

OVERTON POWER DISTRICT NO. 5
BOARD MEETING

MARCH 21, 2018

4:00 P.M.

Overton, 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
Mrs. Teresa Romero, Assistant General Manager / Finance & Administration Manager
Mrs. Becky LaGrow, Executive Assistant
Mr. Jon Jensen, Engineering Manager
Mr. Bruce Hughes, Manager of Transmission & Distribution Operations
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 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 we no public comments.

APPROVAL OF THE MINUTES

A motion was made by Mike Young and seconded by Bob Bunker to approve the minutes of the February 13, 2018 Board Meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

CHAIRMAN'S REPORT

Mr. Mike Fetherston - 2017's safety award plaque to Overton Power District No. 5 from Intermountain Power Superintendent Association was presented to Mr. Bruce Hughes, Manager of Transmission & Distribution Operations.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

- **CONSTRUCTION**

Mr. Bruce Hughes reported there was one unplanned outage, affecting four hundred three (403) customers for fifteen minutes. The cause has yet to be identified.

The *Overton crew* is working on Warm Springs reconductor and pole changes, 138 – kV line in Mesquite, three high voltage demonstrations at Moapa Valley High School and for the Army Reserves

The *Mesquite crew* worked on AMI infrastructure at Bunkerville Substation, the 138-kV line, and changed three lift poles due to wind damage.

IPSA Testing and Luncheon – Corey Dalley assisted IPSA with their apprentice testing; also, staff provided lunch for approximately 100 people.

Safety Meeting Topic – Pole Top Rescue. Some members of Mesquite Fire & Ambulance crews came to learn the do's and don't of pole top rescue.

Hook-ups – twenty-six (26) residential hookups.

To date the *No Loss Time Record* stands at 5 months and 9 days.

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen gave a report on repair to equipment in Painted Hills Substation that was found during routine inspection. An internal bushing leak was allowing transformer oil to migrate into the bushing oil reserve. The transformer was taken out of service for further inspection and repair. Due to the need for specialized equipment, there was a bidding process for the job. The process took three and a half days, the scope of work involved changing the bad bushing, changing out other older bushings, replacing manhole and piping gaskets, clean up of oil leaks, remove moisture from the oil and test the transformer.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported this month:

Annual Meeting – Attended the NRECA Annual Meeting hearing presentations that emphasized cybersecurity, safety and customer service. Also met with vendors and discussed new products, requirements and upgrades.

IT Staff – During the annual meeting Terry and Mendis attended a customer meeting with one of the District's software vendors; with new software and services being offered, the District may improve monitoring, planning and cybersecurity without hiring the IT staff position approved in January.

- **FINANCE & ADMINISTRATION**

Mrs. Terry Romero gave an update on the status of filling the Customer Service Representative position. There were fifty-six (56) applications submitted; thirty-one (31) met the qualifications; sixteen (16) were interviewed; four (4) will be receiving a follow-up interview. She expects to have the process completed by the second week of April.

- **ACCOUNTING**

Mrs. Garcia gave the financial report for February 2018, 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 2017 financial data. The Auditor, Mr. Wayne Everett reported that the District's systems were well documented, and the staff's excellent cooperation made his job go smoothly. Mr. Everett stated that he has no concerns, or necessary corrective action to report. He also stated that the District is in good financial position. A motion was made by Mike Young and seconded by Chad Leavitt to accept the audit report from Hafen, Buckner, Everett and Graff as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

PRESENTATION AND DISCUSSION OF THE DRAFT COST OF SERVICE STUDY BY COOPERATIVE FINANCE CORPORATION

Staff requested the District's financing organization, the Cooperative Finance Corporation (CFC), to perform a Cost of Service Study for the District. The Cost of Service Study uses the District's financial and operational information to unbundle the rates associated with each customer class. From this data, allocators are established to assign costs and revenue requirements for each customer class regarding the energy, demand, and customer functions. The information from the Cost of Service Study can be used in a Rate Design Process to update and adjust the District's rates. Input from the Board of Trustees is needed to complete the Cost of Service Study. The Draft Cost of Service Study as presented includes metrics that meet the minimum debt coverage requirements and cash levels. The Board is asked to provide guidance regarding the desired metrics to be used in the definitive version of the Cost of Service Study.

Mr. Rod Nefsky of Cooperative Finance Corporation (CFC) presented the Board with his initial findings of the Draft Cost of Service Study. The full study has three phases; recognizing revenue requirements, how revenues are collected across rate classes, and rate design inferences or rate structure. Energy Choice Initiative (ECI) and other upcoming state legislative policies will require the District to look at adjusting rates in the future. Board members requested an agenda item be added to next months meeting to form a sub-committee of at least three board members to work with staff using the cost of service study to develop a rate design process in conjunction with CFC.

PUBLIC COMMENTS

There we no public comments.

BOARD COMMENTS

Several of the Board Members reported on Director Education classes they took at the recent NRECA conference.

Judy Metz – thanked the District for the Director Education classes; they are so informative. She also requested that any board members with questions or concerns they might want addressed at the General Manager review to please contact her or Chad Leavitt.

Mike Young - enjoyed the classes he took at the NRECA Annual Meeting
He learned CFC will provide a facilitator for strategic planning if requested
Also, a Whistleblower & Employee Ethics policy is something to think about, it sets the tone for the company.

Chad Leavitt - thinks all employees should watch the safety presentation and lineman's call video from the NRECA Annual meeting. It was quite powerful and thought provoking.

APPROVAL OF NEXT MEETING DATE

A motion was made by Chad Leavitt and seconded by Mike Young to approve Wednesday, April 18, 2018 as the next Board Meeting date. The meeting will be held in the Mesquite Office at 4:00 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 5:30 PM.

Chairman, Mike Fetherston

Vice Chairman, Doug Waite

Secretary / Treasurer, Mike Young