

Lincoln County Power District No. 1

Pioche, Nevada

The regular meeting of the Board of Trustees of the Lincoln County Power District No. 1 (LCPD or District) was duly held in the office of the District at Caselton, Nevada on May 11, 2015 at 9:00 AM.

Notice of the meeting and agenda were posted at the following locations on May 5, 2015 in conformance with the Nevada Open Meeting Law: Lincoln County Courthouse, U.S. Post Office at Pioche, Lincoln County Telephone System Office, Lincoln County Power District Office, Panaca Market, and the U.S. Post Office at Panaca.

The agenda for this meeting is included at the end of these minutes for reference purposes and is a part of these minutes.

President Ed Wright called the meeting to order at 9:00 AM.

The following were present: President Ed Wright, Vice President Lee Mathews, Board Members Bob Rollins, Mike Fogliani and Dylan Frehner; General Manager Dave Luttrell, Administrative Manager Garry McBride, Engineer Kyle Donohue, Construction Manager John Condie, and Clerk Louise Carlson.

A. Conformance to the Nevada Open Meeting Law: Dave Luttrell stated that the District had complied with the requirements of the Nevada Open Meeting Law.

B. Public Comments: There were no public comments.

C. Review and act upon the minutes of meetings held on April 13, 2015. (Possible Action): Bob Rollins corrected who seconded the motion on Item C. Mike Fogliani made a motion to approve the minutes as amended. Bob Rollins seconded the motion. The motion passed by unanimous vote.

D. Review and Act on a possible variance in EP-3.10 regarding Meritorious Service Recognition for Garry McBride. (Possible Action): Dave Luttrell stated according to the current employee policy, a three year notification of retirement is required to receive meritorious service compensation. Garry McBride wants to give his three year notice to retire, however does not know the exact date as of yet. He is willing to give an exact date within 12 months of this retirement. There was some discussion about altering the employee policy, different employee situation's, time required to train for replacements, problems in the future if deviate from the policy now, 1 year buy out versus deferred compensation. Mike Fogliani made a motion to table this item in order to clarify and rewrite this policy. Lee Mathews seconded the motion. The motion passed by unanimous vote.

E. Review and Act on a possible Adjustment to Compensation Schedule for increase in Nevada Public Employee Retirement System (NVPERS) Contribution Rates:

(Possible Action) Dave Luttrell informed the Board that staff has received notice from NVPERS of a 28% rate increase effective 7/1/2015. There was some discussion about the impact on LCPD, employee benefit committee, employer paid versus 50% employee funded, and Nevada law versus PERS policy. Lee Mathews made a motion accept this rate increase from NVPERS as employer funded. Bob Rollins seconded the motion. The motion passed by unanimous vote.

F. Review and Act on Longitudinal Wireline Agreement with Union Pacific Rail Road (UPRR). (Possible Action)

Dave Luttrell presented the agreement between the UPRR and LCPD for consideration by the Board. Under the agreement UPRR will transfer the UPRR underground circuit between Caliente and Utah state line. UPRR is currently building the line in accordance with our specifications. Upon completion, final inspection and acceptance, ownership would transfer over to the District. At that time the District will take over all responsibility for operation and maintenance. The District will then be able to offer electrical service to Barclay, Acoma, and Crestline areas. There was some discussion about termination clause, whether or not our legal advisor reviewed this, target date of 7/1/2015, liability, right-of-way, insurance requirements, dispute jurisdiction, and potential revenue. Lee Mathews made a motion to approve the Longitudinal Wireline Agreement with UPRR. Dylan Frehner seconded the motion. The motion passed by unanimous vote.

G. Update on Purchased Power Adjustment Rate (PPAR) and Supplemental Power Purchases. (Discussion)

Dave Luttrell gave a presentation showing the historical sales from 2000 through 2014, the last five years on a monthly basis, forecast load, lake levels of Lake Mead and Powell, and Hoover generation. Then he showed LCPD1 load and resource comparison, and peak power curves. Dave explained the current PPAR policy, his calculation process, and the forecast model compared to the current rate. He also detailed the Main Line Rate Adder (MLRA) policy, and what affect these adjustments will have on the different classes of customers. Both adjustments will be effective June 1, 2015. No action was taken.

H. General Manager's Report. (Discussion): Dave Luttrell discussed the following with the Board:

- Completed the new hire process.
- Forwarding names to Nevada Governor for appointment to the Colorado River Commission (CRC).
- Post September 2017 Hoover contract negotiations.
- New software training.
- Fire safety training and right-of-way clearing.

I. Construction and Maintenance Manager's Report. (Discussion): John Condie discussed the following with the Board:

- ¾ of structures are set on the mainline project.
- Installed a regulator at the start of the UPRR line.
- Started ground work on the Panaca solar project.
- Replaced a pole in Panaca.
- Performed custom work for Pioche Public Utilities (PPU) and Penoyer Farms.

J. Engineering and Operations Report. (Discussion): Kyle Donohue discussed the following with the Board:

In Engineering:

- Completed the Advanced Pozzolan project.
- Installed voltage regulator, and radio links on the UPRR line.
- Crestline dump is interested in service.
- Working on assembly units for the NISC software.
- Working on a joint project with Caliente Public Utilities (CPU) to accommodate the new bridge to the youth center.
- Material is here for the Panaca Solar project, started ground work.

In Operations:

- Busy analyzing and replacing batteries at the substations.
- Dealt with a communication problem at the Bill Orr substation.
- Performing testing on the Tortoise breaker.
- Taking oil samples from the Joe Wilkin substation.
- Installed a new server for the NISC billing software.

K. Financial Reports. (Discussion): Missy Cheeney passed out month end reports for 4/30/2015. The Board reviewed the reports.

L. Director's Comments. (Discussion): Bob Rollins stated that Environmental Protection Agency (EPA) will be doing soil testing in Caselton. He also indicated that he would be absent from the June meeting. Dylan Frehner informed the Board that beginning June 1 he may have an obligation to be out of town every Monday. He will keep the Board posted.

M. Future Agenda Items. (Discussion): The next Board meeting, June 8, will include policy EP-3.10 regarding Meritorious Service.

N. Public Comment: There were no public comments.

o. Adjournment: Meeting adjourned at 10:50 AM.

Ed Wright, President

Attest:

Dave Luttrell – Secretary