

OVERTON POWER DISTRICT NO. 5
BOARD MEETING

November 20, 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. Richard Jones, Trustee
Mr. Chad Leavitt, 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 3:00 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 seven (7) ayes, zero (0) nays in approval.

APPROVAL OF THE MINUTES

A motion was made by Mike Young and seconded by Bob Bunker to approve the minutes of the October 16, 2019 Board Meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

CHAIR'S REPORT

Mrs. Judy Metz read letter of appreciation from Virgin Valley High School regarding the recent check for the Round Up Program. She also presented Mike Young with his Director's Gold Certificate of NRECA training.

ATTORNEY'S REPORT

Mr. Byron Mills reported the meeting with the City of Mesquite went well and we are progressing with the appropriate contracts.

MANAGER'S REPORTS

CONSTRUCTION

Mr. Bruce Hughes reported:

Outages – There were four (4) outages this month; affecting a total of four hundred eighty-five (485) customers for an approximate six hundred six (606) customer hours. The causes ranged from birds, vehicle hitting a pole and insulator failure.

Overton crew – 138-kV line pole replacements, AMI meters and Paiute Travel Plaza.

Mesquite crew – Desert Drive OH/UG, Dinosaur Substation, Canyon Substation and AMI meters.

IPSA Instructors – Kyle Leavitt, Chad Dalton, Steve Barlow and Cody Hardy attended IPSA training in St. George as instructors for apprentices.

ICUEE Equipment Show – Bruce Hughes and Corey Dalley attended the equipment show. They were able to look over the desired tugger and get it ordered. It will be ready in April 2020.

Safety Meeting – October – The topics were: Job Briefing and Fire Safety

November – The topic was hearing conservation.

Hook-ups – For the month, we had thirty-three (33) residential and three (3) commercial for both valleys.

No Lost Time Accidents – is at two (2) years, one month and eight (8) days.

Bob Bunker asked about the insulator failure. Bruce Hughes responded that the exact cause was unknown and could be anything from lightning to dust and debris. Mendis Cooper stated that with long periods of no rain, as we have recently experienced, dust can collect and cause this to happen.

ENGINEERING & OPERATIONS

Mr. Jon Jensen reported on:

- *Paiute Substation* – Construction schedule has not been finalized.
- *Tortoise Substation* – LCPD has proposed design criteria changes for the 69kV bay that will compliment the Paiute bay. We will work together on a strategy and an additional protection panel in the control building.
- *Gila to Long Drive Line* – We have received the line design and will be reviewing it over the coming weeks.
- *Car Charging Stations* – The grand opening date has yet to be determined by the State organizer and will happen in 2020.

- *Overton Office Remodel* – Bids were received, and our budgetary numbers were underestimated. Mendis will address this later in the meeting.
- *Load Forecast Study* – This study uses internal historical load data, regional third-party demographic and economic data, in addition to staff's insight of customers and system trends to establish a Ten-Year System Load Forecast.
- *Transmission Study* – Takes into account system attributes along with predicated loads to evaluate worst case scenarios. One of the findings showed if predicted load growth trends upward, Volt-Ampere Reactive (VAR) support will be needed to help maintain system voltage. The study offers solutions to resolve worst case scenarios.

Mendis Cooper stated that this report is in draft form; staff will review and suggest a few edits before the report is returned in its Final form.

- **FINANCE AND ADMINISTRATION**

Mr. Scott Fullman reported on:

- *Red Flags Training* – It is an annual training conducted by the Mesquite Police Department; that addresses identity theft, recognizing how scams and identity theft happen, learning to spot scams. Most of the training goes hand in hand with current mandatory cyber security monthly training.
- *Utility Analytics Conference* – Attended training in Arizona with Aaron Walker. There are hundreds of use cases we can utilize our data to make OPD5 as a company more efficient, save money and expand our public relation and customer services. A few of the pertinent topics were Substation hot spots, switch replacement, predictive pole replacement, renewable energy forecasting and AMI insights.
- *Bid Process* – We have streamlined the bid process and have a custom page on the website to download RFP and RFQ's and have a question and answer section. Today, the bid window closed for Landscape Maintenance, Fleet Washing, Janitorial Serviced and Pest Control. They will be awarded in the coming weeks. All contracts are for a two-year period.

Mike Young asked if there is pre-qualification in the bid process? In the review process we will be looking at similar jobs and making sure insurance requirements and licenses are up to date.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following items:

I have asked the new managers to look at things with fresh eyes and update processes to make them more streamline.

- *Morgan Stanley* – Had a meeting with John Wilkinson of Morgan Stanley to discuss incorporating solar into our current contract. Looking for the cost of utility-size solar under \$25/MWh. We are also looking into opportunities to partner on large-scale solar projects.
- *CRCNV Hydropower Customer Meeting* – Mendis and Terry Romero attended the meeting. Rates will be increasing due to the rise in administrative and environmental costs.
- *City of Mesquite* – Attended the City Council Meeting for the presentation of the Annex. Despite accusations by Council members, Jon Jensen and Bruce Hughes have been working with Fire Chief Jayson Andrus. The topic strayed off annex and the discussion did not go the way we liked. The following week, three of our Board members and staff met with one City Council member

and City staff. The discussion was friendly and positive; OPD5 will continue to work with the City to address their concerns. OPD5 has been invited to attend another City Council meeting on December 10th to give an update on where we are at.

*Mike Young stated our job is to provide power to **ALL** our customers fairly. If the City of Mesquite wants an emergency services contract, they need to pay for that.*

Byron Mills reported that Staff has asked the City for a priority list in case of a major outage.

- **Building Bids** – Randall Ozaki reported there were four (4) contractors at the pre-bid meeting and three (3) bids were received. Zwick Construction out of St. George, UT was the lowest bidder. They also submitted completed projects and have an \$80,000,000 bid limit. The original estimate for the expansion was \$1,500,000, Zwick’s bid was \$2,000,000.

Chad Leavitt asked if one area of the bid was out of line? Randall responded that he is reviewing that; the major cost of the contract is prevailing wage.

- **CREDA** – Mendis attended the CREDA meeting and reported on the water levels. There were discussions on what triggers equalization at Lake Powell. They are predicting another wet year and we may see equalization next year.

- **ACCOUNTING**

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

REVIEW AND POSSIBLE APPROVAL OF INVESTMENTS

Staff received authorization to invest \$1,000,000 in CFC short-term securities for four consecutive months for four-month terms. The current investment reaches maturity this month. Staff is seeking approval to invest the money in the highest interest-bearing account for a term determined by the board.

OPD5’s investment in CFC short term securities, have yielded higher returns than traditional banking accounts. However, interest rates have declined rapidly over the course of the last year due to market forces, a slowdown in the global economy, and interest rate cuts by the Federal Reserve. These problems have narrowed the interest rate difference between CFC investments and savings interest in traditional bank savings accounts.

After discussion by the Board, a motion was made by Bob Bunker and seconded by Chad Leavitt to invest the money in highest interest-bearing account for the term agreed upon as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF THE 2020 CAPITAL PROJECTS

Each year the District presents a Capital Project list to the Board for approval. In some cases, capital projects are large, capital-intensive projects which are funded by utilizing annual margin and in some cases, savings as needed. Staff presented a list of major projects earlier this year and through discussion with the Board and amongst staff members, the list of projects and associated time frames have been adjusted for this meeting.

The 2019 capital projects list initiated funding for projects that are part of the reliability plan approved by the board. The 2020 capital projects list requests funding for continued and accelerated work on the updated reliability plan that was discussed at the June board meeting. The Capital Project list also includes capital projects that staff members have submitted with their annual budget requests. Savings for reduction or paying off long term debt are also included in the capital projects budget.

Once approved by the Board, decisions made regarding Capital Projects will be incorporated into next year's budget. After discussion by the Board, a motion was made by Mike Young and seconded by Richard Jones to approve the 2020 Capital Projects as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF AN EDUCATION ASSISTANCE POLICY OPD-P-18.101

OPD5 values its staff and supports the continuing education of staff members. Increased education is a benefit to the staff member and to OPD5. OPD5 currently reimburses staff for tuition, books, and fees at the rate of 50% for a "C" and 60% for a "B" or better. Staff suggests that the reimbursement be raised to 60% for a "C" and 75% for a "B" or better.

After discussion by the Board, a motion was made by Mike Young and seconded by Jack Nelson to approve the Education Assistance Policy OPD – P-18.101 as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF THE 2020 BOARD MEETING SCHEDULE

The Board of Trustees typically holds regular board meetings on the third Wednesday of each month during the year, except for the month of July. Board meeting is scheduled for the third Wednesday of each month in 2020 except for June and July. The June meeting is tentatively scheduled for the second Wednesday of the month to allow staff to attend the CFC Forum. No meeting is scheduled in July to allow for a scheduled summer recess. Meetings are scheduled to start at 3:00 p.m.

The proposed schedule is based on the past schedule and other meetings scheduled in the coming year. Board meeting dates and start times may be changed anytime at the discretion of the Board.

After discussion by the Board, a motion was made by Judy Metz and seconded by Mike Young to approve the 2020 Board Meeting Schedule as presented. The Board voted seven (7) ayes, zero (0) nays in approval.

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

Mike Young – Would like a new policy created regarding staff representing OPD5 at public meetings. Trustees for the area should be notified three days prior to the scheduled meeting. Staff will draft a policy and bring before the Board for approval.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Chad Leavitt to approve Wednesday, December 11, 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 4:45PM.

Chair

Vice Chair

Secretary / Treasurer

DRAFT