

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

June 19, 2019

3:00 P.M.

Mesquite, Nevada

**PRESENT:** Mrs. Judy Metz, Chair  
Mr. Jack Nelson, Vice Chair  
Mr. Mike Young, Secretary / Treasurer  
Mr. Richard Jones, 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  
Mr. Jon Jensen, Chief Information Officer  
Mrs. Jolene Kretschmann, Accounting Clerk  
Mrs. Becky LaGrow, Executive Assistant

**ABSENT:** Mr. Robert Bunker, Trustee  
Mr. Chad Leavitt, Trustee  
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 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**

There were no public comments.

**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 five (5) ayes, zero (0) nays in approval.

**APPROVAL OF THE MINUTES**

A motion was made by Mike Young and seconded by Doug Waite to approve the minutes of the May 15, 2019 Board Meeting. The Board voted five (5) ayes, zero (0) nays in approval.

## **CHAIR'S REPORT**

Mrs. Judy Metz shared the thank you notes received regarding scholarships. One was from Virgin Valley High School and the other three notes were from scholarship recipients.

## **ATTORNEY'S REPORT**

Mr. Byron Mills had no report at this time. Mr. Mike Young you asked if teleconferencing into the board meeting was accepted practice for Trustees. Bryon stated that yes, a board member could participate from the other office or conference call by stating their name to be recognized before a vote. Mendis Cooper stated new legislation requires the board members to clearly identify themselves when calling in, so participants know who is speaking.

## **MANAGER'S REPORTS**

### **ENGINEERING & OPERATIONS**

Mr. Jon Jensen reported on:

- *AMI* – Operation and Line Teams have finished the AMI install at Glendale Substation. While there, the teams have also worked on some long-needed repairs; including moving the circuit protection controls and the communication equipment inside the building. They also added newly installed circuit metering and security system.
- *Moapa Substation* – The teams will be moving to Moapa Substation to finish the installs for the AMI system.
- *AMI Meters* – The metering team is working on the meter change outs. The line crews will pick one day per week each to help metering with the installs. There are approximately 4,500 meters left to be installed.
- *Transformer Repairs* – There is one transformer in Sandhills Substation and two in Tortoise Substation that need repair. Arrangements have been made for a service crew to make the repairs and the parts are being procured at this time. Repairs will be made around early October after the summer peak loads; the work should take one week for each transformer. The work will be done with switching scenarios, there should be no outages
- *Paiute Line* – A meeting was held with an engineering firm to take measurements for the ring bus and the design stage of the bay for the new Paiute line leaving Tortoise Substation.

### **CONSTRUCTION**

Mr. Bruce Hughes reported on the five (5) unplanned outages this month. Two were caused by birds, one a customer dug into their own service, one was an open breaker where no source was found, and one was caused by a dump truck hitting an overhead line. When repairing the line hit by the dump truck, it was decided to put the service underground as that was the eventual plan. The trucks insurance company will be billed for the cost to repair as it was, OPD5 will assume the remaining balance. These outages affected three thousand eighty- nine (3089) customers for a total of two thousand five hundred thirty-five (2535) customer hours.

*Mesquite crew* - worked on Dinosaur Substation, Desert Drive overhead to underground , pole changes and hookups.

*Overton Crew* – Numerous pole changes, underground conduit installation, AMI at Glendale Substation, and right-of-way clearing.

*Safety Meeting - May* – The topics were: First Responder, Heat Exposure, and Second Point of Contact. The meeting was held at the City of Mesquite Fire Department building.

*Hook-ups* – Seven (7) commercial and twenty-two (22) residential for both valleys.

*No Loss Time Record* - To date the record stands at 1 year, 8 months and 9 days.

- **HYDROLOGY REPORT** - Mr. Aaron Walker gave a brief hydrology report for the current month to date. Currently, reports show 300 - 500% of normal snowpack in the Upper Colorado Basin and Lake Powell is at a high for the water year and up thirty-two (32) feet from the low.
- **FINANCE AND ADMINISTRATION**

Mrs. Terry Romero reported on:

*SEDC* - On October 1-2, OPD5 will be hosting the SEDC Western States Users Conference at the Mesquite location. This will be beneficial as OPD5 employees can get valuable training for virtual no cost.

*Verizon* – Verizon is giving OPD5 the opportunity to list two employees cell phone numbers as First Responders, during an emergency those two will have priority calling. After careful consideration, it was decided that the phones would be Mendis Cooper for Moapa Valley and Keven Hansen for the Virgin Valley.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following items:

- *NV Energy Update* – OPD5 received the true up payment from NV Energy as outlined in our agreement. The true up payment was reviewed by Craig Silverstein and Mendis Cooper and there is an error in the calculation that needs to be corrected. Craig and Mendis are working with NV Energy to resolve the issue.  
*Supervisor Training* – Training was held recently for managers and supervisors. The training focused on recognizing substance abuse in the workplace; topics included how to recognize substance abuse, legal steps that must be taken and how to work with employees that have substance abuse problems.
- *NREA* – The key issue this month is hiring a new executive direct for the group. There are several interested candidates that worked as lobbyists and specialists during the State legislative session that will now be out of work. The NREA Board of Directors decided to move up the hiring process to expand the pool of candidates and take advantage of the opportunity to interview those people who might not be available later in the year. Jack Nelson and Mendis Cooper will be going to Carson City for the finalist interviews.
- *Hydropower Issues* - This month Mendis contacted Congresswoman Susie Lee. She was a supporter of a bill that took money from the Upper Colorado River Basin Fund to be used for other purposes. Mendis contacted her Las Vegas and Washington DC offices and was put in touch with her energy policy advisor. After letting him know OPD5's concerns, the Congresswoman withdrew her support and the bill ended up dying. OPD5 staff is grateful to Susie Lee and her staff for listening to us and taking the proper steps to protect us.

- **ACCOUNTING**

Mrs. Jolene Kretschmann gave the financial report for May 2019, a copy of which is on file.

### **REVIEW AND POSSIBLE APPROVAL OF OPD5 NET METERING POLICY OPD-S-9.101**

OPD5 created a Net Metering Policy on November 15, 2006. The policy was instituted to accommodate installation of roof top solar by our customers to “zero out” their power bill. The policy included a rebate to help promote the development of roof top solar and a buyback of unused energy up to \$150 at year’s end.

Staff presented proposed policy changes to the board at the May board meeting and gained valuable feedback from the Board. Subsequently, staff held two town hall meetings to solicit comments and feedback from OPD’s customers and local solar installers.

Staff is bringing the revised Net Metering Policy back to the board for possible approval with modifications made based on the feedback that has been received.

The Board reviewed the requested changes.

After discussion by the Board, a motion was made by Mike Young and seconded by Jack Nelson to honor existing application for one year from this date, also beginning June 20, 2019, to reduce the rebates to \$1,000 for residential, \$1,500 for small commercial businesses and \$2,500 for large commercial businesses. The rebate will be eliminated on September 30, 2019. Also, to approve OPD5 Net Metering Policy OPD-S-9.101 as presented with modifications. The Board voted five (5) ayes, zero (0) nays in approval.

### **REVIEW AND POSSIBLE APPROVAL OF OPD5 RATE DESIGN**

In 2018, the Board approved Staff to work with the Cooperative Finance Corporation (CFC) on a Revenue Requirements Study, a Cost of Service Study, and a Rate Design Study. The results of the Revenue Requirements Study and the Cost of Service Study were presented at a board meeting in 2018 by a CFC rates expert.

The Board later created a committee to work with staff and CFC on the Rate Design Study. After meeting numerous times and reviewing the data, staff is presenting the proposed results of the work by the committee for review and possible approval.

Proposed changes will affect Rate 1 - residential customers, Rate 3 - small commercial customers, and Rate 8 - large commercial customers.

Mendis Cooper presented the rate design summary

- Rate 1 (Residential) – Raised the base rate to \$30 and lowered the kwh rate 14% for an estimated return to our customers of approximately \$193, 535
- Rate 3 (Small Commercial) – Raised the base rate to \$40 and lowered the kwh rate 21% for an estimated return to our customers of approximately \$168,000
- Rate 8 (Large Commercial) - Raised the base rate to \$70.78 and lowered the kwh rate 3% for an estimated return to our customers of approximately \$182,000

There will also be a new rate for light load small commercial customers, such as HOAs, that only need a small amount of power for items like streetlights and sprinkler timers. Total estimated return to our customers is \$544,000. Mike Young liked the idea of looking at those only running street or decorative lights; this is one step closer to where we need to be. After discussion by the Board, a motion was made by Judy Metz and seconded by Mike Young to approve the rate design as presented updating the policy

tariffs to become effective September 1, 2019 to give time to release the information to the public. The Board voted five (5) ayes, zero (0) nays in approval.

### **REVIEW AND POSSIBLE APPROVAL TO INVEST IN COOPERATIVE FINANCE CORPORATION SECURITIES**

Staff received authorization to invest \$1,000,000 in CFC short-term securities for a four-month term at each of the last three board meetings. Staff requested authorization to invest an additional \$1,000,000 in CFC short-term securities for another four-month term in accordance with the plan discussed at a previous board meeting.

Additionally, OPD5's first investment in CFC short term securities, made in March for a four-month period, will mature in July. Since there will be no board meeting in July, staff requested authorization to roll over, or reinvest those funds including interest gained, for another four-month term beginning in July.

Interest rates have declined over the course of the past month due to market forces, a perceived slowdown in the global economy, and an anticipated rate decrease by the Federal Reserve. Short term securities are currently yielding approximately 2.5% return on investments. The fiscal impact to OPD5 is to utilize Cooperative Finance Corporation (CFC) investment programs offering the potential to collect increased savings interest compared to traditional savings accounts. After discussion by the Board, a motion was made by Mike Young and seconded by Doug Waite to invest one million dollars (\$1,000,000) in Cooperative Finance Corporation Securities for a four-month term and to roll over the March investment, plus interest gained, in Cooperative Finance Corporation Securities when they mature in July as presented. The Board voted five (5) ayes, zero (0) nays in approval.

### **DISCUSSION ON OPD5 RELIABILITY PLAN**

Staff has had regular internal discussions to identify OPD5's greatest needs. During these discussions system reliability has consistently been identified as a top concern. However, system reliability improvements are costly long-term projects and in recent years OPD5 has not been in a financial position to take on these capital-intensive projects.

In recent years, OPD5 customers have experienced two system wide outages that in the future can be prevented when NV Energy constructs the agreed upon second 230 kV line from Reid Gardner to Tortoise Substation. OPD5 can also prevent serious future outages on the 138-kV transmission system by constructing new 138 kV transmission lines.

With the improved financial condition of OPD5 over the past few years and with the savings programs that have been recently instituted, staff feels it is time to move forward with certain construction projects that are needed to provide redundancy and the enhanced switching capability required for system reliability.

A reliability plan has been developed with associated costs and timing for each portion of the plan. An aggressive schedule is proposed to accomplish all we can before another major interruption occurs. Staff notes however, that with an aggressive schedule comes aggressive capital requirements.

Staff is presenting the proposed reliability plan to the board for discussion to determine the appropriate construction schedule and associated funding requirements that meet the overall goals of OPD5 and its customers. This item is for discussion only, no action was taken.

**DISCUSSION ON OPD5 2019 STRATEGIC PLAN**

The Board appointed a committee to develop an updated strategic plan. The committee has utilized support from OPD vendors and staff to identify key strategic objectives, to review the mission statement, and to add the applicable tactics to the plan.

The work of the committee will be presented for comment and discussion by the full board. Staff will make the suggested modifications and the updated plan will be presented at a future board meeting for final approval. This item is for discussion only, no action was taken.

**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 Judy Metz to approve Wednesday, August 21, 2019 as the next Board Meeting date. The meeting will be held in the Mesquite Office at 3:00 PM.

The Board voted five (5) 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 5.40 PM.

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Chair

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Vice Chair

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Secretary / Treasurer