

**VALLEY ELECTRIC ASSOCIATION, INC.
REGULAR MEETING
OF THE
BOARD OF DIRECTORS**

A regular meeting of the Board of Directors of Valley Electric Association, Inc. (“VEA”) was held on Wednesday April 29th, 2020, beginning at approximately 8:32 a.m., at VEA’s headquarters in Pahrump, Nevada. The meeting was held via Zoom, pursuant to Governor Sisolak’s Emergency Directives, COVID-19, and given concerns related to social distancing.

Ms. Keyes presiding as President, appointed Mr. Sweetin as Parliamentarian. Ms. Keyes called the roll of Directors present: Kathleen Keyes, President; Michelle Caird, Vice-President (“VP”); Terrie D’Antonio, Secretary; Rob Shirley, Treasurer; Bonnie Groenert; and Robin Barber

Also present via Zoom were: Mark Stallons, Chief Executive Officer (“CEO”); Steve Morrison, Chief Financial Officer (“CFO”); Bart Thurgood, Chief People Strategist; James Andresen, Director of Engineering & Operations; Nate Johnson, Executive Vice President, Broadband; Doug Maughan, Manager of Power Resources; Amy Carlson, Executive Assistant; Bill Perna, Manager of Customer Service; Joe Fieldsted, Manager of Safety; Jack Venezia, Manager of Network Operations; Cassy Potter, IT Help Desk Technician; Amber Crotty, Administrative Assistant; and Bob Sweetin, Davison Van Cleve, General Counsel; Members: Bruce Holden and Surely Karganilla.

Ms. Keyes called the meeting to order 8:32 a.m., Pledge of Allegiance, followed by a moment of silence.

1. Approval of the Agenda. Ms. Groenert **moved** to approve the agenda. Ms. Caird **seconded** the motion. No comments. The motion was **approved** unanimously.
2. Member Comments. No Comments.
3. Director Comments. Ms. Caird thanked VEA staff; Ms. D’Antonio thanked Members for food distribution; Ms. Keyes thanked Members for food drive; Ms. Barber thanked Board and Members for all they do and encouraged all to stay in a positive frame of mind.
4. Approval of Minutes from March 25, 2020 Regular Board meeting. Ms. Groenert **moved** to approve minutes as amended. Ms. Barber **seconded** the motion. The motion was **approved** unanimously.
5. Presentation of Financial and Statistical Report. Presented by Mr. Morrison, consistent with provided back-up materials.

Mr. Shirley **moved** to approve. Ms. D’Antonio **seconded** the motion. No further comment. The motion was **approved** unanimously.

6. Unfinished Business. None.

7. New Business.

- a. First Quarter Bad-Debt Report. 131 Accounts unable to collect. Write-off's total \$41,980.71 between VEA and VCA, after recovery through future capital credit retirements (\$22,366.46) for a net write-off of \$19,614.25. Ms. Caird **moved** to approve. Ms. Barber **seconded** the motion. No further comment. The motion was **approved** unanimously.
- b. Capital Credit Retirements. Total \$15,828.78 from five estates. Net Present Value \$9,364.53. Total \$6,466.25. Mr. Shirley **moved** to approve. Ms. D'Antonio **seconded** the motion. No further comment. The motion was **approved** unanimously.

8. Board Committee Reports.

- a. Finance Committee met on Monday April 27th, 2020. The 2019 Annual Report was reviewed by Mr. Morrison. March 2020 financial information for Board meeting was also presented.
- b. Policy Committee Report. The Policy Committee is scheduled to meet on May 8th, 2020 to review the progress of the policy review being led by Kathy Mattocks.
- c. Member Liaison Committee Report. The committee will meet again in June, once the Annual Meeting has taken place.
- d. Charitable Committee Report. Discussion on grant applications and review, along with a follow-up on the large donation made to all the Districts to aide food distribution efforts.

9. CEO and Staff Reports.

- a. CEO Report. Presented by Mr. Stallons, consistent with submitted report. Reviewed last month of meetings and progress. Spoke to changes made due to COVID-19, making payments more convenient through the drive-through and other methods. Discussed transmission planning process, engagement with schools, and ensuring broadband is available. Further discussed how problems are solved as to distance learning opportunities. Mr. Stallons discussed opportunities with SunPower and Solarize to provide roof-top solar to Members. Monitoring of stimulus bills and several other matters.

Comment from Ms. D'Antonio regarding rooftop solar. Ms. D'Antonio expressed concerns about door-to-door salespersons implying a connection with VEA and also raised concerns related to social distancing. Ms. D'Antonio requested that more information be provided to Members indicating that there is no approved or sponsored vendor by VEA. Ms. Groenert reflected same concerns.

Question from Ms. Groenert about participating in district meetings. Ms. Carlson explained that any Board Member/Member can watch any district meeting on VEA's website.

- b. Safety Report. Presented by Mr. Fieldsted, consistent with submitted report.
- c. Human Resources Report. Mr. Thurgood presented the report consistent with previously submitted information. Mr. Thurgood spoke in great detail about COVID-19 and keeping employees safe.
- d. Accounting, Customer Service and Fleet Report. Presented consistent with written report. Lobby is currently shut down. Discussion regarding logistical impacts of lobby shut down. Members have numerous avenues to make payments.
- e. Power Resource Report. Presented by Mr. Maughan, consistent with written report. Total energy purchases were ~42M kWh. Less power in the month of March. April and May will likely be lower. NRECA released a study that COVID-19 will decrease energy usage by approximately 6%. VEA has not seen the full affect yet, since only two weeks of March were affected by Executive Order. Energy prices for March were favorable. Average was \$23.71 per MWh. Twin peaking model, we are in the shoulder months. March was slightly lower than the last two years for energy purchases. Peaking decreased as well, as compared to the prior two years. Resource Mix, we only had three energy sources: BP base load (64%); hydro (29%), solar (7%). No peaking contract was in effect in March. Oil pricing decline did not substantially affect VEA's pricing due to long-term contract requirements. Congestion Revenue Rights are unusually negative compared to historical pricing. There is negative congestion pricing in the market right now. VEA is selling rights each month. Lake Mead is 7 feet deeper than last year at the same time. Increased lake levels benefit the hydro resource. VEA is preparing various filings for the applicable regulatory authorities.
- f. Engineering Report/Operations and Projects. Presented by Mr. Andresen, consistent with pre-submitted written report. Pahrump Planning District is no longer issuing any new building permits during this COVID-19 pandemic. This will quell any new construction and rooftop solar permits. VEA signed an engineering contract for the Gamebird expansion, this improves a potential voltage issue. NextGen Farms, the first 400-amp service is now in. All teams are working on Strategic Planning for the June 2020 deadline. VEA is not seeing a drop in job completion time due to the COVID-19 impacts. The canopy is now installed for the Lathrop Wells charging station, which means that this project is 100% complete. Ms. Groenert asked about the status of the community center. Mr. Stallons answered that VEA has not received any new information on that—still in a holding pattern—but there has been no change in the target date.
- g. VCA/Broadband Report. Presented by Mr. Johnson, consistent with pre-submitted report. Mr. Johnson described some new developments in fiber deployment. Fiber is being deployed into the DMV building. Once construction can commence, VCA

will try to sign up new government customers for service. VCA has looked at becoming a preferred vendor of the state. The crews are working on the WiMax towers and performing battery maintenance. The batteries need to be good for at least 4 hours. After much troubleshooting, VCA has found the component that is causing the evening latency issues. The issue was found before the Stay-at-Home orders were instituted. At peak times, system is operating at 55%. The Board discussed how a consumer can test its speed. Mr. Johnson described Speed Tests and Ookla (Nokia) servers. Spoke about phone servers, customer service and IT adjustments for telecommuting.

Ms. D'Antonio **moved** to approve staff reports. Ms. Caird **seconded** the motion. No further discussion. The motion was **approved** unanimously.

Zoom Meeting terminated at 10:44 a.m. with no further question. Executive session to reconvene at 11:15 a.m.

There being no further matters to discuss, Ms. Caird **moved** to adjourn the meeting. Ms. Barber **seconded** the motion. The motion was **approved** unanimously. The March 2020 meeting of the Board of Directors was adjourned at 1:15 p.m.

DATED this 27th day of May, 2020.

Kathleen Keyes, President

Terrie D'Antonio, Secretary