

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF WELLS RURAL ELECTRIC COMPANY

June 18, 1985

The special meeting of the Board of Directors of Wells Rural Electric Company was held pursuant to a verbal notice on June 11, 1985, a copy of the waiver of notice signed by all directors is attached hereto, meeting called to order on Tuesday, June 18, 1985 at 1:00 o'clock p.m. and presided over by President Vernon Dalton.

The purpose of the special meeting was to discuss the bid on the new office building.

Directors present were Wanda Borden, Larry Bradshaw, Ferris Brough, Vernon Dalton, Daryl Eriksen, Lois Nannini, Joe Riordan, Vernon Scott, Claudia Wines and Mary Wright. Ray Crawford was not present.

Present from the staff were Dan Kessler, Clay Fitch, Warren Linnell, Don McDonald, Buddy Welsh, Terri Seal. Bob Vaughan, Company Attorney, was also present.

APPROVAL OF THE MINUTES:

Both the regular meeting minutes of May 17, 1985, and the [Special Meeting](#) minutes of May 25, 1985 will stand approved as written.

It was then brought to the board's attention that since this special meeting was called that possibly the regular meeting scheduled for June 21, 1985 could be dispensed with.

IT WAS ON MOTION BY DIRECTOR VERNON SCOTT THAT THE REGULAR MEETING BE DISPENSED WITH AND USE THE SPECIAL MEETING AS A REGULAR MEETING. SECONDED BY FERRIS BROUGH MOTION CARRIED UNANIMOUSLY.

NEW OFFICE BUILDING:

Dan Kessler informed the board that Kerbs Construction had received notice from the Nevada State Contractors Association giving them an unlimited license in the State of Nevada providing they post adequate bond. There are five documents that need to be sent to REA for approval those being, an adequate bond, contract signed by Kerbs Construction, resolutions signed by Wanda Borden, letter from Bob Vaughan, and a letter from Bob Hope as per the motion of the special board meeting held May 25, 1985, when Kerbs Construction was approved.(Exhibit I)

The contract has already been signed and was approved on May 25, 1985 with the condition that both Bob Vaughan and Bob Hope approve. REA requires 4 copies so we are having them sign extra copies. They will have until the 20th to come up with the bond.

Kessler also informed the board that the geothermal contract had been sent to REA for approval.

Financing Options:

Buddy Welsh handed out some financing options for the new building. He informed the board that a motion and a Resolution were needed to apply for a loan from CFC so they can be sent to them. They in turn will send the necessary paper work to us regarding the loan.

After a thorough discussion DIRECTOR DARYL ERIKSEN MADE THE MOTION TO ACCEPT THE 15 YEAR VARIABLE OPTION (\$1,133,000.00 @ 9% Interest). VERNON SCOTT SECONDED. MOTION CARRIED 7 IN FAVOR AND 2 OPPOSED. Resolution attached as Exhibit II.

ADDITIONS TO THE AGENDA:

The board was informed that Mike Nannini, Mayor, would like to address the board regarding the poles and lighting for the Babe Ruth park. As there were no objections he was added to the agenda.

MANAGER'S REPORT:

Bonneville Power Rate Increase:

Currently work is being done on the Cost of Service Study, evaluation on the Financial Forecast (1985-86) and the Power Requirements Study to bring recommendations to the board regarding the necessary retail rate increase per each rate class. The staff will have information regarding these things at the July Board meeting.

Coal Creek Site:

We received notification from the Environmental Protection Agency in regards to the Coal Creek Site. We had sold some transformers to be refurbished by Ross Electric who in turn put them on Lewis County PUD's site. They were apparently contaminated with PCB'S, and we have been notified of a potential liability. It has been turned over to our insurance company and Bob Vaughan.

Shire Development:

Warren Linnell reported on the Shire Development Crossroads Plaza regarding the rerouting of the underground power line, however the up-front money was not received to do it correctly so a temporary line had to be installed. We do have their money now. Some legal matters arose concerning the right of way. Bob Vaughan explained that we got the rights of way necessary to go underground and simultaneously we gave up the aerial right of way. We retained the right to use the aerial right of way until the underground was finished.

Member Survey:

The member survey consists of three areas: Personal, Service, General and New Programs. A rough draft of a member survey was passed out to the board for inspection. Upon approval it will be sent out through the Ruralite magazine. A joint committee to tabulate results of the survey will be made up of some board members, staff members and AWARE group members. It was recommended that the staff edit the survey and submit it to Ruralite.

NRECA & CFC Study on Telecommunications:

Dan Kessler informed the board that the NRECA & CFC Study on telecommunications had arrived, copies will be made and sent out as soon as possible.

Incentive Plan:

Dan Kessler reported that the purpose of the incentive plan was to get employees involved in making suggestions to improve working conditions or come up with ideas to save the company money. \$25.00 is paid for suggestions that are adopted and after one year's monitoring if it is found that the suggestion has saved the company \$2,000.00 an additional \$100.00 is paid. The first \$100.00 was paid to Bud Calton for his suggestion to purchase a xerox machine instead of leasing one.

New Employee in Wendover:

Buddy Welsh informed the board that he didn't feel that a budget adjustment would be necessary because of a new employee in the Wells office on a beginning scale. It will cost approximately \$9,300.00 for 6 months of employment.

Bonding:

The coverage for bonding the employee handling the check signing device would be \$4,000.00 a year for \$1,000,000.00 bond. It was the consensus of the board that this coverage was not necessary at this time.

Nominating Committee:

The nominating committee met and a letter was sent to all consumers informing them of the requirements. They are scheduled to meet again July 11, 1985.

MANAGER'S REPORT (cont.)

Thank You Letters:

Dan Kessler reported that several thank you letters had been received. One from Bob Wright for his pioneer award. The Wells Combined School for the surge controls for the new computers, along with a similar letter from Ruby Valley School. There were also letters from Senator's Laxalt & Hecht, and Representatives Vukanovich & Reid expressing their thanks for the commemorative stamp awards that were sent to them.

Mayor Mike Nannini:

Mayor Mike Nannini addressed the board concerning the need for lighting at the Wells Babe Ruth baseball field. He asked that the board approve to sell the city the poles for this project at cost, due to the city's budget problems. The outside crews of Wells Rural Electric has agreed to donate their time to help with this project.

After some discussion DIRECTOR VERNON SCOTT MOVED, AS A PUBLIC RELATIONS PROJECT, TO AUTHORIZE THE EMPLOYEES TO DO THE WORK WITHOUT PAY AND TO HAVE THE USE OF THE EQUIPMENT TO DO THE JOB. LARRY BRADSHAW SECONDED. MOTION CARRIED UNANIMOUSLY.

Mike Nannini thanked the board and then left the meeting.

WPPS UPDATE:

Bob Vaughan updated the board on the latest developments on WPPS #3 settlement. The discussion centered around Judge Browning's decisions to vacate Judge Bilbey's previous decisions. Bob Vaughan will keep the board informed on Judge Browning's future decisions.

PINE VALLEY SERVICE:

Dan Kessler reported that the loans are in the Assistant Administrators office. Kessler informed the board that he had tried to contact Janet Walther to find out where these loans are but had not been able to reach her and his call had not been returned. An attempt will again be tried the first of the week. The project is currently proceeding on schedule. RE Magazine is planning to do a story on this project.

POWER SUPPLY:

SB 490, legislation authorizing private enterprise to engage in the construction of electrical energy producing power plants in the State of Nevada has passed overwhelmingly through the Nevada State Legislature.

There was discussion on the power generating plants to be built north of town on property owned by Lands of Sierra. It was recommended that some research be done into the legalities and possible service of the area.

BOARD COMMITTEE REPORTS:

Joe Riordan reported on the Board Chairman's Conference he attended in Colorado Springs. He was very impressed with the caliber of speakers and the professional manner in which the meeting was conducted. He found it very informative and well worth while.

A short recess was called at 2:40 P.M.

Called back to order at 2:50 P.M.

It was decided that the Financial Advisory Committee would meet on Wednesday, July 10th, 1985 at 10:00 a.m. to go over the Financial Forecast and the Cost of Service Study.

BOARD COMMITTEE REPORTS (cont.)

Vacation Policy 7-2:

Joe Riordan that the Vacation Policy 7-2 had been reviewed by Bob Vaughan and he could see nothing wrong with it. WANDA BORDEN MOVED THAT THE REVISED VACATION POLICY BE ACCEPTED. SECONDED BY JOE RIORDAN. MOTION CARRIED UNANIMOUSLY. A copy of said policy attached to the minutes as Exhibit III.

Liability Policy:

Concerning the Liability Policy, Vernon Dalton requested he be allowed to visit with the staff about the proposed change before bringing it before the board for acceptance. JOE RIORDAN MOVED THAT VERNON DALTON BE ALLOWED TO VISIT WITH THE STAFF ABOUT THE LIABILITY POLICY BEFORE BRINGING IT BEFORE THE BOARD. SECONDED BY DARYL ERIKSEN. MOTION CARRIED UNANIMOUSLY.

Scholarship Policy:

DIRECTOR JOE RIORDAN MOVED THAT THE RECOMMENDATION OF THE POLICY COMMITTEE ON THE SCHOLARSHIP POLICY BE ADOPTED AS CHANGES IN SAID POLICY. A COPY OF THE RECOMMENDATION OF THE POLICY COMMITTEE ON THE SCHOLARSHIP POLICY IS TO BE ATTACHED TO THE MINUTES OF THE MEETING. THE MOTION WAS SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY. Attached as Exhibit II

Rule Changes:

RULE #2: "DIRECTOR DARYL ERIKSEN MOVED THAT THE RECOMMENDATIONS OF THE POLICY COMMITTEE ON RULE NO. 2, BE

ADOPTED AS CHANGES IN SAID RULE. A COPY OF THE RECOMMENDATION OF THE POLICY COMMITTEE ON RULE **NO.2**, IS TO BE ATTACHED TO THE MINUTES OF THE MEETING. THE MOTION WAS SECONDED BY DIRECTOR CLAUDIA WINES AND PASSED UNANIMOUSLY." Rule No. 2 stands amended pursuant to attached Exhibit V.

RULE #10: "DIRECTOR VERNON SCOTT MOVED THAT THE RECOMMENDATIONS OF THE POLICY COMMITTEE ON RULE NO. 10, BE ADOPTED AS CHANGES IN SAID RULE. A COPY OF THE RECOMMENDATION OF THE POLICY COMMITTEE ON RULE NO. 10, IS TO BE ATTACHED TO THE MINUTES OF THE MEETING. THE MOTION WAS SECONDED BY DIRECTOR JOE RIORDAN AND PASSED UNANIMOUSLY." Rule No. 10 stands amended pursuant to attached Exhibit V.

RULE #12: "DIRECTOR JOE RIORDAN MOVED THAT THE RECOMMENDATIONS OF THE POLICY COMMITTEE ON RULE NO. 12, BE ADOPTED AS CHANGES IN SAID RULE. A COPY OF THE RECOMMENDATION OF THE POLICY COMMITTEE ON RULE NO. 12, IS TO BE ATTACHED TO THE MINUTES OF THE MEETING. THE MOTION WAS SECONDED BY DIRECTOR DARYL ERIKSEN AND PASSED UNANIMOUSLY." Rule No.12 stands amended pursuant to attached Exhibit V.

RULE #13: "DIRECTOR MARY WRIGHT MOVED THAT THE RECOMMENDATIONS OF THE POLICY COMMITTEE ON RULE NO. 13, BE ADOPTED AS CHANGES IN SAID RULE. A COPY OF THE RECOMMENDATION OF THE POLICY COMMITTEE ON RULE NO. 13, IS TO BE ATTACHED TO THE MINUTES OF THE MEETING. THE MOTION WAS SECONDED BY DIRECTOR WANDA BORDEN AND PASSED UNANIMOUSLY." Rule No. 13 stands amended pursuant to attached Exhibit V.

RULE #14: "DIRECTOR WANDA BORDEN MOVED THAT THE RECOMMENDATIONS OF THE POLICY COMMITTEE ON RULE NO. 14, BE ADOPTED AS CHANGES IN SAID RULE, A COPY OF THE RECOMMENDATION OF THE POLICY COMMITTEE ON RULE NO. 14, IS TO BE ATTACHED TO THE MINUTES OF THE MEETING. THE MOTION WAS SECONDED BY DIRECTOR CLAUDIA WINES AND PASSED UNANIMOUSLY." Rule No. 14 stands amended pursuant to attached Exhibit V.

RULE #15: "DIRECTOR MARY WRIGHT MOVED THAT THE RECOMMENDATIONS OF THE POLICY COMMITTEE ON RULE NO. 15, BE ADOPTED AS CHANGES IN SAID RULE, A COPY OF THE RECOMMENDATION OF THE POLICY COMMITTEE ON RULE NO. 15, IS TO BE ATTACHED TO THE MINUTES OF THE MEETING. THE MOTION WAS SECONDED BY DIRECTOR FERRIS BROUGH AND PASSED UNANIMOUSLY." Rule No. 15 stands amended pursuant to attached Exhibit V.

It was brought up that the Member Relations & Area Development Committee be in charge of getting the satellite program underway. This committee consists of Daryl Eriksen, Lois Nannini and Ferris Brough.

HYDRO REPORT:

A filter screen was lost and a large rock has gotten lodged in the pipe. They plan to have it fixed soon.

MEMBER SERVICES REPORT:

Dan Kessler commended Don McDonald and all employees who helped with the [Annual Meeting](#).

NEW MEMBERSHIPS:

VERNON SCOTT MADE THE MOTION TO ACCEPT 11 NEW MEMBERS: 5 IN WELLS, NEVADA; 4 IN CARLIN, NEVADA; AND 2 IN WENDOVER, UTAH. CLAUDIA WINES SECONDED MOTION CARRIED UNANIMOUSLY.

MEETING ADJOURNED AT 3:45 P.M.

Called back to order by President Vernon Dalton at 3:50 P.M. to discuss the possibility of electing an assistant secretary to sign documents in the absence of Wanda Borden. CLAUDIA WINES MADE THE MOTION THAT MARY WRIGHT BE AUTHORIZED TO SIGN IN THE ABSENCE OF WANDA BORDEN. FERRIS BROUGH SECONDED MOTION PASSED UNANIMOUSLY. As Lois Nannini had already left she did not vote on this motion.

MEETING ADJOURNED AT 3:55 P.M.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY