



OVERTON POWER DISTRICT NO. 5

BOARD MEETING

November 20, 2024

3:00 P.M.

Overton, Nevada

PRESENT:

Seat 7 – At-Large,	Mrs. Judy Metz, Chair	Mr. Mendis Cooper, General Manager
Seat 2 – Logandale,	Mr. Jack Nelson, Vice Chair	Mrs. MeLisa Garcia, Interim General Manager
Seat 5 – Mesquite,	Mr. Mike Young, Sec / Treas	Mr. Scott Fullman, Administrative Services Manager
Seat 1 – Overton,	Mr. Richard Jones, Trustee	Mr. Randall Ozaki, Engineering Services Manager
Seat 3 – Moapa,	Mr. Chad Leavitt, Trustee	Mr. Kyle Leavitt, Line Operations Manager
Seat 4 – Bunkerville,	Mr. Robert Bunker, Trustee	Mr. Keven Hansen, Substation Operations Manager
Seat 6 – Mesquite,	Mr. Dale Rust, Trustee	Mrs. Becky LaGrow, Executive Assistant
Attorney	Mr. Byron Mills	Mr. Jonathan Denninghoff, Accounting Supervisor

PRESENT:

Note: The minutes of this meeting have been tape-recorded and will remain on file in the OPD5’s main office for a period of one year for public examination.

A. CALL TO ORDER

At 3:01 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:

B. PUBLIC COMMENTS

There were no public comments.

C. ACCEPTANCE OF THE AGENDA

A motion was made by Mike Young and seconded by Dale Rust to accept the OPD5 agenda as posted. The Board voted seven (7) ayes and (0) nays in approval.

D. APPROVAL OF THE MINUTES

A motion was made by Jack Nelson and seconded by Mike Young to approve the minutes of the October 16, 2024 Board Meeting. The Board voted seven (7) ayes and (0) nays in approval.

E. CHAIR'S REPORT

Judy Metz had no report at this time.

F. ATTORNEY'S REPORT

Byron Mills had no report at this time.

G. MANAGER'S REPORTS

Administrative Services

Scott Fullman reported on the following items:

- 💡 *Cyber Security Training* – 100% participation by employees in October . The topics included social engineering, insider threats, continuous monitoring, and effective communication teamwork.
- 💡 *Information Technology* – In October, one new employees clicked on an internal spam email.
- 💡 *Servers* – All servers were up and running 100% of the time in October . All servers were successfully backed up and stored offsite in October .
- 💡 *Electricity Information Sharing and Analysis Center (E-ISAC)* – offers quality analysis and security information sharing in real time. This helps to mitigate complex and constantly evolving threats to the grid. Sixty-eight (68) e-mails were reviewed this month by IT and the General Manager. The three top threat patterns were cyber threats, physical security threats, and insider threats.

Engineering Services

Randall Ozaki reported on the following items:

- 💡 *Tortoise to Gila Substation 138kV Line* – The low bidder at \$5.5M for the project was Hunt Electric out of St. George, Utah
- 💡 *Escape Solar Site* – Sixty percent of the grading is complete and the pylons for the panel supports are being installed for Block One
- 💡 *Raptor Substation* – The final foundations are being installed; and the next phase will begin in early 2025
- 💡 *Tortoise RG#1* – The crews have begun replacing the wood three pole structure with steel poles on foundations

Line Operations

Kyle Leavitt reported on the following items:

- 💡 *Service Installations* –
 - 💡 October – Fifty (50) residential and zero (0) commercial hookups.
- 💡 *Outages*
 - 💡 *October 2024*
 - 💡 There were ten (10) planned outages for maintenance. There were four (4) unplanned outages for the month.

💡 *System-wide Outage*

- 💡 The cause was a newly installed CT/VT unit. The manufacturer sent an investigative team, they removed the unit, shipped it back for further investigation. We are awaiting the final report. The equipment is covered under the manufacturer's warranty and will be replaced at no cost to OPD5

💡 *Statistics*

- 💡 *October* - The unplanned outages affected eighteen thousand two hundred sixty-seven (18,267) customers for approximately twenty-six thousand one hundred seventy-four (26,174) customer hours.

💡 *Jobs:* In addition to their many jobs this month, the crews worked on:

- 💡 *Demonstration Trailer Training* – The crew was tasked with training other local utilities and contractors about hazard and risks of living or working around live power lines. Twenty-four people attended.

💡 *Safety*

- 💡 *Demonstration* – Southwest Gas gave our employees a safety demonstration on working and living near natural gas lines
- 💡 *October Safety Topic* – Substation inspections and maintenance & Operations with fifty-two (52) employees in attendance

SCADA & Substation Operations

Keven Hansen reported on the following items:

- 💡 *Tortoise Substation* –
 - 💡 The Ring Bus Phase 1 is complete. If not for the equipment malfunction that caused the system-wide outage, this would have been a smooth cutover process.
 - 💡 Bid requests for a 120MVA transformer will be released this week
- 💡 *Long Drive Switchyard* - The control building has been received
- 💡 *Raptor Substation* – The transformer was delivered and is scheduled to be assembled the beginning of January

Interim General Manager

MeLisa Garcia reported on the following items:

- 💡 *Colorado Rive Commission (CRC)* – Nevada's all customer meeting was held at Hoover Dam and included a tour of the dam. Discussion topics included hydrology, outlook, financials, initiatives, and the Parker Davis remarketing contract.
- 💡 *Fitch Ratings* – Preparation has been in progress for our annual rating, all documentation has been sent in for review prior to tomorrow's call
- 💡 *NV Energy (NVE)* – In 2019, Mendis executed an agreement that resulted in the building of the RG#2 line with NVE. In that agreement, when the line was energized, OPD5 would receive Network Integration Transmission Service (NITS) rights. It is a lengthy application process; staff is working closely with NVE and Tenaska to get everything submitted
- 💡 *New Purchase Power Agreement (PPA)* – Work continues to transition from Morgan Stanley to Tenaska on January 1st. They have a transition team that is working with CRC, NVE and eventually Escape Solar. Keven's team has been working with them on metering information and access

- 💡 *Potential Meeting Date Change* - Due to a prior commitment with the NRECA Regulatory Standing Committee, the 2025 Board schedule will reflect the Board meeting in January will be held Wednesday, January 22nd if approved.

General Manager

Mendis Cooper reported on the following items:

- 💡 *Cyber Security* – Even General Managers get spam email threats from Russia. Thankfully, Steven was able to take security step and remove the threatening emails
- 💡 *CREDA* – New officers were elected at the meeting held in Tempe, Arizona earlier this month. Mendis will remain on the executive committee until a replacement is named or he retires
- 💡 *Legislative Update* – With a Republican Senate, cabinet positions should fill quickly. We could see changes in spending priorities, regulatory actions, and energy policy
- 💡 *Developer Interests* – We are still getting inquiries almost daily from developers wanting to bring in large Mega-Watt (MW) loads
- 💡 *NREA* – Budget discussions are complete; dues will be raised a little bit. My term as president will be completed December 6th. At the end of the month, will conduct the Executive Director review with Kevin Robison of Mt. Wheeler Power

Financial Services

Jonathan Denninghoff gave the financial report for October 2024, a copy of which is on file.

H. REVIEW AND POSSIBLE APPROVAL TO PURCHASE 5.02 ACRES, ADJACENT TO GLENDALE SUBSTATION. APN: 042-02-101-012

For future planning in the Moapa area, staff recognizes that growth will likely increase both demand for utilities and the value of surrounding land. Expanding the Glendale Substation early is estimated to save on future costs, especially if land prices rise as development progresses. Additionally, securing this land will offer a strategic advantage as part of the investment could be offset by contributions from developers who benefit from the expansion. The fiscal impact of this project is estimated at \$250,000. This proactive approach can help ensure that infrastructure keeps pace with development and minimizes financial pressure on OPD5 in the long term.

After discussion by the Board, a motion was made by Richard Jones and seconded by Mike Young to the purchase of 5.02 acres of land adjacent to Glendale Substation for \$250,000 as presented. The Board voted seven (7) ayes and (0) nays in approval.

I. REVIEW AND POSSIBLE APPROVAL OF 2025 CAPITAL PROJECTS

Staff presented a list of proposed Capital Projects last month at the October board meeting and as a result of the discussion between the Board and staff members, the list of projects and associated time frames have been adjusted for this meeting. Some of the 10-year planning projects that are part of the reliability plan, which have been previously discussed with the Board, are also included in the proposed Capital Projects list. Once the Capital Projects list is approved by the Board, the 2025 Capital Projects will be incorporated into the 2025 Budget. The fiscal impact is estimated at \$3,977,000 for 2025 Capital Projects plus \$30,760,000 for 2025 Reliability and Long-Term Capital Projects.

After discussion by the Board, a motion was made by Dale Rust and seconded by Jack Nelson to approve the 2025 Capital Projects as presented. The Board voted seven (7) ayes and (0) nays in approval.

J. REVIEW AND POSSIBLE APPROVAL OF A NON-DISCLOSURE AGREEMENT WITH MONARCH POWER INC.

Monarch Power Inc. (MPI) is seeking to possibly do business within OPD5's service territory. They have requested a non-disclosure agreement to facilitate an information exchange. If business with Monarch is feasible and terms can be agreed upon, a detailed agreement will be brought to the board for possible approval and action in the future.

After discussion by the Board, a motion was made by Mike Young and seconded by Bob Bunker to approve a Non-Disclosure Agreement with Monarch Power Inc as presented and authorize the General Manager/CEO to execute the Agreement. The Board voted seven (7) ayes and (0) nays in approval.

K. REVIEW AND POSSIBLE APPROVAL OF REVISIONS TO ESCAPE PV INC. PURCHASE POWER AGREEMENT (PPA) & CONSENT & AGREEMENT

In November of 2023, the Board of Trustees approved a Purchase Power Agreement (PPA) with Escape Solar LLC, a subsidiary of Estuary Power for 25 MW of generation for a 25-year period. Escape Solar, LLC will be installing 185 MW of PV solar and battery storage at a new site north of Mesquite in Lincoln County. This system will require interconnection with LCPD#1 and then feed into OPD5's system. In November of 2023, the Board of Trustees also approved a System Use Agreement (SUA).

A portion of the approved PPA obliges OPD5 to provide a consent to collateral assignment. Escape Solar, LLC will borrow money to fund a portion of the project costs and pledge the equity in the project company as collateral for the lenders. The lenders require assurance that if they foreclose on the collateral, OPD5 will not terminate the PPA as long as the bank performs all obligations under the PPA. This is a routine part of project financing. Escape is proceeding with their financing and has presented the Consent and Agreement with the First Citizen Bank and Trust Company.

During the contract negotiations of the PPA it was noted that OPD5 could not take or sell Renewable Energy Credits created from green energy production. As Escape Solar finalizes their financing of the project they are requesting that OPD5 change verbiage in our contract to allow our Energy Marketer to receive the power on our behalf allowing Escape Solar access to those RECS/PECS for marketing.

After discussion by the Board, a motion was made by Chad Leavitt and seconded by Mike Young to approve revisions to Escape Solar, LLC. Purchase Power Agreement (PPA) and Consent & Agreement as presented. The Board voted five (5) ayes, zero (0) nays in approval.

L. REVIEW AND POSSIBLE APPROVAL OF A LETTER OF AGREEMENT WITH TENASKA POWER SERVICES

Tenaska Power Services (TPS) was awarded the bid to become OPD5's power supplier and scheduling entity commencing on January 1, 2025. Tenaska has approached OPD5 with the opportunity to identify and introduce one or more potential new load customers to our service territory, including but not limited to data center customers and other commercial and industrial customers, who desire to enter into contracts with OPD5. In return for TPS identifying and introducing customers, for the next five

years, OPD5 would grant exclusive right to supply energy, capacity, and/or renewable energy credits to OPD5 for those specific customers during that five-year period.

After discussion by the Board, a motion was made by Mike Young and seconded by Dale Rust to approve a Letter of Agreement with Tenaska Power Services as presented and authorize the General Manager/CEO to execute the Agreement. The Board voted seven (7) ayes and (0) nays in approval.

M. REVIEW AND POSSIBLE APPROVAL OF A RATE INCREASE EFFECTIVE JANUARY 1, 2025

In April 2024, the Board of Trustees approved the signing of a new contract with Tenaska Power Services (TPS). That purchase power agreement (PPA) will begin January 1, 2025, for a three (3) year term. TPS will also provide a firm load following power resource, firm transmission service, load forecasting, coordination with the Western Area Power Administration for hydropower resources, and schedules delivery of power resources from across the western power grid.

The National Rural Utilities Cooperative Finance Corporation (CFC) collected data and performed multiple studies for OPD5. The results of these studies were presented to the board earlier this year. The CFC studies and analysis are being utilized to determine rate requirements based on the new TPS PPA.

Staff worked with consultants and industry experts to find ideas that may reduce the impact on OPD5 customers. OPD5 has not raised rates since 2012. Staff presented future revenue requirements and rate adjustments that will be required at the October 2024 board meeting.

After discussion by the Board, a motion was made by Chad Leavitt and seconded by Mike Young to approve a rate increase of \$.0174/kWh, effective January 1, 2025 as presented. The Board voted seven (7) ayes and (0) nays in approval.

N. PUBLIC COMMENTS

All Public Comments are recorded and are available at the OPD5 website (www.opd5.com) for a period of one year.

O. TRUSTEE COMMENTS

Mike Young would still like staff to consider raising the base service charge.

Bob Bunker thanked staff for all their hard work keeping rates low for the past twelve years. It shows great management skills and concern for the financial burden on our customers

P. APPROVAL OF THE NEXT BOARD MEETING

A motion was made by Mike Young and seconded by Judy Metz to approve Tuesday, December 10, 2024, as the next Board Meeting date. The meeting will be held in the Mesquite Board Room at 3:00 p.m. The Board voted seven (7) ayes and (0) nays in approval.

Q. **EXECUTIVE – CLOSED DOOR SESSION**

A motion was made to enter Executive Session

A motion was made to exit Executive Session

R. **ADJOURNMENT**

The Board voted unanimously to adjourn at 5:52 P.M.

Chair

Vice Chair

Secretary / Treasurer

DRAFT