

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

AUGUST 16, 2017

4:00 P.M.

Overton, 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 (At the Mesquite Office)

ABSENT:

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

There were no Public Comments.

APPROVAL OF THE MINUTES

A motion was made by Mike Young and seconded by Doug Waite to approve the minutes of the June 21, 2017 Board Meeting. The Board voted seven (7) ayes and zero (0) nays in approval.

CHAIRMAN'S REPORT

Mr. Mike Fetherston presented Bruce Hughes with a No Loss Time Accident Award from Federated Insurance. A thank you note was received from one of the scholarship recipients.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen reported on the cause of the large outage that occurred in Mesquite. There was no visual cause for the outage when staff got to Dinosaur Substation, but there was moisture condensation on the high temperature instrument on the new transformer. After the switching procedure was completed, the gauge was replaced. Since then there have been no issues, so we are working with the manufacturer on a resolution to the problem. The Board seconded Mr. Jensen's comments that "the Operations team and the crew did a great job of troubleshooting and resolving the issue."

- **CONSTRUCTION**

Mr. Bruce Hughes reported there was one unplanned outage in Overton; a bird caused a blown fuse. There were four unplanned outages in Mesquite; a car hit a pad mount transformer, faulted secondary conductor, and a blown fuse. The Overton crew is working on numerous pole changes due to storm damage, tree trimming, right-of-way clean up and AMI installations at numerous substations. The Mesquite crew worked on hookups, storm damage pole changes, AMI in numerous substations and Oxen Ridge Phase III. The topics for the July and August Safety meetings were Safety: Home v. Work, OSHA Visits, Distracted Driving & Hazards in the Workplace. Crane Certification was held in August with six (6) employees receiving five (5) days of training by ATS Training Center. There were thirty-one residential and no commercial hook-ups in June and twenty-seven residential and no commercial hook-ups in July. To date the No Loss Time Record stands at 30 days. We had an employee that had a small accident, he fractured three ribs and is released for light duty and should recover fully.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported the latest Colorado River Commission account shows that Lake Mead is safe from shortage this year and there will be no cuts in water releases and hydro-power production in 2018. Current predictions also indicate that there will be no shortage in 2019 as well. At the last Colorado River Energy Distributors Association (CREDA) discussion was held on the charges and fees originating from Federal Agencies. CREDA was able to provide comments and suggestions to the federal agencies that prevented a proposed increase. Mr. Cooper attended a Nevada Rural Electric Association (NREA) General Managers / CEO's meeting discussing Energy Choice Initiative (ECI) and federal land issues. He also met with NV Energy CEO and staff. A combination of the Governor's committees on ECI will be meeting. NREA will be making a presentation with includes comments and data from the District. In early July, Mr. Cooper sat in on a meeting between the City of Mesquite and Senator Cortez-Masto discussions included the initiative recently passed by the Mesquite City Council regarding Gold Butte and Virgin Valley Water District's water claims in that area. At the end of the meeting the group discussed economic development in the area. Mr. Cooper was also able to meet with Marilyn Kirkpatrick regarding some issues in the Moapa Valley. Mr. Cooper met with the Moapa Band of Paiutes regarding Gold Butte and some of the projects they are planning.

- **FINANCE & ADMINISTRATION**

Mrs. Terry Romero reported SEDC, our utility software company, came in and did a training on the Work Management portion of the program that will become available in the next couple of months. This new program will reduce multiple data entry errors. Mobile Workforce has been implemented and now service orders are handled electronically instead of printed. The first Management Mentoring Program class will complete the program at the end of the year. There has been a recruitment meeting for the next batch of eligible employees. Mike Young stated he would like to see some kind of recognition for the group finishing the program.

- **ACCOUNTING**

Mrs. Garcia gave the financial report for July 2017, a copy of which is on file.

PRESENTATION ON IRBY TOOL & SAFETY

In order to provide a safe working environment, Overton Power District No. 5 (OPD) employs a testing service, on a regular basis, to test the electrical integrity of its truck components, tools, grounds, and protective rubber goods which provide protection or may be exposed to electrical contact. After finding some deficiencies in current testing procedures OPD is working with irby Tool & Safety to become OPD's designated testing entity. irby Tool & Safety comes highly recommended and provides testing for a number of utilities that are familiar to OPD. Staff will bring the contract back to the Board for approval after legal counsel has reviewed it.

REVIEW AND POSSIBLE APPROVAL OF AN AMENDMENT TO THE MORGAN STANLEY CONTRACT

Overton Power District No. 5 (OPD) has current contracts with the Western Area Power Administration (WAPA) and the Colorado River Commission of Nevada (CRC) for the purchase and delivery of hydro-power from the Boulder Canyon Project (Hoover). In the past, another party has managed the schedule for delivery of the hydro-power on behalf of all CRC customers. Said party has notified CRC that it will no longer provide the scheduling services after September 30, 2017. CRC has notified Boulder Canyon Project customers that they will be required to secure a scheduling entity. OPD has requested that Morgan Stanley Commodities Group (MSCG) assume the scheduling duties in conjunction with the scheduling that MSCG already provides for OPD in relation to the current market based power supply contract. An amendment to the current contract between OPD and MSCG is required for MSCG to perform this function. After an investigation into the scheduling requirements, MSCG feels that the scheduling can be performed at no cost to OPD. However, OPD agrees to pay any future costs, fees, or charges which may be levied against MSCG which are associated with scheduling services. MSCG has agreed to schedule the CRC hydro-power for the City of Mesquite as part of this agreement. There is no fiscal impact to the District or the City of Mesquite. After discussion by the Board, a motion was made by Mike Young and seconded by Judy Metz to approve the Amendment to the Morgan Stanley Contract as presented for Morgan Stanley to provide hourly scheduling of OPD's and the City of Mesquite's CRC allocation. The Board voted seven (7) ayes and zero (0) nays in approval.

REPORTS BY TRUSTEES ON 2017 NRECA SUMMER SCHOOL

Mike Young asked for this item to be placed on the agenda because these classes are in depth and informative; they are taken on the trustees' own time. There a lot of things learned and it is important to share the information with other trustees and staff.

Mike Young reported on his classes at the 2017 Director's Education Summer Program. In one of his classes they talked about communication and shaping public opinion. A few of the important concepts from this class were: trust is everything, public opinion can be shaped, employees have to be on your side. While the District has come a long way with the creation of a communication policy, Mr. Young discussed the importance of building trust and how that trust can shape public opinion, but would like a social media policy, he suggested using NRECA class guideline as a model.

Judy Metz took three classes. One was on the CEO /General Manager Review, NRECA has already created forms and guidelines to make this an easy process. Another class was on Succession Planning and she felt this is a topic that is ever changing and needs to be constantly on our minds. Mrs. Metz suggested using NRECA forms and guidelines for this process.

Chad Leavitt completed his Credentialed Cooperative Director Program classes. He would like continuing information on the financial forms. Mr. Leavitt asked Staff to make a presentation on one of the line items of the financial statement each month and highlight the affect that item has on the finances. One of the subject brought up in one of his classes talked about electing Board positions by secret ballot.

DISCUSSION ON COST OF SERVICE & RATE DESIGN

Mendis Cooper wanted to open a dialogue with the trustees about the information contained in the Cost of Service and Rate Design studies that Cooperative Finance Corporation (CFC). CFC has service models are followed when gathering the information for these studies. A discussion by the Board members and Staff covered various cost of service elements and rate design strategies.

PUBLIC COMMENTS

There were no Public Comments.

BOARD COMMENTS

There were no Board Comments.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Doug Waite to approve Wednesday, September 20, 2017 as the next Board Meeting date. The meeting will be held in the Mesquite Office at 4:00 PM. The Board voted seven (7) ayes and 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 5:50 PM.

Chairman, Mike Fetherston

Vice Chairman, Doug Waite

Secretary / Treasurer, Mike Young

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