

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 January 9, 2017 at 9:00 AM.

Notice of the meeting and agenda were posted at the following locations on January 3, 2017 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, Dylan Frehner, and Mike Fogliani; General Manager Dave Luttrell, Administrative Manager Garry McBride, Engineer Kyle Donohue, 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. Minutes of Meeting Held on November 14, 2016 (Possible Action):** Bob Rollins made a motion to approve the minutes of the November 14th regular session and the minutes of the November 14th closed session, as written. Mike Fogliani seconded the motion. The motion passed by unanimous vote.
- D. Review and act on Cost of Living Adjustment (COLA) wage adjustments for employees. (Possible Action):** Dave Luttrell reviewed the proposed cost of living adjustments for employee wages, expected inflation data, impacts on the Power District's operating costs, and wage data from thirteen other electric utilities in Nevada and Utah. He informed the Board that the employees discussed and agreed with the COLA adjustments as proposed. Dave Luttrell stated that he is recommending COLA adjustments effective March 1 as follows: 1% in 2017, 2% in 2018, and 2.75% in 2019. The Board discussed the other utilities compared, the 2.75% the third year and inflation data used, and COLA adjustments for other Lincoln County entities. Mike Fogliani made a motion to approve the Cost of Living Adjustment (COLA) for the employees as recommended. Lee Mathews seconded the motion. The motion passed with a vote of three in favor and one opposed.

- E. Review and act on changes to Employee Policy EP-3.1, Job Classification, to create a job description for a purchasing/warehousing clerk. (Possible Action):** Dave Luttrell informed the Board that this item is to create a position that is currently not included in the employee policy. Staff is not looking to fill this position at this time. The position of a Purchasing/Warehousing clerk will be filled in the future only if a need arises due to increased workload or retirement of existing staff. There was some discussion about pay scale, and shifting responsibilities in the future. Bob Rollins made a motion to create a job description for a Purchasing/Warehousing Clerk, and fill in the future. Mike Fogliani seconded the motion. The motion passed by unanimous vote.
- F. Review and act on proposed changes to the wage scale for the Engineer and the Administrative Manager positions. (Possible Action):** Dave Luttrell explained to the Board that this proposal affects two positions: Administrative Manager and Engineer. Dave indicated that the Administrative Manager position, if ever vacant, would likely be filled from within the company and the change in the wage scale as proposed will make the transition easier. The wage scale change as proposed for the Engineer position will allow further growth within the wage scale for that position in order to allow compensation to more closely reflect the level of responsibility given to the position. Dylan Frehner made a motion to approve the proposed changes to the wage scale for the Engineer and the Administrative Manager positions. Mike Fogliani seconded the motion. The motion passed by unanimous vote.
- G. Review and act on authorization of the Benefit Committee to consider and recommend changes to benefit programs offered to future employees. (Possible Action):** Dave Luttrell explained this item is asking for authorization for the benefit committee to review and recommend changes to the benefit program offered to future employees. There was some discussion about the benefits considered for change. Lee Mathews made a motion to the Benefit Committee to consider and recommend changes to benefit programs offered to future employees including the longevity and incentive pay. Dylan Frehner seconded the motion. The motion passed by unanimous vote.
- H. Review and Act on membership in Arizona Generation and Transmission Cooperatives as a Class D member. (Possible Action):** Dave Luttrell explained to the Board that items H and I are related: H is to become a member, and I is the agreement for services. He stated that the new Hoover Dam contract requires LCPD1 to designate a scheduling entity. Additionally, the district must begin to electronically tag and report loads and resources on a daily basis to the Balancing Authority. After comparing and reviewing several companies, staff is proposing a contract with Arizona Generation and Transmission Cooperatives (AzG&T). The service the Power District requires from AzG&T will allow the Power District to become a class D member and gives us one shared seat on the Board. The cost of a class D membership is a onetime fee of \$100. There was some discussion regarding the bylaws. Mike Fogliani made a motion to approve class D membership in Arizona Generation and Transmission Cooperatives. Lee Mathews seconded the motion. The motion passed by unanimous vote.

I. Review and act on contract with AzG&T for scheduling and trading services.

(Possible Action): Dave Luttrell advised the Board about the setup needed for contracted services, cost of setup, and monthly fees. The Board reviewed the contract, and discussed the terms, the target date for beginning of services, and the clauses relating to termination. Dylan Frehner made a motion to approve the contract with AzG&T for scheduling and trading services. Lee Mathews seconded the motion. The motion passed by unanimous vote.

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

- During the annual insurance review, we were informed that transformer oil containment is now required in larger substations due to shooting incidents at other utilities.
- An eagle electrocution occurred in Lake Valley on the Atlanta Goldmine line, not our line. Will install bird guards in area as precaution.
- Pioche Public Utilities (PPU) meeting tomorrow.
- Received payment from Steve McCrosky for Electric Vehicle Charging station at the Y Service Station, working on final application for the grant from the Governor's Office of Energy.
- National Rural Electric Association (NREA) meeting with Assembly and Congress March 8 and 9.
- Nevada Rural Electric Cooperatives Association (NRECA) trip to DC.
- Reviewed and discussed draft of new office.

K. Construction and Maintenance Manager's Report. (Discussion): Dave Luttrell discussed the following with the Board:

- John Condie in Coyote Springs (CS) pulling primary cable on Galaxy Peak.
- 69kV mainline project crews grounded and hauled poles.
- Storm issues in Meadow Valley, Lake Valley, and North Panaca.

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

ENGINEERING:

- Contractor in CS is done, crews pulling cable.
- Working on the design for the electric vehicle charging station.
- Designing the Meadow Valley Cove and the mainline structure replacement projects and ordering material.
- Still working on mapping and computer work.

OPERATIONS:

- Working on Tortoise Substation installing circuit switch and vacuum interrupter.
- A lot of mice damage at the Decker Substation at CS.
- Oil samples and regulator controls completed.

M. Financial Report. (Discussion): Missy Cheeney passed out reports for month end for November 2016. The Board reviewed the reports and discussed the different banks.

N. Director's Comments. (Discussion): Dylan Frehner stated that he will be back working in Ely and may have to tender his resignation.

O. Future agenda items. (Discussion): Mike Fogliani requested the discussion of the insurance cost reduction payment be on the agenda for the next meeting.

P. Public Comment: There were no public comments.

Q. Adjournment: Bob Rollins made a motion to adjourn the meeting. Lee Mathews seconded the motion. The meeting adjourned at 10:55 AM.

Ed Wright, President

Attest:

David Luttrell – Secretary