

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

November 28, 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  
Mr. Jon Jensen, Engineering Manager  
Mr. Bruce Hughes, Manager of Transmission & Distribution Operations  
Mrs. MeLisa Garcia, Accounting Supervisor  
Mrs. Becky LaGrow, Executive Assistant

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

*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 Bob Bunker to approve the minutes of the October 17, 2018 Board Meeting. The Board voted six (6) ayes, zero (0) nays in approval. Mike Fetherston abstained due to his absence at the October meeting.

**CHAIRMAN'S REPORT**

Mr. Mike Fetherston presented Mr. Corey Dalley and Mr. Bruce Hughes with a plaque from the National Guard Civil Air Patrol for training done with service members.

## **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 Engineering Department has been working on:

- *Electric Vehicle Charging Station* – The Glendale site has been established, plans will be submitted in the coming weeks. For the Mesquite location, there are still a few details to work out before the final site location can be made.
- *Power Requirements Study* – The additional requested data was sent. We just received and are reviewing the preliminary findings. When that is finalized, then we can start on the Transmission Study.
- *Paiute Substation Transformer* – We have received a check from the Tribal Council and will meet the payment schedule with the transformer manufacturer. We are now waiting for engineering design prints for review. The ROW application has been submitted to BLM; but, has not been approved yet.
- *Dinosaur 138-kV Bus* – The structures and equipment are now installed; the welder has been given the aluminum hard bus measurements and are welding the pieces together.
- *Freeway Crossing* – The earth moving company will not meet their goal completing the dirt work this month; their other project has not moved ahead as planned.
- *Aclara Meters (AMI)* – In November, 1,263 meters have been installed. That brings this year's total to 4,766 meter and a total for the two years period at 7,922 meters.

- **CONSTRUCTION**

Mr. Bruce Hughes reported on the three (3) unplanned outages in Mesquite this month. These outages affected approximately five hundred fifty – two (552) customers for approximately 917.17 hours.

*Mesquite crew* - worked on AMI meter changes and retirement, the hard bus at Dinosaur Substation, and worked on the Crescent Moon Subdivision for Pulte Holmes.

*Overton crew* - worked on AMI meter changes and retirement, pole changes and overhead system maintenance, Overhead to Underground of three spans of high voltage, Underground conduit installation, and Overton Community Center upgrades.

*IPSA Hotline School* – Corey, Steve, Kyle and Chad instructed apprentices on rubber gloving.

*Safety Meeting Topic for November* – Electrical Burn Treatment and Fire Safety

*Hook-ups* – two (2) commercial and twenty-eight (28) residential for both valleys.

*No Loss Time Record* - To date the record stands at 1 year, 1 month and 16 days.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following events:

*2018 Election* – During the 2018 election cycle, the Energy Choice Initiative was defeated. The District can now move forward with the rate design study and looking into implementing renewable generation in the future. The path is clear to modernize and make changes to the way the District does business.

*Colorado River Commission* – The Executive Director of the Colorado River Commission resigned after accepting a federal government appointment. An interim Executive Director has been named and the Commission will go through the process of hiring a new Executive Director.

*Colorado River Commission SLAIP Process* – Staff continues to communicate with and provide updated data to the Colorado River Commission in order to protect our SLAIP hydropower.

*NV Energy Transmission Rate* – Our contact at NV Energy has been out of the office for a portion of November slowing the progress in finalizing our transmission discussion. Information continues to be provided and necessary data is being requested to finalize the term sheet discussion as soon as possible.

*State Water Engineer Meeting* – A meeting was held by the State Water Engineer at the Moapa Valley Community Center. The decisions he makes regarding local water issues will have an impact on the District.

*CREDA* – CREDA meeting was held in Arizona this month. Mendis cooper was selected as the Vice-President of CREDA. Mr. Cooper spoke to the Board Chairman before accepting the position.

*NREA* – Attended the NREA meetings in Las Vegas with Doug Waite. Over the years, we have attended meeting that have provided great information and made some good accomplishments over the past few years. A great deal of discussion was devoted to the merits of having a full-time executive director; and the cost and commitment that comes with that position. In the past, Wells Rural Electric has made the executive director an employee, bearing some of the costs of the position. Going forward, the members of NREA are going to bear the full cost of the position requiring annual dues to almost triple in cost. Our dues pay for executive director's salary, benefits and travel; the lobbyist and the various meetings and activities NREA conducts. In talking to Doug about these rising costs, we came to the consensus the visibility, lobbying efforts, meetings and training are worth the rising costs.

- **ACCOUNTING**

Mrs. Garcia gave the financial report for October 2018, a copy of which is on file.

### **REVIEW AND POSSIBLE APPROVAL OF A REQUEST BY A COMMERCIAL CUSTOMER FOR AN EXTENDED PAYMENT PLAN**

An existing commercial customer has plans to expand their business. The customer has been working with staff and has inquired about the costs associated with the expansion. Staff provided the customer with an estimate which included all the District's costs and fees for the expansion. Normally, the District requires a customer to pay the estimate in advance before work is started. In some cases when a new customer has requested it, the District has required them to pay for time and materials in advance but have given customers up to six months to pay the Substation Fee and Connection Fee. In this case, the customer requests approval from the board to pay the Substation Fee and Connection Fee over a two-year period. Staff does not recommend extending the payment period over six months for new customers. However, since this inquiry comes from an existing customer with a good credit history, staff recommends that the customer be permitted to pay the Substation Fee and Connection Fee over a two-year period without interest. The balance due will be added to the customer's monthly bill. If the bill is not paid on time, the customer will be subject to the District's Disconnect Policy. There is no long-term financial impact on the District. After discussion by the Board, a motion was made by Judy Metz and seconded by Jack Nelson to approve the extended payment plan for eighteen (18) months in monthly payments and subject to the District's Disconnect Policy. The Board voted seven (7) ayes and zero (0) nays in approval.

## **DEMONSTRATION OF UNMANNED AERIAL SYSTEM (UAS OR DRONE)**

The Board approved the purchase of an unmanned aerial system (UAS or drone) in 2017 for the District's inspection and maintenance program. The District purchased a UAS in early 2018 and has developed two trained and certified pilots. In addition to developing their own methods, staff has attended seminars and worked with other companies with similar programs. Staff gave a presentation on the successes and challenges that we have faced as we look to develop and expand on the UAS capabilities.

This item was a demonstration and no action was taken.

## **REVIEW AND POSSIBLE APPROVAL OF THE 2019 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 when 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 narrowed for this meeting. The Capital Project list also includes capital projects that staff members have submitted with their annual budget requests. Savings programs for future capital projects, and loan payoffs are also included in capital projects. Once approved by the Board, decisions made regarding Capital Projects will be incorporated into next year's budget.

The architect, Doug Purvis, was on hand to explain possible renovations to the Overton office and the drive-through payment at both locations. It was decided to not proceed with the drive through payment at both locations at this time. It was also decided to continue the addition all the way down the building creating a covered patio area, for future expansion. The Board members like the architect's "Option B" rendition of changes. The estimated fiscal impact to the District is \$6,880,200. After discussion by the Board, a motion was made by Mike Young and seconded by Judy Metz to approve the 2019 Capital Projects budgets as presented. The Board voted seven (7) ayes and zero (0) nays in approval.

## **REVIEW AND POSSIBLE APPROVAL OF OPD-S-8.304 CONNECTION AND SUBSTATION FEE POLICY**

This policy sets the Substation and Connection Fees charged for new hookups. This policy requires annual review and approval by the board. Staff has made extensive changes to the policy and updated the numbers. Last month the Board changed the Substation Cost per kVA based on staff recommendation. Staff is providing additional changes to the Connection Fee and the terminology used in the policy that make the policy more consistent and easier to understand. The suggested changes will reduce fees by 10%, providing an overall benefit to new customers. Chad Leavitt asked what the commercial customer response will be. Mr. Cooper responded with the change of verbiage, it is easier to understand. The fiscal impact is a potential future reduction to new customers and a small loss in revenue for the District. After discussion by the Board, a motion was made by Chad Leavitt and seconded by Mike Young to approve policy OPD-S-8.304 Connection and Substation Fee Policy as presented.

## **REVIEW AND POSSIBLE APPROVAL OF THE 2019 EMPLOYEE COST OF LIVING ADJUSTMENT**

The General Manager formed an Employee Relations Committee (ERC) which includes members of the current Management Mentoring Programs (MMP). The committee chairman and vice-chairman are Management Leadership Program participants who graduated from the first MMP program. This committee has done an outstanding job in taking on and completing assignments. In the past, the

General Manager or the management team have determined cost of living adjustments and wage adjustments for the staff and has made associated presentations to the Board. This year the ERC has been given the tasks to examine existing employee wages, to compare those wages with the NRECA Compensation Guide, to determine the current inflation rate, and to present their findings and recommendations to the Board. The committee recently completed their work and presented their findings to the management team. This report was presented to the Board by a member of the committee and will ask the Board to consider adjustments to wages and cost of living based on their findings.

Luke Whitney presented the ERC wage adjustment and cost of living allocation (COLA) for the District employees for the next three years. The fiscal impact to the District is \$153,088 per year for the next three years. Mike Young stated, as part of the board's fiduciary responsibility, we should have back-up material before board meeting, so the board could look it over and verify the information if necessary. Further, he could not support anything like this without the backup material; and he could not support giving across the board of equal amount and that higher earner should receive more. I believe the reply was that the top earners were O.K. and that we need to bring the bottom earners up. Chad Leavitt suggested getting the wages in line, then look at COLA increase. Bob Bunker wants to look out for rate payers, employees are already making a high wage. Chad Leavitt asked the General Manager what he thought was best, he felt it was the General Managers decision to make. After discussion by the Board, Mike Young made a motion to table the item to the next meeting. This motion died for lack of a second. Jack Nelson made a motion, seconded by Judy Metz to approve the 2019 Employee Cost of Living Adjustment of \$1.25/ hour per employee for the next three years as presented. The Board members would like to have a copy of the compensation ranges per employee. The Board voted five (5) Aye, One (1) Nay – Mike Young, and one (1) Abstention – Bob Bunker. The motion passed.

#### **PUBLIC COMMENTS**

There were no public comments.

#### **BOARD COMMENTS**

*Bob Bunker* – Would like Staff to think about creating a policy of guidelines for customers requesting an extended payment plan.

#### **APPROVAL OF NEXT MEETING DATE**

A motion was made by Doug Waite and seconded by Jack Nelson to approve Wednesday, December 19, 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**

A motion was made to enter Executive Session.

A motion was made to exit Executive Session.

**ADJOURNMENT**

The Board voted unanimously to adjourn at 7:40 PM.

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Chairman, Mike Fetherston

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Vice Chairman, Doug Waite

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Secretary / Treasurer, Mike Young

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