

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

May 15, 2019
3:00 P.M.
Overton, Nevada

PRESENT: Mrs. Judy Metz, Chair
Mr. Jack Nelson, Vice Chair
Mr. Mike Young, Secretary / Treasurer
Mr. Robert Bunker, Trustee
Mr. Chad Leavitt, Trustee
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. 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 3:05 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 Chad Leavitt to accept the OPD5 agenda as posted. The Board voted seven (7) 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 April 24, 2019 Board Meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

CHAIR'S REPORT

Mrs. Judy Metz had no report at this time.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

- *New Hires* - Mr. Mendis Cooper introduced the new Overton employees; Groundman, Mr. Luis Gonzalez and IT Tech, Mr. Steven Brown.
- *Hydrology Report* - Mr. Aaron Walker gave a brief hydrology Report for the current month to date. Currently, reports show 210% of normal snow pack in the Upper Colorado Basin and Lake Powell has had a fifty foot increase.
- *Scholarships* – Mrs. Becky LaGrow reported OPD5 has been awarded \$7,500 from the CoBank Sharing Success Program. That leaves the District's portion for the scholarships at \$8,500. The notification letters have been mailed to all scholarship recipients.
- **CONSTRUCTION**

Mr. Bruce Hughes reported on the three (3) unplanned outages this month. These outages affected nine hundred ninety- two (992) customers for a total of one thousand thirty-four and one-half customer (1034.5) hours.

Mesquite crew - worked on Dinosaur Substation, Painted Hills AMI, Desert Drive System Improvement, Mesa Assisted Living, and the Bunkerville Well.

Overton crew – Wells & Whitney Rd overhead to underground, numerous pole changes, right-of-way clearing, AMI Glendale, and pole changes on Henrie Rd.

Police & Fire Department Training – Bruce is working on setting up training for first responder safety when working with electrical equipment. He received a video from Federated Insurance and has given it to the Mesquite Police Department. He is working to get in touch with Overton Fire & Police to share the video with them.

Hook-ups – thirty-five (35) residential for both valleys.

No Loss Time Record - To date the record stands at 1 year, 7 months and 4 days.

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen reported on:

- *Paiute Substation* – The transformer arrived assembled and in good shape. After installing the cooling fins, it was discovered there was a shortage of oil by 110 gallons. The oil has been added, testing is complete and passed all requirements to prove it made it through shipment. We are only waiting now on the official documentation.
- *AMI* – the install has been completed at Painted Hill Substation and is online. Canyon and Painted Hills communication is up and running. The Meter Team will work diligently to get approximately 4,000 meters changed before the end of the year. The Line Team is working on Glendale Substation infrastructure now and will move on to Moapa Substation next. That will conclude all substation communication for the AMI system. We are confident all residential will be done by the end of the year; commercial will take a little longer due to different equipment components and configuration.

- *Dinosaur Substation* – The Line Team has been working on the build out when time and weather permits. Support towers are up, and most of the equipment is attached. Currently, they are working on the high and low aluminum bus.
- **FINANCE AND ADMINISTRATION**

Mrs. Terry Romero reported Monday, May 20th marks the 80th Anniversary of the day OPD5 energized the power lines. Several Staff members worked together to create a short video to celebrate the occasion.

After watching the video, Judy Metz suggested giving a copy to the TV District to play on the local channel. Mike Young suggested Reliance Connects in Mesquite has applications for the video. Also, getting a press release into the papers.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following items:

- *NV Energy Update* – Last week NV Energy submitted their Integrated Resource Plan (IRP) to the Public Utilities Commission of Nevada (PUCNV); this process can take up to six months, so there probably will not be any real news until approximately October.
- *NRECA Legislative Conference* – While attending the legislative conference, Mendis and other NREA General Managers were able to meet with each of our legislators and discuss the proposed sale of the power marketing agencies (PMA), FCC regulations regarding pole attachments to power lines and recent FERC orders that affect our industry.
Mike Young asked about the downside of PMA sale and Mendis responded OPD5 has assets that have been paid in full and on time giving us a vested interest in the PMA's. If PMA's are privatized, this will let marketers set the pricing with no guarantee of contract renewal.
- *Groundman Hiring* – A new groundman was hired for Mesquite and will begin working next week.

- **ACCOUNTING**

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

REVIEW AND POSSIBLE APPROVAL OF CONTRACT NO. P06-SLCESC BETWEEN THE COLORADO RIVER COMMISSION OF NEVADA AND OPD5

The Western Area Power Administration (WAPA), the federal power marketing agency (PMA) for hydropower generated along the Colorado River, and the Colorado River Commission of Nevada (CRCNV) have begun the contract renewal process for the Salt Lake City Area Integrated Projects (SLCAIP), also known as the Colorado River Storage Project (CRSP) hydropower allocation that will expire in 2024. OPD5 has been a CRSP customer since completion of the Glen Canyon Dam Project and the start of power production which began in 1964. The CRCNV, OPD5 and other CRCNV SLCAIP customers have been in contract renewal discussions over the past 30 months. Through this process, OPD5 has retained the same contract rate of delivery (CROD) for its hydropower allocation that was offered in the previous amended contract. In the summer season OPD5 will receive 6,279 kW of capacity and 11,427,163 kWh of energy in accordance with the CROD. In the winter season OPD5 will receive 8,256 kW of capacity and 15,138,176 kWh of energy in accordance with the CROD.

This contract is for thirty-three (33) years and, if approved, will remain in effect through September 30, 2057, unless terminated earlier in accordance with Sections 16 and 17 of the contract. Some provisions have been made in the new contract to allow for Transactions in Markets. This will allow OPD5 to optimize that energy and capacity in our portfolio through Morgan Stanley which are restricted in our current contract. These provisions will go into effect as soon as the contract is fully executed. Once approved by all the CRCNV SLCAIP customers, the agreement is planned for final approval at the CRCNV August 2019 board meeting. After discussion by the Board, a motion was made by Bob Bunker and seconded by Jack Nelson to Approve the Renewal of Contract No. P06-SLCESC Between the Colorado River Commission of Nevada and OPD5 as presented. The Board voted seven (7) ayes and 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 two board meetings. Staff requests authorization invest another \$1,000,000 in CFC short-term securities for a four-month term in accordance with the plan discussed at a previous board meeting. Short term securities are currently yielding approximately 2.7% 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 Bob Bunker to invest one million dollars (\$1,000,000) in Cooperative Finance Corporation Securities for a four-month term as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF THE 2019 GENERAL MANAGER'S PERFORMANCE REVIEW PROCESS

The General Manager (GM) is employed by the Board of Trustees (Board) to oversee the overall operation of OPD5. The Board establishes a contract, provides direction, and monitors the GM's performance at board meetings and through a periodic review. At the June 20, 2018 Board meeting, the Trustees unanimously agreed to the General Manager's current five-year contract. At the review, the committee set smart goals to be reviewed in 2019. It is now time to review the goals as specified in the contract. In the past, a committee of two to three Trustees have been appointed periodically to meet with the GM and perform a review.

At this time, a suggestion has been made to conduct the General Manager's review during the Executive Session of the June 19, 2019 Board meeting. After discussion by the Board, a motion was made by Mike Young and seconded by Bob Bunker to approve conducting the General Manager review during the executive session of the June Board meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW OF SUGGESTED CHANGES TO THE OPD5 NET METERING POLICY OPD-S-9.100

OPD5 created a Net Metering Policy on November 15, 2006. The policy was instituted to accommodate installation of roof top solar by our customers in order 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.

After utilizing this policy for many years, staff suggests that changes and updates need to be made to the policy. Staff wishes to discuss the policy with the board to inform the board of staff's direction and to

solicit ideas. Based on the board’s discussion and input, staff has scheduled a series of workshops to present ideas and to gain feedback from customers.

Once input has been received and incorporated, staff will bring the policy back to the board for discussion and possible approval in the future.

Mr. Boyd Evans went over the Interconnection Agreement and the current policy. During the discussion, the Board members gave a lot of useful input to staff. There was discussion on phasing out the rebate. Mike Young suggested at the public hearings to have a sign in sheet and make to have people identify themselves before speaking. This item was for discussion only, so no action was taken.

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

Richard Jones – He and Jack Nelson interviewed the Moapa Valley High School Scholarship candidates. They were all great kids and they had a wonderful time interviewing them.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Judy Metz to approve Wednesday, June 19, 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

There was no Executive Session.

ADJOURNMENT

The Board voted unanimously to adjourn at 4:50 PM.

Chair

Vice Chair

Secretary / Treasurer