

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

January 18, 2017

4:00 P.M.

Overton, Nevada

PRESENT: Mr. Mike Fetherston, Chairman
Mr. Doug Waite, Vice Chairman
Mr. Mike Young, Secretary / Treasurer
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

ABSENT: Mr. Robert Bunker, Trustee

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.

Prior to the meeting, the Oath of Office was administered and the new Board was sworn in.

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:

BIENNIAL SELECTION OF BOARD OFFICERS FOR JANUARY 2017 THROUGH DECEMBER 31, 2018

Mr. Fetherston opened the nomination for officers for the next two years. The following trustees were elected to serve as officers for 2017 - 2018:

- Chairman – Mike Fetherston
- Vice Chairman – Doug Waite
- Secretary / Treasurer – Mike Young

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 December 21, 2016 Board Meeting. The Board voted six (6) ayes and zero (0) nays in approval.

CHAIRMAN'S REPORT

Mr. Mike Fetherston welcomed Chad Leavitt to his first meeting as a trustee. There will be an irrigation meeting in February; Mike Fetherston will represent the District at the meeting.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen had no report at this time.

- **CONSTRUCTION**

Mr. Bruce Hughes reported there were four unplanned outages in Mesquite and one in Overton this month. The Overton outage involved three customers, lasted 3.5 hours and was due to a faulted cutout. Two of the Mesquite outages were Christmas Day and December 26th; initially suspected to be an overhead fault affecting 1,273 customers for twenty minutes. On the 26th, the same 1,273 customers affected as previous day, a bad pad mount switch was suspected as the cause. Also on Dec 26th there was a broken pole at Painted Hills Substation affecting six customers. Today, a Shallbetter switch failed affecting 311 customers for approximately two hours. Mike Young stated he was in one of the businesses that lost power today and was very happy to see Bruce came in to make sure everything was back on and okay. It was great customer service for the District. The Overton crew is working on the Office water line repair and replacement, Valley of Fire upgrades, numerous pole changes and tree trimming. The Mesquite crew is working on numerous hook-ups, tree trimming, four switch change outs, system audit, pole changes and finishing 138 line pole stapling. The topics for the January's Safety meeting was First Aid and CPR. This month there were 25 residential hook-ups. To date the No Loss Time Record stands at 9 years, 3 months, and 5 days.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on Gold Butte's designation as a National Monument. Jon and Mendis have been involved in numerous meeting and conference calls on this issue and how it affects the District. Last week Mendis and NREA members visited with legislators regarding the initial passage of Question 3. It was discovered there is no consensus of opinion and some extreme thoughts being considered. The District hosted SEDC representatives for two days; a variety of issues were discussed; also updated information and training to employees was also provided. Work continues with Byron, Staff and Aclara on the AMI contract; hopefully all issues will be resolved for a February review and approval.

Two meetings with NV Energy are scheduled, a report will be given on these next month. The Fitch Bond Rating report has been issued raising the Districts bond rating to "A-"Stable. Which puts the District back to where it was when the downgrade began. A press release of this information has gone out. The NREA legislative Conference will be held in Carson City on March 8-9th. Jack Nelson, Doug Waite and Mike Young expressed interest in attending.

- **FINANCE AND ADMINISTRATION**

Mrs. Terry Romero had no report at this time.

- **ACCOUNTING**

Mrs. MeLisa Garcia gave the financial report for December 2016, a copy of which is on file.

REVIEW AND POSSIBLE APPROVAL OF OPD SCHOLARSHIP POLICY OPD-A-10.200 AND CREATION OF SUB-COMMITTEES TO AWARD 2017 SCHOLARSHIPS

The District supports and encourages high school graduates to continue their education by offering five (5) scholarships to Virgin Valley High School graduates and five (5) scholarships to Moapa Valley High School graduates. The fiscal impact to the District for ten scholarships will be \$20,000. The District can possibly offset the cost of at least two of the scholarships through scholarship grants from CoBank. This practice is reviewed annually in accordance with OPD Policy OPD-A-10.200. Mike Young would like to see the scholarship program phased out. Judy Metz would like to keep the policy at five (5) scholarships for each high school. Mike Fetherston feels the internship program is a college level program that is more valuable and also benefits the District. After discussion by the Board, a motion was made Mike Young and seconded by Judy Metz to award four (4) scholarships to Virgin Valley High School students and four (4) scholarships to Moapa Valley High School students. Each scholarship to be in the amount of \$2,000 dollars and presented when the recipient provides proof of registration in an accredited college or university. Doug Waite & Judy Metz were appointed to determine 2017 VVHS recipients and Jack Nelson & Judy Metz were appointed to determine 2017 MVHS recipients. The Board voted six (6) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF 2017 EMPLOYEE COST OF LIVING INCREASE

Each year various economists and other experts prepare estimates for inflation. Notable estimates for 2017 inflation are the Federal Reserve at 1.9%, The Wall Street Journal at 2.4%, and Forbes at 2.5%. Staff recommends a 2.0% cost of living increase for all employees. The proposed cost of living increase is included in the budget that will be presented later in the meeting. The fiscal impact to the District will be \$112,005.44 including benefits. After discussion by the Board, a motion was made by Judy Metz and seconded by Mike Young to approve the 2017 Employee Cost of Living Increase of 2.0% as presented. The Board voted six (6) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF 2017 ORGANIZATIONAL CHART

Staff has reviewed the District's organizational chart and submits the following recommended changes:
** That five non-management employees receive pay adjustments in order to bring their compensation close to the NRECA median pay level.*

** A Substation Journeyman / System Operator position be approved and filled.*

** A System Analyst position be approved and filled.*

** Change Warehouseman to Purchasing and move the position to Administration.*

Mike Young felt the System Analyst position is overhead in the office and not warranted at this time. Mr. Young would like System Analyst position to be brought back as a separate agenda item with more detail. After discussion by the Board, a motion was made by Mike Young and seconded by Judy Metz to approve the pay adjustments for the five non-management positions, the hiring of a Substation Journeyman / System Operator and change the warehouseman title to Purchasing and move him to Administration department. The Board voted five (5) ayes and one (1) nay by Mike Fetherston. The motion passed.

REVIEW AND POSSIBLE APPROVAL OF THE 2017 BUDGET

The District presents an annual budget at the beginning of 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 day to day operation of the business. A budget update is presented each month for review by the board. The update includes a year to date comparison of the previous year. The estimated fiscal impact to the District is \$ 32,574,436. After discussion by the Board, a motion was made by Mike Young and seconded by Doug Waite to approve the 2017 budget as presented. The Board voted six (6) ayes and zero (0) nays in approval.

PUBLIC COMMENTS

All Public Comments are recorded and available upon request.

BOARD COMMENTS

In response to a public comment, Mr. Young stated that the staff was having a rate study done by CFC this year and that some rate reduction for commercial customers was anticipated. That rate reduction was shown in the budget but not yet approved by the board. Mr. Young also asked where the money was going that is being collected before any rate reduction. Staff replied that it was going into savings. Staff has allotted funds for a Rate Study done by CFC in 2017.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Jack Nelson to approve Wednesday, February 15, 2017 as the next Board Meeting date. The meeting will be held in the Mesquite Office at 4:00 PM. The Board voted six (6) ayes and zero (0) nays in approval.

EXECUTIVE – CLOSED DOOR SESSION

There was no Executive Session.

ADJOURNMENT

A motion was made by Judy Metz and seconded by Mike Young to adjourn at 6:00 PM. The Board voted six (6) ayes and zero (0) nays in approval.

Chairman, Mike Fetherston

Vice Chairman, Doug Waite

Secretary / Treasurer, Mike Young

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