

OVERTON POWER DISTRICT NO. 5
BOARD MEETING

December 11, 2019

3:00 P.M.

Mesquite, Nevada

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

Mr. Mendis Cooper, General Manager
Mrs. Teresa Romero, CFO / Assistant General Manager
Mr. Bruce Hughes, Chief Operations Officer
Mrs. MeLisa Garcia, Accounting Supervisor
Mrs. Becky LaGrow, Executive Assistant

ABSENT: Mr. Jon Jensen, Chief Information Officer

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 3:00 p.m. Mrs. Judy Metz 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.

ACCEPTANCE OF THE AGENDA

A motion was made by Mike Young and seconded by Doug Waite to accept the OPD5 agenda as posted. The Board voted seven (7) ayes, zero (0) nays in approval.

APPROVAL OF THE MINUTES

A motion was made by Mike Young and seconded by Bob Bunker to approve the minutes of the October 16, 2019 Board Meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

CHAIR'S REPORT

Mrs. Judy Metz read a thank you note from a Virgin Valley Elementary School 2nd grade student in appreciation of the bike he won from the Food Drive.

ATTORNEY'S REPORT

Mr. Byron Mills had nothing to report at this time.

MANAGER'S REPORTS

• ENGINEERING & OPERATIONS

Mr. Keven Hansen reported on:

- *Aclara AMI System* – 100% of the substations are built out. There are 756 meters left, the bulk are business that must be scheduled. To date, 16,217 meters have been installed. On track to finish the residential meters by the end of the year.

Mr. Randall Ozaki reported on:

- Work continues on Gila Substation, Gila 138kV line to Long Drive, Tortoise Ring Bus, Paiute Substation and the 69kV Transmission Line.
- Engineering recently reviewed and sent back comments on the Load Forecast and Transmission Study. These plans will be presented to the Board at the January Board meeting.
- The winning contractor for the building addition is Zwick Construction. We have asked them to look for some cost saving ideas. After some discussion, we are looking at \$60,000 in reductions with \$20,000 more under review. Most changes are cosmetic and using different brand names.
- The Insite Cell Tower project – Received two variances from the City of Mesquite regarding setback and tower height. The next major hurdle will be the federal compliance. They assure staff that this is not a problem, just time extensive as it usually takes approximately 90 days. They plan to start construction this summer and go online by the end of 2020.

Bob Bunker – Paiute 69 kV line, what is the status? There are three major entities that we must get approval from for crossing their ROW. Right now, we are waiting on approval from LADWP. They admit they are slow.

• CONSTRUCTION

Mr. Bruce Hughes reported:

Outages – There were four (4) outages this month; affecting a total of two thousand eight hundred thirty-eight (2838) customers for an approximate five thousand sixty-three (5063) customer hours. The causes ranged from a bird to failed switches. There are approximately eighty more switches on the system that need to be replaced. They cost \$10,000 - \$15,000 / switch depending on their configuration.

Board members asked if it were possible to file a claim with the company? The company has dissolved; they possibly cut corners before dissolving and sent out inferior products.

Mesquite crew – Desert Drive, Sidewinder U/G High Voltage, transmission line road repairs, switch replacements and AMI meters.

Overton crew – Paiute Travel Plaza U/G, pole replacements, switch replacements, and AMI meters.

Mesquite Christmas Light Parade – OPD5 entered a truck and trailer in the parade.

Hook-ups – For the month, we had twenty-three (23) residential for both valleys.

No Lost Time Accidents – is at two (2) years, one month and twenty-nine (29) days.

- **FINANCE AND ADMINISTRATION**

Mrs. Terry Romero reported on:

- *Credit Card Machines* – all credit card payment machines have been upgraded to the best available. They have point to point encryption, this should protect customer information.
- *Audit* – Inventory audit started this week; inventory counts are being done. Next week the auditor will be onsite to check inventory and Board minutes.
- *Finance Dept.* – The Finance Department is gearing up for 2020.
- *Pay-As-You-Go* – The MMP group has been working on the Pay-As-You-Go Policy. Management will review is soon; then it is on to Byron for legal review.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following items:

- *NREA* – Attended the NREA Board of Director's meeting; the focus was on the 2020 budget, dues, upcoming NREA events and legislative issues.
 - Part of the budget focuses more on NREA sponsored training and best practices activities.
 - Decision on OPD share of dues was reduced considerably for 2020 to \$48,000 from an estimated \$62,000.
 - The NREA Executive Director and the lobbying team have been working with NV Energy and Western Resource Advocates to include hydropower to SB 358, the Renewable Portfolio Standard bill.
- *SNWA/SSEA* – Dave Luttrell and Mendis met with the General Manager and the Deputy General Manager of SNWA regarding OPD5 and LCP's about options regarding the shared Right-of-Way for the ENTTP line. The option they are most interested in is reimbursement for right-of-way fee for release of our share of the right-of-way. This would bring and end to OPD5 and LCP's participation in SSEA saving the District approximately \$16,000 / year in dues. This item will be brought back to the Board for approval at a later date.
- *Morgan Stanley* – Had a teleconference meeting with the Morgan Stanley team to discuss emergency power options. The team was very helpful and of great support to OPD5. There is a problem getting power from Mead and moving North through Utah. The best option is going to Deseret and buying off the spot market. Morgan Stanley can get the power there faster than we can do the switching manually.
- *City of Mesquite* – Was invited to speak at the City Council meeting and to meet with the Councilors beforehand. Discussed the Dixie contract, emergency power contract and switching procedures. Thank you to Mike Young, Judy Metz and Doug Waite who also attended.
- *Solar Project Meeting* – Met with a solar developer that has a project in our service area. Pricing with an option to add battery storage. We have put the developer in touch with Morgan Stanley to possibly include them in the project; the project has a 2023 activation date.

- **ACCOUNTING**

Mrs. MeLisa Garcia gave the financial report for November 2019, a copy of which is on file.

REVIEW AND POSSIBLE APPROVAL OF OPD-P-19.204 TEMPORARY EMPLOYMENT OPPORTUNITIES POLICY

The policy establishes the guidelines for interns and temporary workers and sets the number of interns and temporary workers that may be hired each year. Staff received approval to hire four interns in 2019. All four positions were successfully filled and were a benefit to the District and the community. Staff requests that four interns be hired in 2020. The costs associated with hiring four interns have been included in the 2020 budget and will remain in the budget, if approved by the Board.

After discussion by the Board, a motion was made by Chad Leavitt and seconded by Bob Bunker to accept OPD-P-19.204 the Temporary Worker Policy as presented. Chad Leavitt amended the motion to include the hiring of four (4) interns in 2020; the amended motion was seconded by Bob Bunker. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF THE 2020 BUDGET

Staff presents an annual budget each calendar year. The budget is an estimate of income and expenses and shows staff's estimate of income and revenue. The budget also includes the cost of purchased power, wages, benefits, materials, supplies, and other expenses needed for the operation of the business. The budget presentation includes a look back at the financial performance of the business and a budget forecast for the next two years in order to give the Board an understanding of the direction and trajectory of the finances. A budget update is presented each month for review by the board. The update includes a year to date comparison of the previous year.

Mike Young requested Staff look over participation in the Youth Rally and the D.C. Tour for next year. There may be other ways to utilize the money spent.

After discussion by the Board, a motion was made by Mike Young and seconded by Jack Nelson to approve the 2020 Budget as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF INVESTMENTS

Staff received authorization to invest \$1,000,000 in CFC short-term securities for four consecutive months for four-month terms. Two of the current investments reach maturity prior to the next meeting. Staff is seeking approval to reinvest \$1,016,637.94 for an investment that matures on December 26, 2019 and \$1,016,429.70 for an investment that matures on January 13, 2020, to the highest interest-bearing account for a term determined by the board.

OPD5's investment in CFC short term securities, have yielded higher returns than traditional banking accounts. However, interest rates have declined rapidly over the course of the last year due to market forces, a slowdown in the global economy, and interest rate cuts by the Federal Reserve. These problems have narrowed the interest rate difference between CFC investments and savings interest in traditional bank savings accounts.

Mike Young asked MeLisa to point out at subsequent meetings the total earned interest amounts.

After discussion by the Board, a motion was made by Mike Young and seconded by Doug Waite to invest the money in highest interest-bearing account for the term agreed upon as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

DISCUSSION ON RELIABILITY AND MAINTENANCE

OPD5 has established various programs for maintaining the power system that are used to sustain system reliability. This presentation will focus on these activities. This item will continue to be reviewed on a regular basis. General Manager Mendis Cooper provided an overview of the reliability and maintenance of the system. Currently, the system is in good condition and meets federal standards. Over the past year, a subcontracted engineering firm has been conducting a Power Requirements Study and a Transmission Planning Study; these will be presented to the Board by the firm at the January Board Meeting. These studies include the possibility for growth; by modeling the system and running through different scenarios, making sure the system will meet the demands of our customers over a ten-year period. Based on these scenarios, suggestions are made regarding items that need to be addressed. OPD5 incorporates consulting engineers on big projects and our list of critical infrastructure. Routinely employees conduct breaker relay testing, pole testing, oil testing, system audit, and substation testing monthly. Staff also routinely completes RUS Form 300, which evaluates the soundness of the electrical system. We also have two engineering firms that also do those checks. This was a discussion item; no action was taken.

Mike Young – Regarding the Critical Infrastructure List, that is be marked ‘Confidential’; as this should not become public information.

PUBLIC COMMENTS

There were no Public Comments.

BOARD COMMENTS

Jack Nelson – Reminded everyone about filing candidate financial disclosure statements after 12/31/2019.

Judy Metz – Mendis did a wonderful job at the Mesquite City Council Meetings; he touched on everything they asked.

Bob Bunker – Thanked the public in attendance for coming out and voicing concerns so that we are given an opportunity to address them.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Chad Leavitt to approve Wednesday, January 15, 2020 as the next Board Meeting date. The meeting will be held in the Overton Office at 3:00 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 4:45PM.

Chair

Vice Chair

Secretary / Treasurer

DRAFT