

Lincoln County Power District No. 1 Panaca, Nevada

A regular meeting of the Board of Trustees of the Lincoln County Power District No. 1 (Lincoln County Power) was duly held at 201 Bullionville Road, Panaca, Nevada at 8:00 a.m. on April 13, 2021.

Notice of the meeting and agenda were posted at the following locations on April 7, 2021 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 Office, Panaca Market, and the U.S. Post Office at Panaca.

President Ed Wright called the meeting to order at 8:00 a.m.

The following were present: President Ed Wright, Vice President Lee Mathews, and Board Members Ken Dixon, Bob Rollins, and Richard Katschke; General Manager Dave Luttrell, Construction and Maintenance Manager John Condie, Engineering and Operations Manager Kyle Donohue, and Clerk Louise Carlson.

A. Conformance to the Nevada Open Meeting Law: Dave Luttrell stated that Lincoln County Power 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 March 9, 2021 (Possible Action): Ken Dixon made a motion to accept the minutes of the meeting on March 9, 2021 as written. Richard Katschke seconded the motion. The motion passed by unanimous vote.

D. 2022 Power Supply Hedging Plan presentation (Discussion): Dave Luttrell informed the Board that based on the annual review of Lincoln County Power's expected loads and expected available hydroelectric generation for the upcoming year, Lincoln County Power is forecast to need 96,000 MWh of energy for 2022. 74% of that is expected to be supplied by Hoover hydroelectric generation. Dave indicated that of the 26% not supplied from Hoover, Lincoln County Power annually conducts a study with Arizona Electric Power Cooperative (AEPSCO) and ACES to determine the appropriate amount to pre-purchase as a hedge. Dave then introduced Jon Martell, Charles Jones, and Chris Jimenez with AEPSCO and ACES via video conference to explain this year's hedging plan. They started out by going over common hedge product terms, and the process utilized. Then they reviewed 2020's hedge, forecasted Hoover versus actual Hoover, forecasted load versus actual load, and 2020 market price versus hedge price. The AEPSCO and ACES presenters then discussed Lincoln County Power's load for 2022, typical day for dispatch, pricing forecast, and showed their 2022 hedge recommendations. Dave indicated that AEPSCO and ACES have been instructed to proceed with implementing the hedge for the first and second quarter of 2022 in an effort to lock in power purchases before market prices increased further. Dave indicated that additional Hoover information

was expected in May that would then be used to finalize the hedge amounts to be purchased for the second and third quarters of 2022.

E. Consideration of Policy 305, Customer Equipment Requirements and Load Characteristics (Possible Action):

Dave Luttrell stated that this proposed policy would require customers to meet certain specific equipment requirements, load characteristics, meter panel requirements and locations for all customer classes. He went through customer owned wire and equipment requirements, responsibility for trenching, permitting and approvals, motor load corrections, and new motor requirements, backup generation requirements, changes to customer facilities, customer caused electrical distortions, power factor requirements, and limitations and notifications. Bob Rollins made a motion to approve Policy 305 as written. Richard Katschke seconded the motion. The motion passed by unanimous vote.

F. Consideration of Policy 306, Cost Responsibility for Electric System Extensions (Possible Action):

Dave Luttrell indicated that this policy defines cost responsibility for extending Lincoln County Power's electric system to service a new customer. Lincoln County Power will determine the cost of the extension, transformer and conductor size, delivery voltage and configuration, ownership of facilities, use of facilities, and short-term financing requirements. Richard Katschke made a motion to approve Policy 306 as written. Bob Rollins seconded the motion. The motion passed by unanimous vote.

G. Federated Rural Electric Insurance Exchange update (Discussion):

Dave Luttrell explained to the Board that Lincoln County Power maintains property, liability, and workers compensation insurance policies through Federated Rural Electric Insurance Exchange (Federated). There are two annual on-site meetings with Federated. One to review safety practices, safety record, and facilities. The second meeting each year is to review the Federated policy and coverage levels. Dave indicated the on-site safety review with Federated occurred on March 16th and that Lincoln County Power received very favorable feedback on its operations. Federated only noted minor concerns associated with some of Lincoln County Power's record keeping for system inspections. Dave then reviewed the District's claim history with Federated from 2018 to current.

H. Colorado River hydrology update (Discussion):

Dave Luttrell distributed the Colorado River Commission Hydrology and Water Use Update. The Board examined previous years against this year's lake levels, capacity, and shortage conditions. There was some discussion about rates and advertising.

I. Solar project site selection update (Discussion):

Kyle Donohue went through a presentation explaining the site selection for the solar project. He described how each site was examined using a specific set of criteria to determine the best possible locations to meet Lincoln County Power's goals for the project. He then showed the locations of the sites that met the criteria established. He indicated

that the next steps are to setup a scoping meeting with Bureau of Land Management (BLM) and to continue discussions with private owners.

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

- Beginning process to hire summer students.
- Youth Camp cancelled this year due to lack of participation from students.

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

- Continuing work on Well 35 project in Mesquite.
- Installed two new services in Pioche.
- Upgraded services in Panaca and Pioche.
- Installed shelving in the new building.
- Fuel system is up and running.
- Insulated the Cleary building
- Completed custom work for Penoyer Farms, Caliente, and Rob Mathews.
- Working on estimates as they come in.

L. Engineering and Operations Manager's report (Discussion): Kyle Donohue discussed the following with the Board:

- Phase III of AMI installation is underway. Working on Lake Valley, Mt Wilson, and Geyser.
- Filtering oil and spraying weeds at the substations.
- Working on the fuel system.
- Installed and tested breaker at Joe Wilkin Substation.
- The bird deterrent is working good at Joe Wilkin substation.
- Helped the line crew on an outage.
- Evaluating solar sites.
- Upgrading laptops.
- Working on easement issues for our 138-kV line in Mesquite.

M. Administrative Manager's report (Discussion): Dave Luttrell discussed the following with the Board:

- Financial reports for month ending February 2021.

N. Meeting with General Manager, David Luttrell in regard to labor matters pursuant to NRS 288.220 (Closed Session)

Bob Rollins made a motion to close the meeting to public. Ken Dixon seconded the motion. The motion passed by unanimous vote.

Lee Mathews made a motion to open the meeting to public. Bob Rollins seconded the motion. The motion passed by unanimous vote.

O. Review and act on matters relating to Agenda Item N, Closed Session

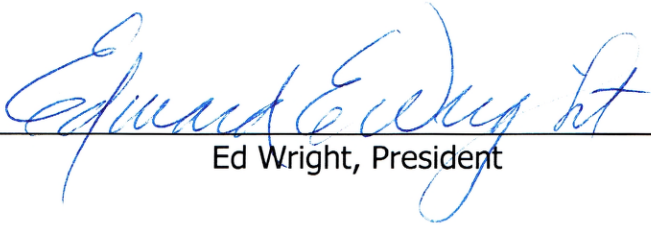
(Possible Action): Ed Wright stated the Board reviewed with Dave Luttrell the upcoming dates for the employee development program and discussed the impacts of the crane issue. No action was taken.

P. Director's comments (Discussion): There were no comments.

Q. Future agenda items (Discussion): Next Board meeting May 11.

R. Public comment: There were no comments.

S. Adjournment: The meeting adjourned at 10:30 AM.



Ed Wright, President

Attest:

David Luttrell, Secretary