

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

October 16, 2019

3:00 P.M.

Mesquite, 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. 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

ABSENT: Mr. Doug Waite, Trustee

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 Bob Bunker to accept the OPD5 agenda as posted. The Board voted six (6) ayes, zero (0) nays in approval.

APPROVAL OF THE MINUTES

A motion was made by Mike Young and seconded by Chad Leavitt to approve the minutes of the August 21, 2019 Board Meeting. The Board voted six (6) 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

CONSTRUCTION

Mr. Bruce Hughes reported:

Outages – There were no reportable outages this month.

Overton crew – 138-kV line Structure replacement – night shift, assisted with transformer repairs at Tortoise Substation, Changed reclosure to reservation housing in Moapa, pole replacement – distribution.

Mesquite crew – Desert Drive OH/UG, 138-kV line Structure replacement – night shift, helped metering with AMI, Dinosaur substation – should be completed next week, Gila Substation dirt work.

Hook-ups – For the month, we had fifteen (15) residential and one (1) commercial for both valleys.

Safety Meeting – September – The topics were: Clearances and Hazard Communication.

No Lost Time Accidents – is at two (2) years and three (3) days

ENGINEERING & OPERATIONS

Mr. Jon Jensen reported on:

- *Paiute Substation* – Working on establishing ground resistance, which is critical for the ground grid design. Once established, the construction schedule will go into effect.
- *Paiute 69-kV Line* – we are establishing with LADWP spec requirements for the line crossing.
- *Tortoise Substation* – Met with LCP and an engineer from ICPE regarding changes to LCP Bay due to the new Paiute Bay. There will be costs involved that will be resolved by the respective General Managers.
- *Gila Substation* – preparing the bid to fence the property.
- *Gila to Dinosaur Line* – Engineering is progressing.
- *Car Charging Stations* – The stations at AM/PM in Glendale and Eagles Landing in Mesquite are now in service. The grand opening date has yet to be determined by the State organizer.
- *Overton Office Remodel* – design and permitting is complete. The pre bid walk through is next week and bids are due by November 18th.
- *AMI* – There are 1,762 meters left to change out; 1,137 are residential and approximately 600 3-phase / 320 meters. By the end of the year, there will be 14,532 residential meters completed in preparation of the Prepay Program being implemented.
- *Solar Customers* – There are 170 various sized solar installation on the system. There are 144 in Virgin Valley and 26 in Moapa Valley. Currently, there are also 36 more projects in progress; 29 in Virgin Valley and 7 in Moapa Valley.

- **FINANCE AND ADMINISTRATION**

Mrs. Terry Romero reported on:

- *SEDC Western Users Conference* – There were approximately fifty people attended; thirty of the attendees were OPD5 personnel. It was very informative updating everyone on upcoming changes and new products coming available. SEDC thanked OPD5 for hosting and was very complimentary of our staff and the facilities.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following items:

- *Southern Nevada Economic Development and Conservation Act* – Dave Luttrell (LCP) and Mendis met with Senator Cortez-Masto and staff regarding the proposed land bill. We explained our concerns and submitted written comments per their request.
- *NRECA* – Participated in in the Region 9 meetings in Spokane Washington. Jack, Terry and Mendis attended the NRECA sponsored tour of the Grand Coulee Dam.
- *NREA* – Thank you to all that participated in the NREA Annual Meeting. Jack Nelson participated in the meeting of the members where the new NREA by-laws were accepted. On Friday, Jack participated in the NRECA delegate selection meeting where Carolyn Turner was elected to replace Sandy Green. Jack and Mendis also participated in the NREA board meeting discussing items such as budget and price of dues growth, more collaborative projects that include OPD5 and other board related concerns.
- *Round Up for Education* – checks were issued to Virgin Valley and Moapa Valley High Schools last week. There was an article in the Moapa Valley Progress, and one will come out tomorrow in Mesquite.

- **ACCOUNTING**

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

REVIEW AND POSSIBLE APPROVAL OF A ONE-TIME BONUS FOR CERTAIN STAFF MEMBERS

Based on the successful conclusion of an important long-term project, the Board and the General Manager, have discussed a bonus program in a prior board meeting that would compensate staff for their efforts. This is intended to be a one-time bonus that will be awarded to certain staff members who contributed to the project.

Mike Young and Jack Nelson preferred the option rewarding all employees

Chad Leavitt voiced that this is a practice we should avoid. It leads to the picking and choosing of what merits a bonus.

Judy Metz stated this was not a run of the mill situation. It made a huge difference for the ratepayers of OPD5.

Bob Bunker agreed with Chad Leavitt; do not set a precedent and where do you draw the line?

Judy Metz rewarding all employees is better for morale. We must remember if no one had been diligent said anything, we would have just kept paying the incorrect amounts.

After discussion by the Board, a motion was made by Mike Young and seconded by Jack Nelson to approve allocation of \$4,000 in bonus money for the General Manager to distribute to all employees based on the option 2 recommendation presented. The Board voted six (6) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF COOPERATIVE FINANCE CORPORATION SECURITIES INVESTMENTS

Staff received authorization to invest \$1,000,000 in CFC short-term securities in four consecutive months for four-month terms. The current investment reaches maturity on October 18, 2019. Staff is seeking approval to roll over or re-invest the capital amount of \$1,000,000 plus the interest amount received totaling \$8,482.19 from the investment in Cooperative Finance Corporation Securities. Staff is seeking to invest the funds for another four-month term. OPD5's investment in CFC short term securities, have yielded higher returns than traditional banking accounts. However, interest rates have declined over the course of the past few months due to market forces, a perceived slowdown in the global economy, and the possibility of further rate decreases by the Federal Reserve. Short term securities are currently yielding approximately a 2.0% return on investments.

Approval to re-invest or roll over an investment in Cooperative Finance Corporation (CFC) investment programs offers OPD5 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 Chad Leavitt to roll over or re-invest the capital, including interest received from two investments in Cooperative Finance Corporation Securities as presented for another four-month term. The Board voted six (6) ayes, zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL TO EXTEND AN INTERNSHIP

There is a full slate of projects that are consistently added to the Transmission and Distribution crew's workload. In addition to the new work, the crew is tasked with performing system audits and routine maintenance. System audits are point to point inspections performed at each location where power system facilities are located. Due to the new projects that have been coming in steadily over the past few years, a minimum amount of system audit and maintenance work has been completed.

In order to complete the work that needs to be done, staff recommends that a current internship be extended for three months, which will allow the creation of a full-time maintenance crew made up of crew members from Moapa Valley and Virgin Valley. This crew will be dedicated to system audit and maintenance work.

OPD5 is required to provide health insurance and retirement benefits to a any employee once they have worked over 1,000 hours or six months in a year. Extending the internship will bring the current intern to the 1,000-hour limit without exceeding the limit. At the end of the three-month period, OPD5 can end the internship or make the decision to employ the worker with benefits.

If new work continues to come in and the crews stay busy, staff may eventually ask that the intern be added as a full-time employee. In the meantime, if the board approves the extension of time for the intern, staff will evaluate the workload and the progress made on new work, system audits, and maintenance. The fiscal impact to OPD5 will be approximately \$14,250.

After discussion by the Board, a motion was made by Bob Bunker and seconded by Jack Nelson extend the current intern for an additional three-month period as presented. The Board voted six (6) ayes, zero (0) nays in approval.

CAPITAL PROJECTS DISCUSSION

Each year OPD5 staff identifies priority projects for the coming year or years. These projects are typically large projects that may include building substations and power lines. These projects require planning, coordination, and may require large amounts of funding.

These projects are typically discussed for several months to ensure that funds and resources are directed to the proper projects. A final capital project list will be developed from these discussions and presented for board approval later in the year.

Mike Young – Would like to see \$500,000 for debt reduction. Good job with great options.

Bob Bunker – Would like to see \$1,500,000 each year for Gila to Dinosaur 138kV line – Construction.

These suggestions will be taken into advisement and the Capital Projects data reviewed. This item is for discussion only; no action will be taken.

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

Judy Metz – NREA - Thank you to Becky for all her work with NREA Annual Meeting.

Region 9 Meeting – At the Cyber Security Roundtable, impressed that 90-95% of items mentioned have already been implemented by our IT Department.

Mike Young – Budget - think about raising tuition reimbursement for employees

NREA – At the Annual Meeting, NV Energy and the PUC were speakers. These are valuable relationships to develop.

Mendis Cooper – NREA Annual Meeting – Impressed with NRECA Staffing and Succession Planning; when asked if specific items were completed, OPD5 respond affirmatively. Staff is appreciative of the proactive way the Board has addressed this area.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Jack Nelson to approve Wednesday, November 20, 2019 as the next Board Meeting date. The meeting will be held in the Mesquite Office at 3:00 PM. The Board voted six (6) ayes, zero (0) nays in approval.

EXECUTIVE – CLOSED DOOR SESSION

There was no Executive Session.

ADJOURNMENT

The Board voted unanimously to adjourn at 4:20 PM.

Chair

Vice Chair

Secretary / Treasurer

DRAFT