California. Mike presented two bills; one from Overton Power District No. 5 (OPD) and one from Southern California Edison (SCE). The SCE bill was twice as much for approximately the same usage.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Doug Waite to approve Wednesday, September 19, 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

A motion was made to enter Executive Session.
A motion was made to exit Executive Session.

ADJOURNMENT

The Board voted unanimously to adjourn at 7:25 PM.

Chairman, Mike Fetherston

Vice Chairman, Doug Waite

Secretary / Treasurer, Mike Young