

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 June 8, 2021.

Notice of the meeting and agenda were posted at the following locations on June 2, 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, Administrative Manager Missy Cheeney, and Clerk Louise Carlson. Also, present was Richard Wilson from Operations, and Lineman Dane Bradfield.

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 May 11, 2021 (Possible Action): Bob Rollins made a motion to accept the minutes of the meeting on May 11, 2021 as written. Richard Katschke seconded the motion. The motion passed by unanimous vote.

D. Consideration of Terms and Conditions for Purchase of 2022 Power Hedge from Southwest Public Power Agency (SPPA) (Possible Action):

Dave Luttrell introduced Chris Jimenez from ACES Power, Brian Zard with Arizona G&T Cooperative (AzGT), and Charles Jones from Arizona Electric Power Cooperative (AEPCO). Dave explained that Lincoln County Power has been hedging power supply with AEPCO and ACES since 2017. He indicated the possible purchase of generation from Southwest Public Power Agency (SPPA) for 2022 is a new option involving natural gas with different risks and financial opportunities. The ACES and AEPCO representatives then provided a detailed presentation on the SPPA purchase option. They gave a definition of commonly used terms and their meanings, showed Lincoln County Power's daily load versus resources for 2022 and the unhedged exposure, standard off peak products, and 2022 market forwards extreme pricing. They then shared the potential SPPA product opportunity. An analysis was prepared in order to answer questions regarding natural gas pricing, and timing. They went over proposed SPPA product details, compared SPPA product to traditional off-peak product, and displayed Lincoln County Power load versus resources with

recommended hedge capacities. There was some discussion regarding risk of gas prices, safety of off-market, natural gas power plant, and dates of next SPPA Board meeting. No action was taken.

E. Review of Boulder Canyon Project Master Schedule (Discussion): Dave Luttrell informed the Board that U.S. Bureau of Reclamation (USBR) has completed the updated Boulder Canyon project schedule governing expected Hoover generation in 2022. He attended a meeting with USBR and Western Area Power Administration where they presented the results. Dave went through the presentation with the Board giving an over view of the Colorado River basin water use, storage capacity, hydropower capacity, drought status, state of the system from 1999 to 2021, impacts of low water levels, Lake Mead storage and conservation, lower Colorado Basin system condition as of May 25, 2021, snowpack and precipitation as of May 26, 2021, and end of 2021 projections for unregulated inflow at from Lake Powell. There was some discussion about Colorado River system projections.

F. Consideration of Policy 310, Landlord Responsibilities (Possible Action): Dave Luttrell explained Policy 310 is to make clear to owners their responsibility to Lincoln County Power regarding renters, property, payments, collections, penalties, and liens. Ken Dixon made a motion to approve Policy 310 as written. Bob Rollins seconded the motion. The motion passed by unanimous vote.

G. Consideration of Policy 311, Billing and Payment for Electric Service (Possible Action): Dave Luttrell reviewed policy 311, Billing and Payment for electric service. He went over meter reading, final bills, billing period, due dates, errors and disputes, billing addresses, budget billing, invalid payments, service charges, delinquencies, penalties, and new service applications. Ken Dixon made a motion to approve Policy 311 as written. Bob Rollins seconded the motion. The motion passed by unanimous vote.

H. Consideration of Revisions to Employee Policy EP-3.10, Meritorious Service Recognition (Possible Action):

I. Consideration of Revisions to Employee Policy EP-20, Employee Retirement (Possible Action):

J. Consideration of Standard Employee Retirement Agreement (Possible Action): Dave Luttrell updated the Board regarding Benefits Committee's multiple meetings and the three issues the committee has been working on. Dave stated that Item H, proposes modifications to EP-3.10 allow eligible employees to use a portion of their meritorious service recognition as a deposit in their health savings account. This revision gives retiring employees several options to tailor this benefit to their own personal needs. Dave described proposed changes to EP-20 under Item I in order to provide an orderly process for employee retirements to ensure both Lincoln County Power and employees have a common understanding regarding NVPERS, notice required, Lincoln County Power property, and health care coverage. He stated that Item J, creates a standard retirement agreement guiding Lincoln County Power and the employee through necessary steps required at retirement. These steps

include understanding employee's hire date, position, policies, employee's rights, obligations, and responsibilities, NVPERs payments and coordination, meritorious service recognition, Lincoln County Power property, health care options, and health savings account. Ken Dixon made a motion to approve EP-3.10, EP-20, and the employee retirement agreement as written. Lee Mathews seconded the motion. The motion passed by unanimous vote.

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

- Department of Energy (DOE) grant for electric school bus.
- High School scholarship in Panaca to TJ Rowe, unsure in Alamo who.
- Summer help hired in office Macie Howard, in yard Teagan Somers and Cody Howard.
- Beginning recruitment for a groundman.
- NREA Board meeting in Ely.
- Conversation on solar with Senator Rosen staff.
- Attended Caliente City council meeting to discuss first phase on underground project.
- Received 252 MWH of additional Hoover for June from CRC that was not being used by one of CRC's other customers.

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

- Continuing to move inventory, tools, and equipment.
- Installed new service in Pioche.
- Begin Caliente underground project.
- Going underground in Rose Valley pivots.
- Outage in Caliente at trailer park.
- Trimmed trees in Caliente.
- Outage in Rachel, one phase off on structure at Penoyer Valley Farms.

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

- Coordinated asphalt pour.
- VVWD well 35 energized.
- Sprayed weeds at substations.
- Purchasing material for next phase of Meadow Valley project, 1001 Ranch to Highland Knolls.
- Working on redesign of Peck substation.
- Running draft for Caliente underground.
- Helped with physical inventory.

N. Administrative Manager's report (Discussion): Missy Cheeney discussed the following with the Board:

- Financial reports for month ending April 2021.
- Finishing up with physical inventory.

- Closing May books for the year.
- Preparing for auditors visit in June.
- Received AEPCO patronage.
- NRECA renewal.
- New staff One Card for charging gas and material.

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

Ed Wright ruled meeting closed to public.

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

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

Ed Wright ruled to open the meeting to public.

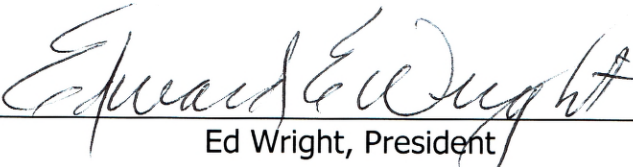
P. Review and act on matters relating to Agenda Item N, Closed Session (Possible Action): Ed Wright stated the Board reviewed with Dave Luttrell the dates and process for interim assistant general manager interviews. No action was taken.

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

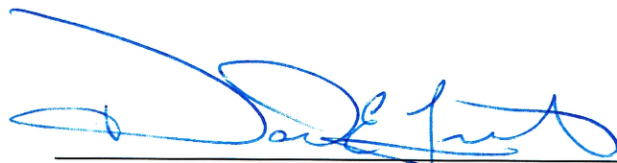
R. Future agenda items (Discussion): Next Board meeting will be June 22 and 23.

S. Public comment: There were no comments.

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


Ed Wright, President

Attest:


David Luttrell, Secretary