

OVERTON POWER DISTRICT NO. 5
BOARD MEETING

September 19, 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
Mr. Jon Jensen, Engineering Manager
Mr. Bruce Hughes, Manager of Transmission & Distribution Operations
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 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 Doug Waite to approve the minutes of the August 15, 2018 Board Meeting. The Board voted seven (7) ayes, zero (0) nays in approval.

CHAIRMAN'S REPORT

- Mr. Mike Fetherston presented Mike Young with his NRECA Board Leadership Certificate.
- A thank you letter was received from one of this year's scholarship recipients.

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:

- *Grant* - the District has been awarded two State grants for the Electric Car Charging Stations with a six-month timeline for completion. Currently, there will be a site at AM/PM in Glendale. An opportunity for consideration is being made available for a Mesquite site. Members of the Mesquite Chamber of Commerce thanked the Board for their approval in sponsoring this program.
- *Power Requirement Study* – staff is in the data collection stage of the Power Requirement Study. A timeline has been established for the Transmission Study which begins after completion of the Power Requirement Study.
- *Building Expansion* – ideas have been collated and presented to the architect for Board room expansion in Overton, system control rooms and drive thru tellers at each location. A meeting will be held in the next month to discuss our options and associated costs.
- *138-kV Line Survey* – data collection should be completed this week. Once complete, the line design stage of the 138-kV line from Dinosaur to Gila Substation can begin.
- *Paiute Substation Transformer* – clarification from transformer bidders is needed before a selection can be made.
- *69-kV Right-of-Way* - Preparations have begun to apply to BLM for a 69-kV line Right-of Way across a small section of BLM land necessary to build the line to the Travel Plaza.
- *Dinosaur Substation* – most of the material for the final phase of the Dinosaur build out has arrived. Work should be completed about the end of the year if all goes well.
- *230-kV Ring Bus* – in the data collection for the design of the 230-kV ring bus at Tortoise Substation.

- **CONSTRUCTION**

Mr. Bruce Hughes reported on the four (4) unplanned outages this month. These outages affected approximately 10,307 customers for approximately 5,237.5 hours.

Mesquite crew - worked on installing services for the NDOT Amber Alert System (5 locations), AMI infrastructure at Mesquite Substation, tree trimming, placed six transformers at Settlers canyon Subdivision, and numerous hookups.

Overton crew - worked on installing services for the NDOT Amber Alert System (6 locations), AMI infrastructure at Logandale Substation, primary pole change outs, secondary lift pole change outs, tree trimming, and numerous hookups.

Hook-ups – thirty-nine (39) residential for both valleys.

Safety Meeting Topic for September – Cancelled due to ESCI instructor emergency surgery.

No Loss Time Record - To date the record stands at 11 months and 11 days.

At this time, Jon and Bruce gave a brief description of the steps taken by personnel to determine location and cause of an outage and the steps to restore power to customers.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported on the following events:

SEDC CEO Summit – SEDC is releasing a web-based application that will make access and use much easier. The District has agreed to participate in beta testing.

Mesquite City Council – attended the Mesquite city council meeting regarding a presentation by the City's lobbyist Warren Hardy on Ballot Question 3 & Ballot Question 6.

Councilwoman Kirkpatrick – attended a meeting with Marilyn Kirkpatrick regarding concerns with obtaining Clark County permits. Also had a discussion regarding Colorado River Commission and other issues unique to our service territory.

Mesquite Chamber of Commerce – Topic was a presentation representing both sides of the Energy Choice Initiative. Heard presentations from both sides of the issue.

Job Interviews – our second permanent part-time worker resigned after accepting a full-time position for another employer. Staff is now in the process of interviewing new prospective candidates.

NREA / Political Candidate Meeting – attended NREA meetings with political candidates in Las Vegas; the topic of discussion was the Energy Choice Initiative and the Renewable Portfolio Standard Initiative.

Solar Vendor – received a call from Board member Doug Waite this morning and he had been contacted by a solar vendor who was selling rooftop systems in Mesquite. The vendor gave Doug a lot of misinformation and told him he represented Overton Power District No. 5. Mendis contacted the solar vendor and had a frank discussion with him. Staff has also issued an alert on Facebook and the District's website.

NV Energy Transmission Rate – discussions continue with NV Energy; both parties are committed to finalizing everything in November 2018.

- **FINANCE & ADMINISTRATION**

Mrs. Terry Romero reported:

Everbridge – the mass notification system went live the end of August to approximately 2,000 customers. Customer accounts need to have a current e-mail or cell phone number. There has been a press release, notification on Facebook and an article in the newsletter informing our customers of this new service and asking them to update their information.

MMP Program – current participants are completing National Training Seminar classes. In April, they started their department training; over the course of the next two years everyone will train in every department. At the November 15th MMP meeting, the topic will be "Meet Your Board". Every available Board member is encouraged to attend.

- **ACCOUNTING**

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

REVIEW AND POSSIBLE APPROVAL OF AN AGREEMENT TO HIRE A TREE TRIMMING SERVICE

Tree trimming is an important part of maintaining power lines and preventing outages. The District has performed tree trimming in-house or hired tree trimmers in the past, depending on the crew's work load. With the current workload, it has become necessary to hire a tree trimming service to address the most critical problems. Staff sought out tree trimming contractors certified to work near energized conductors

and found Asplundh Tree Expert, LLC. Asplundh is the only hot line certified tree trimming service in our area. Asplundh proposes to send a planner and a three-man crew to perform work where trees are encroaching on standard clearances. The work should take approximately three to four weeks. The fiscal impact to the District will be \$43,000 and is based on an hourly timeline. After discussion by the Board, a motion was made by Chad Leavitt and seconded by Mike Young to approve the agreement with Asplundh Tree Expert, LLC as presented. The Board voted seven (7) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL TO RE-PRICE CFC LOAN (8) # 9000008

Mrs. Terry Romero presented the information on the cost and savings for the loan available for repricing. CFC Loan #9000008 (Loan #8) is due for repricing on December 1, 2018. We can lock in a new rate effective October 1, 2018 that will become effective December 1, 2018. The loan currently has an interest rate of 3.55% with a loan balance of \$3,278,308.00. The rates changed slightly since board documents were posted. Below is the actual information to date.

	<u>Re-price Interest Rate</u>
Fix to Term (10 Years)	5.05%
4 years	4.85%
5 years	5.00%

After discussion by the Board, a motion was made by Bob Bunker and seconded by Chad Leavitt to Approve repricing of CFC Loan #9000008 (Loan #8) at an interest rate of approximately 5.05% Fixed to Term for the remainder of the loan term. The Board voted seven (7) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF THE EMPLOYEE INSURANCE PLAN FOR 2019

The District’s employee health insurance is administered through the National Rural Electric Cooperative Association (NRECA). The request for bids were sent and staff received three replies. Leavitt Insurance found one company willing to bid. Kearcher declined due to the size of the company and nature of our business. NRECA responded with the following quote; the cost of insurance renewal for year 2019 increased by approximately 6.68% or \$55,766. To reduce the impact on the District, Staff proposes that the District’s employees increase their payroll deduction (Individual \$10.00 – Family \$20.00) to contribute to the cost, for a total increase of \$10,680.00. Taking this action reduces the cost to the District. The financial impact to District is the remaining balance of \$48,060 of the insurance cost increase. After discussion by the Board, a motion was made by Judy Metz and seconded by Bob Bunker to accept the quote from NRECA for 2019 Employee Insurance Plan with employees paying an additional \$10.00 for Individual and \$20.00 for family plans per pay period. The Board voted seven (7) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL TO PURCHASE THE ALLOTMENT OF 2019 AMI METERS

The Board approved a three-year schedule for purchasing AMI meters at the November 2016 board meeting. The final installment of meters, an approximate cost of \$931,000, is scheduled to be purchased in 2019. The meters were scheduled to be purchased in January and April 2019. The meter vendor, Aclara Technologies, has offered a 5% discount if the District purchases and receives the meters in December 2018. The fiscal impact to the District will be a savings of approximately \$46,000.

After discussion by the Board, a motion was made by Mike Young and seconded by Judy Metz to approve the purchase of the 2019 allotment of AMI Meters in 2018 as presented. The Board voted seven (7) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL TO APPOINT COOPERATIVE FINANCE CORPORATION (CFC) VOTING DELEGATES

The District is a member of the National Rural Utilities Cooperative Finance Corporation (CFC). CFC will conduct an annual business meeting in conjunction with the National Rural Electric Cooperative Association (NRECA) regional meeting. By appointing a voting delegate and an alternate voting delegate the District can participate in the CFC election. Currently, Mike Fetherston is the voting delegate and Judy Metz is the alternate voting delegate. At this time, Jack Nelson and Randall Ozaki are the only people attending the Region 9 Meeting. A motion was made by Mike Young and seconded by Chad Leavitt to approve Jack Nelson, to serve as the OPD voting delegate for CFC and Randall Ozaki, to serve as the alternate voting delegate until December 31, 2018. The Board voted seven (7) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF SOUTHEASTERN DATA COOPERATIVE (SEDC) CONTRACT RENEWAL

Southeastern Data Cooperative (SEDC) provides a variety of software solutions to over 500 cooperatives and power districts throughout the country. The District utilizes SEDC's customer information software, accounting software, bill payment and processing software, staking and mapping software, and SEDC cyber security and encryption services. The District first selected SEDC as its customer and accounting software provider in 2001. The District has had a good working relationship with SEDC through the years. This relationship has allowed the District to participate in beta testing and development of new products. SEDC has continued to change and adapt to new technology as it becomes available. The District last renewed the SEDC contract in July 2012. The fiscal impact to the District will be \$3,575 per month / \$42,900 per year for six years. After discussion by the Board, a motion was made by Judy Metz and seconded by Doug Waite to approve the Southeastern Data Cooperative (SEDC) Contract Renewal for a term of six years as presented. The Board voted seven (7) ayes and zero (0) nays in approval.

PUBLIC COMMENTS

There were no public comments.

BOARD COMMENTS

Chad Leavitt asked for clarification on SEDC. Mendis Cooper responded that it is the billing and accounting software used by the District.

APPROVAL OF NEXT MEETING DATE

A motion was made by Mike Young and seconded by Doug Waite to approve Wednesday, October 17, 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

DRAFT