

OVERTON POWER DISTRICT NO. 5

BOARD MEETING

SEPTEMBER 20, 2017

4:00 P.M.

Mesquite, Nevada

- PRESENT:** Mr. Mike Fetherston, Chairman
Mr. Doug Waite, Vice Chairman
Mr. Mike Young, Secretary / Treasurer
Mr. Robert Bunker, Trustee
Mr. Chad Leavitt, Trustee (Via - Conference Call)
Mrs. Judy Metz, Trustee
Mr. Byron Mills, Attorney
- Mr. Mendis Cooper, General Manager
Mrs. Teresa Romero, Assistant General Manager / Finance & Administration Manager
Mrs. Becky LaGrow, Executive Assistant
Mr. Jon Jensen, Engineering Manager
Mr. Bruce Hughes, Manager of Transmission & Distribution Operations
Mrs. MeLisa Garcia, Accounting Supervisor (At the Mesquite Office)
- ABSENT:** Mr. Jack Nelson, 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 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

All Public Comments are recorded and available upon request.

APPROVAL OF THE MINUTES

A motion was made by Mike Young and seconded by Bob Bunker to approve the minutes of the August 16, 2017 Board Meeting. The Board voted six (6) ayes and zero (0) nays in approval.

CHAIRMAN'S REPORT

Mr. Mike Fetherston had no report at this time.

ATTORNEY'S REPORT

Mr. Byron Mills had no report at this time.

MANAGER'S REPORTS

- **ENGINEERING & OPERATIONS**

Mr. Jon Jensen reported on the progress of the 138kV line between Dinosaur and Falcon Ridge Substations. Materials for project are arriving, the steel poles are scheduled to be delivered around October 10th. The next project being worked on is the 138kV bus inside Dinosaur Substation on the transmission side. The engineering design stage is almost complete. This project will need to be completed before the line to Falcon Substation can be energized. The third project being worked on is the installation of the Aclara meters. This is the first year of an aggressive 3-year plan to equip the substations and install roughly fifteen thousand (15,000) meters. So far, three substations are equipped, communications hardwire installed, software loaded and integrated, making it possible to install five thousand (5,000) meters before the end of the year. Qualified employees that can change meters are being paired with non-qualified employees that can do the manual data entry for each meter. Customers are being notified through mass phone messages and emails. On the day of meter change, staffers are knocking on doors just prior to the actual meter change.

Mike Young thought that it was great that office personnel are getting to go out in the field. He suggested the next newsletter have an update on the progress being made in Aclara project.

Bob Bunker asked if there is a lot of data input? There is a small amount in the field, but office staff must manually generate all the service orders. After the change out, the old meters need to be cleaned and tested.

- **CONSTRUCTION**

Mr. Bruce Hughes reported there were six unplanned outages. Four out of Glendale substation ranging from faulty arrestor, faulty pole, tree limb on lines, and a vehicle hit a power pole on the Mesa. One out of Payne Substation caused by a lightning strike. Painted Hills had a blown bayonet fuse in two transformers at a commercial business site. The Overton crew is working with Fugal on road bores from overhead to underground, upgrading underground system intertie near high school, tree trimming and AMI meter changes. The Mesquite crew worked on the AMI at Bunkerville Substation, pole changes on Mesa, hot stick and ground testing, AMI meter changes. The topic for the September Safety meeting was Pulling and Setting Meters. There were thirty-six residential and two commercial hook-ups. To date the No Loss Time Record stands at 2 months and 5 days.

- **GENERAL MANAGER**

Mr. Mendis Cooper reported the latest Colorado River Commission account shows that Lake Mead is safe from shortage this year and there will be no cuts in water releases and hydro-power production in 2018. Current predictions also indicate that there will be no shortage in 2019 as well. The water year ends September 30th. Inflows to Lake Powell have averaged 113% of normal for the water year and there is a chance for even greater releases from Lake Powell into Lake Mead over the coming year. Mr. Cooper participated in a Nevada Rural Electric Association (NREA) meetings and visits regarding Energy Choice Initiative (ECI). The key players have started to understand the difficulties and costs associated with including the rural utilities in ECI. He is also working on the NV Energy Transmission issues. Talks are going well and may be close to a conclusion. There were four points at issue; three have been resolved and the forth will hopefully be resolved soon. Finally, Morgan Stanley is prepared to take over the hydro-power scheduling and delivery on October 1st for the City of Mesquite.

- **FINANCE & ADMINISTRATION**

Mrs. Terry Romero reported work continues on the CFC Cost of Service Study. They estimate completion by the end of the year. When talking to CFC about the study and Energy Choice Initiative (ECI), they have found that most utilities facing ECI are transitioning into flat block rates.

- **ACCOUNTING**

Mrs. Garcia gave the financial report for August 2017, a copy of which is on file.

REVIEW AND POSSIBLE APPROVAL OF PURCHASE OF MECHANIC'S TRUCK

A service vehicle is needed for the mechanic. Staff is searching for a new or used commercial type truck. Unfortunately, the greatest quantity of used service vehicles were previously found in the Houston, Texas area. Given the recent flooding in that area, staff continues to look at other options. It is proposed that the vehicle be a commercial type diesel pickup truck with a custom bed installed. The bed will include a light duty crane, a generator, an air compressor, air tank, lighting, and tool storage. The van used by the former mechanic will be sold or sent to auction. The fiscal impact to the District is approximately \$89,489.82. This item was not in the approved 2017 budget. Mike Young feels purchasing "new" would be the best option. Judy Metz sees no reason in procrastinating the purchase of something that is inevitable. After discussion by the Board, a motion was made by Mike Young and seconded by Judy Metz to approve the Purchase of a new or used mechanic's truck with the amount not to exceed \$100,000. The Board voted six (6) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION (NRECA) ELECTION FORM

One Director, Trustee, or General Manager/CEO from each State is elected to represent their State as a member of the National Rural Electric Cooperative Association (NRECA) Board of Directors. The Nevada representative is elected by the Nevada Rural Electric Association members. Currently, Sandy Green, a Mt. Wheeler Power Director, serves as Nevada's representative on the NRECA Board of Directors. Nevada's representative is elected at a meeting held in conjunction with the Nevada Rural Electric Association (NREA) Annual Meeting. Elections are conducted once every two years. Currently, Mendis Cooper is the District's voting delegate at the NREA meeting. The voting delegate votes for a person to serve on the NRECA Board of Directors at the NREA meeting. If desired, the Board can select a different voting delegate of their choosing. Designation of this voting delegate position does not change the status of the voting delegates for the NRECA regional meetings to be held in October unless specified by the board. There is no fiscal impact to the District. After discussion by the Board, a motion was made by Mike Young and seconded by Doug Waite to designate **Mendis Cooper** as the District's Voting Delegate at the NREA meeting to elect the Nevada representative to the NRECA Board of Directors. The Board voted six (6) ayes and zero (0) nays in approval.

REVIEW AND POSSIBLE APPROVAL OF THE EMPLOYEE INSURANCE PLAN FOR 2018

The District's employee health insurance is administered through the National Rural Electric Cooperative Association (NRECA). The cost of insurance renewal for year 2018 increased by approximately 5% or \$40,456.62. To reduce the impact on the District, Staff proposes that the District's contribution to the employee HSA accounts be reduced by \$19,950. Taking this action reduces the contribution to employee benefits and the monies will be applied to the insurance cost increase. The fiscal impact to District is the remaining balance of \$20,506 of the insurance cost increase. This action would reduce the amount invested in the employees HAS account by approximately \$500. After discussion by the Board, a motion was made by Bob Bunker and seconded by Mike Young to approve the Employee Insurance plan for 2018 as presented. The Board voted six (6) ayes and zero (0) nays in approval.

PUBLIC COMMENTS

There were no Public Comments.

BOARD COMMENTS

Mike Young – Regarding the security deposit issue, if our deposit to renters is only \$100 we can increase the security deposit. Also with the new Aclara meters, tenants will be using prepaid metering. There have been a lot of good suggestions. The District will be looking to change the security deposit policy at the beginning of 2018 to include prepaid metering.

Judy Metz – In response to comments regarding employee insurance, Judy requested that staff get bids for insurance and present the comparison of rates to the Board.

APPROVAL OF NEXT MEETING DATE

A motion was made by Judy Metz and seconded by Bob Bunker to approve Wednesday, November 15, 2017 as the next Board Meeting date. The meeting will be held in the Overton Office at 4:00 PM. The Board voted five (5) ayes and one (1) nay by Mike Young. The motion passed.

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 5:10 PM.

Chairman, Mike Fetherston

Vice Chairman, Doug Waite

Secretary / Treasurer, Mike Young

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