

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 9, 2016 at 9:00 AM.

Notice of the meeting and agenda were posted at the following locations on May 3, 2016 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 and Mike Fogliani; General Manager Dave Luttrell, Administrative Manager Garry McBride, Construction Manager John Condie, and Clerk Marisa Phillips. Board Member Dylan Frehner was absent.

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. Minutes of Meeting Held on April 11, 2016: Bob Rollins made a motion to approve the minutes. Mike Fogliani seconded the motion. The motion passed by unanimous vote.

D. Agreement for Electric Service from the Boulder Canyon Project with the Colorado River Commission of Nevada (CRC) (Possible Action): Dave Luttrell introduced Gian Brown, a corporate transaction attorney with Holland and Hart. He explained that Gian started working on the CRC contracts between November and December. Dave Luttrell turned the discussion over to Gian Brown. Gian discussed with the Board that this is a 50-year contract with several changed provisions since the draft reviewed by the Board last month. The first changed provision defines the process for a future reduction in allocation by CRC if the Power District does not fully utilize its allocation. The second changed provision incorporates a six-month phase-in to prepay working capital. The third change since the previous draft makes the schedule D contractors' credit obligations for prepayments made by the current schedule A and B contractors clearer. Dave Luttrell explained that CRC will issue the credits after a final audit of the current contract is completed in 2018. Gian Brown then discussed the concept of a drought and how it is treated in the contract. He indicated drought does not constitute a condition that would relieve the Power District of its financial obligations.

Dave Luttrell added that if generation at the dam declines, the contract only provides for a forum of meetings to discuss the financial relief. Dave Luttrell also discussed the reduction in the Power District's allocation. Although the Power District's energy allocation was reduced, new turbines are being installed at the dam, so we did not lose any capacity. Mike Fogliani made a motion to approve the contract. Bob Rollins seconded the motion. The motion passed by unanimous vote.

E. First Amended MSCP Agreement with the CRC (Possible Action): Gian Brown discussed that he was able to reconcile drafting differences between this contract and the CRC contract. Dave Luttrell informed the board that this is a companion agreement and recommended executing the agreement. Lee Mathews made a motion to approve the contract. Bob Rollins seconded the motion. The motion passed by unanimous vote.

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

- Went to D.C. for NREA for the first time since 2012. Didn't lobby for one specific issue, rather focused on all issues affecting rural utilities. Unless we are going to lobby for specific issues, we don't plan on going back for another four years.
- Testifying Thursday before the Governor's energy advisory committee on grid modernization and resiliency. We were selected because of the work we have done. Will be showing that rural utilities are proactive.
- Met with Alamo Power District about highway charge stations. Going to wait a few more weeks to see what Wheeler and Wells are doing.
- Met with Hayley Zeirow and Melody. They are the 2 girls going to D.C. this year. Sat down with their families and discussed coming to the board meeting after the return and talking to the Board of Directors about their trip.
- Marisa is back for the summer. This is her third summer working for us. We are still looking for outside summer employees.
- Working with Intermountain Health Care life flight out of St. George, Utah. Currently everything goes through emergency management. We are working on protocols to dispatch life flight in case of an emergency.
- Nothing has changed with the Town of Pioche. They have a board meeting this week.
- Benefits committee terms ending this year for Ed Wright. In August the board will make a decision for insurance. In November the board will discuss labor arrangements.
- We are heavily using the pole trailer. We sent out bids on a couple and got a new one.
- Going to a meeting on Wednesday to get additional information on Hoover Rates.

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

- Pole replacements on the Bristol and North Panaca lines.
- We had some issues with trees in the canyon in Caliente.
- Working on system upgrades on meters.
- Worked in the solar yard.
- Counted inventory in the trucks.

- Bladed the yard.
- Energized a couple of pumps.
- Cleared the hill at the bottom of the road.
- There was a major outage from Tempiute to Rachel; lost a pole due to wind.
- Untapped the Alamo South Sub. Added static wiring for storm protection.
- Installed a temporary service to Coyote Springs.
- Helped Kyle Donohue with system mapping.
- Custom work for Pioche Public Utilities, the Telephone Company, and Penoyer Farms.
- Oscar has been working on Mount Wilson.
- The bucket truck has been giving us problems. We are working on getting it fixed.

H. Engineering and Operations Report (Discussion): Dave Luttrell discussed the following with the Board:

- Working on system mapping.
- The new touchpads are here. Pat and Richard are working on final configurations.
- Working on an estimate for the event center and signage in Coyote Springs.
- Reviewing Tempiute poles and working it into capital planning.
- Operations changed out a battery in Mesa.
- Operations are working with Pioche Public Utilities to install communications to the Vincent Recloser.
- Operations is processing the oil in transformer 3.
- We transitioned from copper to fiber optics. Temporarily back on Copper until we find out what is wrong with the fiber optics.

I. Financial Report. (Discussion): Missy Cheeney passed out the month end reports for April 2016. The Board reviewed the reports.

J. Director's Comments. (Discussion): Bob Rollins stated that County Commissioner Katschke asked him why we hadn't take Pioche Public Utilities over yet. He told him to go talk to the Pioche Town Board. Ed Wright informed the Board that Nevada Bank and Trust need a signature from him, so he went down and signed for them.

K. Future Agenda Items. (Discussion): There were no future agenda items.

L. Public Comment: There were no public comments.

M. Adjournment: The meeting adjourned at 10:25 AM.

Ed Wright, President

Attest:

David Luttrell – Secretary