

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

March 20, 2019

3:00 P.M.

Overton, Nevada

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

*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.

**APPROVAL OF THE MINUTES**

Richard Jones reported an error in the start time of the previous meeting in the posted minutes. A motion was made by Mike Young and seconded by Doug Waite to approve the minutes of the February 20, 2019 Board Meeting as corrected. The Board voted seven (7) ayes, zero (0) nays in approval.

**CHAIRMAN'S REPORT**

Mrs. Judy Metz presented the Intermountain Power Superintendent Association Safety Award for 2018 to Bruce and all employees of Overton Power District No. 5. She stated, she is proud to represent a company that is so conscious of its safety culture.

## **ATTORNEY'S REPORT**

Mr. Byron Mills had no report at this time.

## **MANAGER'S REPORTS**

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen reported on the tasks the SCADA / Substations Department has been working on:

- *Substation Team* – Their work consists of system operation and preparedness.
- *Dinosaur Substation* – Pulling and connecting of equipment control wire and assisting Line Team in the construction
- *AMI System* - In the installation of the AMI system, they are an integral part of the process; layout and attachments of the equipment in the yards; also, the communications setup configuration and verification process to ensure the new system is operating correctly.
- *Weed Abatement* – Substation yards are being sprayed for weeds and sterilized for the upcoming season.
- *Regulator Repair* – Repairs were conducted on a non-tapping regulator in Bunkerville Sub and trouble shot and replaced a line regulator control on the Echo Bay line.
- *Hot Weather Prep* – seasonal checks are being conducted to prepare for the upcoming high temperatures; to include transformer cooling fans and controls, buildings air conditioning units are working at maximum efficiency, all breaker oils are topped off, air compressors and delivery systems are at peak performance, and repair inventory is in the substations ready to go if needed.
- *SCADA System* – Updating and verifying the SCADA System is at peak performance.
- *Load Monitoring* – loads are being monitored and switching orders prepared for rerouting the 138-kV line load; to identify work windows. The Substation crew is working in conjunction with the line crew on work windows for dead line maintenance. The 138-kV load will be moved to the 69-kV line system for maintenance of three structures and will have to be performed during night time hours. Considerations must be made for the time it takes to move the load and switching for the de-energized line plus the time it takes to complete the work each night, then returning the load back for daytime use. The ideal temperature is a low of 50° at night and 80° during the day.
- Jon also showed photos taken by the drone team demonstrating the usefulness of the drone in showing changes in temperature on various substation and line components.

Mike Young asked if the drone crew was cataloging the photos for future reference?

Jon responded the team is working on a database at this time.

Bruce Hughes responded the District's insurance carrier is also encouraging the database as a tool for any possible future litigation.

- **CONSTRUCTION**

Mr. Bruce Hughes reported on the two (2) unplanned outages this month. These outages affected five (5) customers for a total of five hours and fifteen minutes.

*Mesquite crew* - worked on the Electrifying America Charging Station at Wal-Mart, underground at Mountain America Credit Union, Dinosaur Substation, pole to pole maintenance and hookups.

*Overton crew* - worked on numerous pole replacements, overhead to underground upgrades on Wells & Whitney Road, preparations for the 138-kV line maintenance

*Safety Meeting (February)* – Care and Use of Hot Sticks and Blood Borne Pathogens  
*IPSA Testing* – Corey and Kyle conducted apprentice testing at the recent IPSA meeting.  
*Hook-ups* – twenty-seven (27) residential and three (3) commercial for both valleys.  
*No Loss Time Record* - To date the record stands at 1 year, 5 months and 8 days.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following items:

- *NV Energy Update* – The NV Energy Agreement has been signed and filed at FERC. The FERC process lasts approximately sixty days. Craig Silverstein has filed a doc-less intervention on the District’s behalf to be able to closely monitor the proceedings and participate if needed.
- *Colorado River Commission of Nevada (CRC)* – The previous director has stepped down and a new Executive Director has been appointed. The new Director is Erik Witkowski, formerly a consumer advocate for the State of Nevada; he has served as the interim director since October of 2018 and is well versed in State issues.
- *NREA Legislative Conference (NREA)* – NREA Legislative Conference was held earlier in March and was well attended; there was an unusual amount of activity as the Senate Majority Leader resigned. Despite the activity, productive meetings with some of the legislators were held and they seemed to be mindful of the rural utilities.
  - There are several bills in the legislature that have been introduced this session. An important bill being watched is a change in the Renewable Portfolio Standard (RPS), proposing that Nevada be carbon free by 2050. The conversation has revolved primarily around energy generation, but discussions are happening to extend these measures to include requirements for electric vehicles and electric heavy equipment. Another item not currently in the bill, but expectations exist to collect road taxes through electric rates. Currently, the RPS bill threshold for reporting is one million megawatts, the plan is to lobby hoping to raise the limit to 2.5 million megawatts to resolves many of the issues.
  - NREA requested a bill draft that will place the rural cooperatives in their own chapter of the state statutes separate from investor owned utilities. Initially, municipalities and power districts participated in the bill draft, however, the potential existed to place the District under certain requirements of the Public Utilities Commission (PUC), and it was agreed to exempt the power districts and municipalities from the bill request.
  - There is an Assembly bill relating to energy efficiency. This bill dictates the type of light bulbs that may be sold in the state; it establishes the number of lumens that a light bulb must emit per watt of electricity.
  - Finally, there is a bill that may change the pay structure for Board Trustees; currently, Trustees can earn up to \$6,000 per year, the bill would increase that amount to \$9,000 & \$12,000 for certain Boards after the next election.
- *Reid Gardner Plant* – NV Energy has started demolition at Reid Gardner generating station. Recently, they began the process by imploding the ten-story boiler structure known as Unit 4.
- *CRC Water Report* – The precipitation and snow pack report have increased to the level the Bureau of Reclamation believes Lake Mead will avoid critical shortage measures next year. This prediction relies on several issues such as spring winds, warming trends that effect runoff and equalization between Lake Powell and Lake Mead.

Bob Bunker asked when Staff feels the District might meet the one million MW threshold? Mendis replied that current trends show the District increase at approximately two to three percent MW per year.

Mike Young asked if 2.5 million MW will cover all the rural agencies in Nevada? Mendis replied two rural cooperatives are closest, Wells and Mt. Wheeler to the one million MW threshold. The previously exempted hydro power is now accepted in the new draft. The opportunity exists to opt into the RPS standard, and the only benefit is, you can sell renewable energy credits.

- **FINANCE AND ADMINISTRATION**

Mrs. Terry Romero gave an update on the Management Mentoring Program (MMP). The program has sixteen participants; this year they are working policies and plans. The group started with the Strategic Plan and each month they are reviewing several plans to see how each of the thirty-four plans are all connected to each other.

- **ACCOUNTING**

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

### **REVIEW AND POSSIBLE ACCEPTANCE OF THE ANNUAL AUDIT REPORT BY HAFEN, BUCKNER, EVERETT & GRAFF**

Each year the District has an independent audit performed. The accounting firm of Hafen, Buckner, Everett and Graff conducted the audit of the District's 2018 financial data. A report was given to the board by Kevin Jones of Hafen, Buckner, Everett & Graff on the audit findings. After discussion by the Board, a motion was made by Chad Leavitt and seconded by Jack Nelson to accept the annual audit report from Hafen, Buckner, Everett, and Graff as presented. The Board voted seven (7) ayes and zero (0) nays in approval. Mike Young requested that in the future more time be given Trustees to review the audit material as it a lot of information to digest.

### **REVIEW AND POSSIBLE APPROVAL OF MUDDY VALLEY IRRIGATION VOTING DELEGATE**

The District holds 10 common shares of Moapa Valley irrigation water. The water shares give the District voting privileges at the Moapa Valley Irrigation Company annual meeting. The irrigation company has asked the District to renew its designation of voting delegate for its water shares. In the past, former board member, Mike Fetherston, has served as the voting delegate. Mr. Fetherston is willing to continue in this capacity, if it is the will of the Board. This proxy is to continue in full force and effect for the period of seven (7) years, beginning on the 1st day of February 2019, but may be revoked at any time by notice, in writing by the secretary of the company. After discussion by the Board, a motion was made by Mike Young and seconded by Judy Metz to appoint **Mike Fetherston** as the Muddy Valley Irrigation Voting Delegate. The Board voted seven (7) ayes, zero (0) nays in approval.

## **REVIEW AND POSSIBLE APPROVAL OF OPD-A-11.201 INVESTMENT POLICY AND PROCEDURE**

The current policy was reviewed at the last board meeting. During the discussion, some questions arose as to whether the District can participate in certain investments. The District's counsel reviewed the Nevada Revised Statutes and has provided proposed edits to bring the District's policy into conformance with existing laws and to match the Nevada statutes. After discussion by the Board, a motion was made by Chad Leavitt and seconded by Bob Bunker to approve OPD-A-11.201 Investment Policy and Procedure as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

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

Mrs. Terry Romero gave a presentation on current accounts and investment possibilities. The District is a 100% CFC borrower and currently utilizes services offered by CFC. In discussions with CFC representatives, staff has learned that there are opportunities to invest in CFC securities that will provide higher returns on savings than conventional banks offer. Based on the investment type, the District could invest up to \$4,000,000 in short term securities that average returns between 2.65% and 3.15% for periods from one day to 24 months. Chad Leavitt informed staff of an additional investment opportunity that staff will be looking into. Bob Bunker likes having investments in two places and having our money work for us. Board members requested investments become a part of the financial report; so if something appears out of the norm, an agenda item can be created on the next agenda. After discussion by the Board, a motion was made by Mike Young and seconded by Jack Nelson to invest one million dollars (\$1,000,000) in Cooperative Finance Corporation Securities for a four-month term as presented. Bob Bunker asked if the Board wanted to approve the four-million dollar investment now and be able to change it next month if need be. Mike Young thinks the trustees would want to approve staff to be able to make investment decisions where ever it meets the criteria at their discretion. The Board voted seven (7) ayes, zero (0) nays in approval.

## **REVIEW AND POSSIBLE APPROVAL OF NEW DISTRICT LOGO**

The District currently uses at least two different logos. The District hired a design firm to explore options for a new logo that can be used throughout the District. Examples with different ideas and elements have been provided. Elements from different logos can be moved from one logo to another if the board prefers certain elements. Should the board decide to adopt a new logo, there will be a cost to change truck signage, business cards, envelopes, and shirts. Staff believes that changing truck signage, business cards and envelopes are top priority. Other changes can be transitioned to more slowly in order to reduce costs. Mendis reported on the employee's favorites.

*Board members narrowed it down to one logo but asked for some small changes.*

*This item is tabled until next month when Staff will return with clean versions of Board members input.*

## **PUBLIC COMMENTS**

There were no public comments.

**BOARD COMMENTS**

*Bob Bunker* – Has been asked to be a reference for people applying for positions at the District. He asked if it is appropriate and does it cause any undo pressure for Staff? Terry Romero responded when someone puts a Board member as a reference, the hiring committee asks if they are a friend or a relative. If the applicant is a relative it is a very different conversation. The hiring committee focuses on skills and schooling not necessarily who they put as a reference.

*Mike Young* – Reported on the NRECA Annual Meeting. He highly recommended the Role of Board in Conducting an Effective Meeting class and provided a summary of his thoughts to trustees. All trustees can benefit from taking this class.

**APPROVAL OF NEXT MEETING DATE**

A motion was made by Mike Young and seconded by Jack Nelson to approve Wednesday, April 24, 2019 as the next Board Meeting date. The meeting will be held in the Mesquite Office at 3:00 PM. The Board voted seven (7) 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 5:17 PM.

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Chair

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Vice Chair

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Secretary / Treasurer