

**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, January 29th, 2020, beginning at approximately 8:30 a.m., at VEA’s headquarters in Pahrump, Nevada. The meeting was held in the Valley Conference Center (“VCC”).

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

Also present were: Mark Stallons, Chief Executive Officer (“CEO”); Steve Morrison, Chief Financial Officer (“CFO”); Bart Thurgood, Chief People Officer; James Andresen, Director of Engineering & Operations; Nate Johnson Executive Vice President (“VP”), 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; and Bob Sweetin, Davison Van Cleve, General Counsel. Community Members: Tim Sutton, William J. Allen, David Dawson, Bert Hartmann, Greg Dann, Debra Strickland, Robyn Gibbons, Ann Herget, Stacy Smith, Tammi Odegard, Paula Rooks, Selwyn Harris, Brandon Main.

Ms. Keyes called the meeting to order 8:33 a.m., Pledge of Allegiance, followed by a moment of silence.

1. Approval of the Agenda. Ms. Caird **moved** to approve agenda as amended. Ms. Groenert **seconded** the motion. No comments. The motion was **approved** unanimously in favor of the agenda as amended.
2. Member Comments. Sandy Valley, Shirley Karganilla: comment on mileage to Pahrump and encouragement to use telecommunications system to save on mileage reimbursements thereby saving cooperative dollars. Ms. Keyes responded to comment, stating that the comment from Shirley Karganilla was directed at her and explained that her education and travel has assisted her in making necessary decisions at VEA and that it would be unfair to force her district to not be allowed to attend meetings her person. Linda Levasseur also commented that former Board spent and received thousands of dollars and that the concerns from Sandy Valley are rooted in not returning to that behavior. David Dawson welcomed Mark Stallons to VEA and greeted new Board members. Bert Hartmann commented that his solar credits were not credited to pay for his internet, which was the purpose of his expansion of his solar electric system, but that ultimately his internet fee was refunded back. Commented regarding concern of lack of policy and uncertainty moving forward. Asked that in the worst-case scenario a “grandfather clause” permit those who are under the current program of solar credits to continue under that program. Debra Strickland (Nye County Commissioner) welcomed Mr. Stallons and affirmed her full support, along with entire commission support, for agenda item 10(a). No further member comments.
3. Director Comments. Ms. Barber commented on her appreciation for those in attendance and to the Board for welcoming her in her position. Mr. Shirley: no comment. Ms.

Groenert: no Comment; Ms. D'Antonio: thanked broadband department, in particular Ms. Potter, for setting up the telecommunications systems for the meetings; Ms. Caird- commented that she attended the MLK day luncheon along with several staff and CEO; Ms. Keyes: no comment.

4. Approval of Minutes from December 19, 2019. Ms. Caird **moved** to approve minutes as amended. Ms. Groenert **seconded** the motion. The motion was **approved** unanimously.
5. Presentation of Financial and Statistical Report. Presented by Mr. Morrison consistent with the report provided in Board back-up materials. Scope was both December and the prior year.

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

6. Unfinished Business.

- a. WDAT, tabled.
- b. Policy 104. Amendments from Ms. Keyes: correct a typo. Effective date will be January 1. Ms. Keyes reviewed how reimbursements costs will be lower than the previous Policy 104 that was adopted in mid-2019. Telephonic meetings will no longer be compensated.

Ms. D'Antonio **moved** to approved. Mr. Shirley **seconded**. No further comment. The motion and revised Policy 104 were **approved** unanimously. Ms. Caird made final comment that members and committees have reviewed the policy as well.

Board took a break at 9:25 A.M. Meeting called back to order at 9:42 A.M.

7. New Business.

- a. Presentation by Nye County Manager Tim Sutton regarding proposal for "Center" Project. Clarified that he has authority from County Commission to make presentation based on prior meeting with Ms. D'Antonio and Ms. Caird. Explained that purpose of presentation was conceptual view of Community Center created by the Legacy Committee to allow the VEA Board the information that would allow them to come to a decision on whether to proceed or in what ways to work with the County. Mr. Sutton presented from a PowerPoint presentation. Proposal is a 28,000 Sq. Ft. center. Would have a basketball/multi-use sports room. Additional meeting and recreational rooms, racquetball courts and a small kitchen. Commented that Letter of Intent from earlier this year stated that VEA would provide land next to VEA HQ, but that County has the land and could provide the land in a different area. Question from Director Barber about cost. Mr. Sutton stated that the cost would be roughly \$5 million. Ms. D'Antonio asked about landscaping and off-site costs, or what Nye County would propose to bring to the project. Mr. Sutton stated that Nye County would cover whatever the \$5 million does not cover. Ms. D'Antonio asked about 3-year commitment to remain open and operational through a reserve 3-year

budget fund. Ms. Sutton stated that those costs can be provided. Question from Member Ann Herget regarding replacing the Senior Center. Ms. D'Antonio stated that that was merely conceptual. Mr. Sutton stated that the conceptual design was a \$60 million project was not feasible. Mr. Stallon asked about potential expansion over time. Mr. Sutton stated that the vendor that the County has been working with builds with the idea of future expansion and that could be worked into the plans. Ms. D'Antonio asked about proposal for where the building would go if not next to VEA. Mr. Sutton stated that land near the racetrack at the fairgrounds would be used. Ms. D'Antonio asked a follow-up about how many acres would be dedicated for future expansion. Mr. Sutton stated that 60-80 acres could be dedicated. Mr. Stallons asked about builder and estimate. Mr. Sutton confirmed the \$5 million is estimate of completed building. George Harris with Xtreme Cubes made comments about constructing buildings with future expansion in mind. Brandon Main, CEO, Xtreme Cubes spoke to prior projects which include projects across the country, including container park in Las Vegas and the new Raiders ticket area. Modular Factory built steel buildings provide a turn-key product. All that needs to be done is to hook up utilities. Ability to co-build building and prep-work of ground. Located on an 80-acre campus near the Fiesta in Henderson. About 1.5 million square feet of manufacturing around the globe. Question from Ms. D'Antonio about what types of flooring would be used on the sports floor. Answer from Mr. Main that any type of flooring could be used, and that conversion of flooring can be part of the plan as well. Ms. Barber asked about acoustics in a modular. Mr. Main stated that it's treated the same as a traditional building. Question from Mr. Maughan about occupancy and construction time. Mr. Main said that if it's a traditional 18-month build out, it would take Xtreme Cubes 6-9 months. As to capacity it's going to depend on how the building is configured and being used at the time, the building will be versatile so that multiple events can be served at one time, or one larger event, 28,000 sq. ft. at 4 sq ft per person (about 7,000 people). Question about Solar Panels from a member of the public. Answer that it could be done depending on design of the building. Question from Mr. Dawson about whether VEA would be responsible for buildout vs. County. Answer on prevailing wage and potential of VEA building project vs. County. Mr. Sutton concluded with comments regarding this coming from the Legacy Committee and get a tentative green light at some point. Ms. D'Antonio asked about how much staff would be hired. Mr. Sutton stated that they have worked with Nye County Communities Coalition and County would be responsible for expenses and funding (document referenced by Mr. Sutton). Mr. Sutton confirmed that there would be no ongoing obligation from VEA. Mr. Thurgood asked about if using land next to VEA HQ, would there be sufficient room for parking. Answer from County representative was that that was the primary concern for moving it to another location. Phase I could be accommodated. Phase II would become "tight."

- b. 4th Quarter Bad Debt. Mr. Morrison presented Bad Debt write-off of 82 accounts. \$74,182.56, against \$48,159.38 in capital credits, for a net write-off of \$25,993.48 Ms. Caird made a **motion**, Ms. D'Antonio **seconded** the motion. No further comment. The motion was **approved** unanimously.
- c. Estate Capital Credit Retirements. Total early retirement, \$33, 596.33, offset against

\$17,412, net retirement \$18,184 Ms. Keyes sought a motion. Ms. Caird made a **motion**, Ms. Barber **seconded** the motion. No further discussion. The motion was **approved** unanimously.

- b. Monthly Contribution Report: Presented by Mr. Morrison. Nye County Coalition, \$3,000 for hosting a breakfast for hope run. Ms. D'Antonio clarified this is corporate funding, not foundation. Ms. Caird clarified we have \$15,000 over the year for corporate contributions.

Ms. Caird made a **motion** for \$750. Ms. Barber **seconded** the motion. Ms. D'Antonio stated that \$1,000 was more appropriate and in keeping with what was given in the past. Ayes- All but; Nay Ms. D'Antonio, Mr. Shirley.

Beatty High School requests \$2,500 to send a group of students to Washington D.C. Has not been previously supported. Mr. Shirley explained students raised 85% of money and that he is in agreement with \$2,500. Beatty Town Board granted \$2,500. Amargosa Town Board granted \$5,000. Roughly 50-60 students attend.

Mr. Shirley made a **motion** to grant \$2,500. Ms. D'Antonio **seconded** the motion. The motion was **approved** unanimously.

Goldwell Open Air Museum requests \$10,000 related to refurbishing a last-supper statue. No previous funding. Depicts ghost figures during the last supper. Rhyolite ghost town is a tourism draw. Ms. Keyes stated she was not in favor of donating \$10,000.

Ms. D'Antonio **moved** to NOT fund the Goldwell request. Mr. Shirley **seconded**. No further discussion. Motion to NOT fund the Goldwell request **approved** unanimously.

Two \$50 power credits were given to Pioneer Territory Casa on their request.

- e. Resolution 2020-02. Would grant signing and agency power to certain positions.

Ms. Caird **moved** to adopt. Mr. Shirley **seconded** the motion. No further comment. The motion was **approved** unanimously.

- f. 2020 voting delegates. Need to selecting voting delegates who will attend those meetings.

- 1. NRECA Annual & Regional Meetings

- 2. CFC and NRECA Annual Meeting

Ms. Caird **moved** to appoint Mr. Stallons as voting delegate for the subject meetings. Ms. D'Antonio **seconded** the motion, no further comment. The motion was **approved** unanimously.

- g. Board Committee Reports.

1. Charitable Foundation Committee. Presented by Ms. D'Antonio. Committee has 21 members. Spoke to appointment of new members to board of trustees of the Charitable Foundation which includes New Board, CEO, two staff members. Charitable Foundation trustee meeting will occur at 1 P.M. It will be asked of the trustees to approve the new bylaws at that meeting. Goal will be to be able to apply for as many grants as possible that non-profits in the six-districts might not otherwise be able to apply for and then re-distribute those funds.
2. Finance Committee. Ms. Caird provided the report. Recent meeting went over 2020 projections and theme for April annual meeting, focusing on trust and financial stability.
3. Member Liaison Committee. Ms. Caird provided the report. Bylaws have been reviewed by both Legal and the Board of Directors. Documents will be going out soon to allow members to vote on bylaw changes. Ann Herget, member of Member Liaison Committee spoke to changes in Bylaws and the process.
4. Policy Committee. Ms. Caird provided the report. Stated that a new system has been put in place for reviewing policies. Kathy Mattocks is going to re-write policies into one format, and then work with Department Heads to re-write policies and then present to policy committee for review.

Break at 10:41 A.M. Meeting called back to Order at 10:58 A.M.

11. CEO and Staff Reports.

- a. CEO Report. Presented by Mr. Stallons. Consistent with materials submitted in Board Report. Spoke about orientation at VEA, meeting employees and touring the systems. Aces and AEPCO power supply meeting February 4. Reviewed efforts in reviewing finances and budget. Discussed Strategic Plan development, including at VCA Business plan. Spoke to District and Annual Meetings, theme will be "rebuilding trust."

Ms. D'Antonio asked about Mr. Stallons' residence in Pahrump. Mr. Stallons' spoke to settling into Pahrump and his family.

- b. Safety Report. Presented by Mr. Fieldsted. Consistent with submitted written report.
No comments from the Board.

- c. Human Resources Report. Mr. Thurgood provided the Human Resources Report consistent with monthly written report January 2020.

Question about information for an apprentice program in Fish Lake. Mr. Thurgood stated to check the website for openings. Question about nepotism. Mr. Thurgood clarified nepotism policy.

- d. CFO Report/Accounting Report Presented by Mr. Morrison. Stated that he had nothing to add regarding his earlier comments but was available for questions.

No further comments.

- e. Corporate Communications and Government Affairs, Community Relations and Key Accounts. Presented by Mr. Morrison. Consistent with monthly written report for January 2020.

No further questions.

- f. Power Resource Report. Presented by Mr. Maughan consistent with written report. Spoke to process of allocating power and which power is used under which circumstances in response to Board questions.

No further questions.

- g. Engineering Report/Operations and Projects. Presented by Mr. Andresen in summary fashion based on pre-submitted written report. Discussed high-speed train line and other various projects, developments and subdivisions in town.

Question from Ms. D'Antonio about GridLiance relationship with VEA. Mr. Andresen explained that VEA provides O&M maintenance on 230kV lines that GridLiance pays for.

- h. VCA/Broadband Report. Provided by Mr. Johnson consistent with written report. Asked for questions. Discussion about enhanced access for customer service issues and complaints. Discussion about online complaint forum.

Ms. Caird **moved** to accept the Staff reports. Ms. Barber **seconded** the motion. The motion was **approved** unanimously.

The Board took a break at 12:14 P.M. and reconvened in Executive Session at 1:35 P.M.

There being no further matters to discuss, Ms. Caird **moved** to adjourn the meeting. Ms. Groenert **seconded** the motion. The motion was **approved** unanimously. The regular session of the meeting was adjourned at 12:14 P.M. Regular Board meeting was adjourned at 5:37 P.M.

DATED this 27th day of February, 2020.

Kathleen Keyes, President

Terrie D'Antonio, Secretary