

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

JUNE 21, 2017

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
Mr. Jon Jensen, Engineering Manager
Mr. Bruce Hughes, Manager of Transmission & Distribution Operations
Mrs. MeLisa Garcia, Accounting Supervisor

ABSENT: Mrs. Teresa Romero, Assistant General Manager / Finance & Administration Manager
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

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 May 17, 2017 Board Meeting. The Board voted seven (7) ayes and zero (0) nays in approval.

CHAIRMAN'S REPORT

Mr. Mike Fetherston reported letters of thanks have been received from Moapa Valley High School and a scholarship recipient.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

- **CONSTRUCTION**

Mr. Bruce Hughes reported there were three unplanned outages in Overton; two were caused by blown fuses and the third was a black bird faulted the arrestor on the transformer. There were three unplanned outages in Mesquite; a van hit a switch, two services disconnected due to house fires and finally a blown 69 kV fuse at the transformer from Mylar balloons affecting 1,657 customers. A press release went out on the dangers of Mylar balloons. The Overton crew is working on 230 switch repairs at Tortoise Substation, circuit upgrade at Glendale Substation, tree trimming, and Right-of-Way maintenance. The Mesquite crew worked on Dinosaur and Pulsipher Substations AMI upgrades, hookups, and tree trimming. The topic for the June Safety meeting was Skin Cancer Awareness and Fall Protection. A backhoe has been ordered for Mesquite directly from John Deere through National Joint Power Alliance resulting in a 47% savings to the District. Staff weighed the pros and cons of new versus used and could not ignore the value of the savings. This month there were twenty-eight residential and no commercial hook-ups. To date the No Loss Time Record stands at 9 years, 8 months, and 9 days. Mike Young commented the article on Mylar balloons was great public relations. Now people understand why there was an outage. Judy Metz commented that on the national news there was a story about California having 15,000 customers out because of Mylar balloons. Bob Bunker asked if the delayed notice on the Overton outages was due to customers not calling in? A notice requires four meters to be out before a text is sent.

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen introduced Shannon Shaner. Shannon has passed his Journeyman Meterman test; this program took four years to complete. Jon gave a presentation on the hot work performed last month at Tortoise Substation 230 kV bus as requested by Judy Metz. The removal of the jumpers was done to change out a faulty Potential Transformer that is needed for metering and protection.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported staff applied to CoBank for their Sharing Success program and received the full \$5,000 requested which was split between both high schools. With this grant, in addition to the funds approved by the Board, the District was able to award scholarships to four seniors from each valley. Last month, a vote was taken to reprice a loan. Fortunately, we were able to lock in the rate as the Federal Reserve raised prime interest rate at their last meeting. The District's Colorado River Commission (CRC) hydro-power contract expires September 30, 2017. NV Energy will no longer schedule hydro-power for CRC and its customers. Mendis has spoken to Morgan Stanley will facilitate this responsibility after an amendment to our current contract has been approved. This change will also include the City of Mesquite allocation. Mr. Cooper gave an update on the energy bills introduced into the Nevada legislature, many of them failed. AB206 regarding the Renewable Portfolio Standard was vetoed by the Governor. AJR4, which called for the draining of Lake Powell and the decommissioning of Glen Canyon Dam expired in committee. A brief update was given on the NV Energy Transmission Rate. Basically, NV Energy has assigned this to a different staff member. She has reviewed an agreement but not all the details previously discussed were included. We are now waiting on an updated agreement from her.

- **ACCOUNTING**

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

REVIEW AND POSSIBLE APPROVAL OF A LETTER OF ENGAGEMENT WITH CRAIG SILVERSTEIN OF MARCH COUNSEL LLC

Mr. Silverstein of March Counsel, previously of Leonard Stinson Street LLP, has worked with the District to resolve the Tri-Party Agreement and other transmission related issues. These are ongoing issues that are somewhat open ended but could soon be resolved. Previously, the Board of Trustees approved a \$10,000 budget for these issues. Those funds have been exhausted. Staff requests that an additional funds be approved to engage Mr. Silverstein and to keep the work moving forward. The letter of engagement was sent to the District's general counsel for review. Staff is waiting on an estimate to determine the fiscal impact to the District. After discussion by the Board, a motion was made by Mike Young and seconded by Doug Waite to approve a Letter of Engagement with Mr. Craig Silverstein of March Counsel LLC and to cover costs up to \$15,000 to include a \$3,000 overage from the previous agreement. The Board voted seven (7) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF A RESOLUTION AUTHORIZING THE AMENDMENT AND RESTATEMENT OF THE 401(K) PLAN

The District participates in an employee 401(K) plan that is administered by the National Rural Electric Association (NRECA). The current contract expires in July of this year and staff asks that this resolution be approved which allows the General Manager to renew the contract for another five-year period. The 401(K) plan includes a number of employer sponsored options such as employer contribution matching. The District has the opportunity to change various options when renewing the contract. The District has declined these options in the past and staff is not recommending any changes from the current program. NRECA requests a Board Resolution Authorizing the Amendment and Restatement of the 401(K) Plan be approved. There is no fiscal impact to the District. After discussion by the Board, a motion was made by Mike Young and seconded by Judy Metz to authorize the General Manager to approve a Resolution Authorizing the Amendment and Restatement of the 401(K) Plan and renew the 401 (K) contract for the next five-year period. The Board voted seven (7) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF THE DISTRICT'S POSITION ON RETAIL ENERGY CHOICE (QUESTION 3)

Retail Energy Choice (Ballot Question 3) was approved by a majority of the voters in the last election. The Question will appear on the ballot again in 2018 and must pass again to be enacted. Some of the Ballot Question's information is confusing and can be misconstrued which has lead a number of organizations to voice opposition to the measure. Some entities have taken a neutral position and many others fully support the initiative. There are many issues that need to be resolved before Retail Energy Choice is enacted. Staff has investigated some of the issues and has determined that Retail Energy Choice will benefit many commercial customers but will have a negative impact on most of the residential customers.

The District may need to consider the following questions.

1. Does the District have a desire to take a position on the issue?
2. When is the right time to adopt an official position?
3. Does the District have a desire to align itself with other organizations with the same position?
4. Does the District wish to become a wires only company?
5. Does the District have an obligation to inform customers that may be negatively impacted?
6. Can rural voters have any impact on the election?
7. How much is the District willing to spend on information and lobbying campaigns?
8. Is the District willing to be a provider of last resort?
9. Will the District be willing to make financial commitments to participate in future studies?

The fiscal impact will be none if a support or neutral position is approved. There will be a certain amount of undetermined cost associated if the District opposes the measure. There were several additional questions raised by Board members that need answers. There are no right or wrong answers. Mendis will email the Board members legislative links to committee hearings on the topic. The most important thing is more education on the pros and cons of the program. After a lengthy discussion by the Board, a motion was made by Bob Bunker and seconded by Mike Young to take a position against Energy Choice (Question 3) passing the next voting cycle and/or to carve the District out. Also have additional knowledgeable speakers brought before the Board for further education on the topic. The Board voted seven (7) ayes and zero (0) nays in approval.

PUBLIC COMMENTS

There were no Public Comments.

BOARD COMMENTS

Trustee Mike Young – Commented that the Internship article in the local paper and the newsletter are great for public and community relations. He noted that he had not seen them in the past and appreciated staff’s efforts to produce the communication tools.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Judy Metz to approve Wednesday, August 16, 2017 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 and zero (0) nays in approval.

EXECUTIVE – CLOSED DOOR SESSION

There was no Executive Session.

ADJOURNMENT

The Board voted unanimously to adjourn at 5:30 PM.

Chairman, Mike Fetherston

Vice Chairman, Doug Waite

Secretary / Treasurer, Mike Young

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