

**THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF WELLS RURAL ELECTRIC COMPANY**

**April 25, 1986**

The regular meeting of the board of directors of Wells Rural Electric Company was held in the Wells office and called to order on April 25, 1986 at 9:00 A.M. The meeting was presided over by President Vernon Dalton.

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

Present from the staff were Dan Kessler, Paul Johnson, Buddy Welsh, Warren Linnell, and Diane Griswold.

**APPROVAL OF THE MINUTES:**

The minutes of the regular meeting held March 21, 1986 will stand approved as written.

**ADDITIONS TO THE AGENDA:**

Dan Kessler asked that John Neff be added after the Auditors' Report. There were no objections, he was added. Also, Dan asked that Mayor Mike Nannini be added after the lunch break. There were no objections, he was added.

**AUDITORS' REPORT:**

Jay Smith of Ernst & Whinney, our auditors, reviewed the financial report they had completed. Mr. Smith explained audit procedures, the financial statement, and the spread sheet. Mr. Smith stated the findings of the report showed that Wells Rural Electric Company is doing very well.

**WANDA BORDEN MADE THE MOTION TO ACCEPT THE AUDITORS' REPORT, SECONDED BY FERRIS BROUGH; MOTION PASSED UNANIMOUSLY.**

**JOHN NEFF:**

John Neff requested that the board reclassify his commercial granary operation, to irrigation, under our Line Extension Policy. A thorough discussion followed as to whether a commercial operation could be classified as irrigation if it did not actually pump water or drain fields. It was decided Mr. Neff's granary operation did not qualify as an irrigation load under our Line Extension Policy. The board voted not to change or modify our current Line Extension Policy.

**FRED HOWELL:**

Dan Kessler informed the board that he had been contacted by Fred Howell. Mr. Howell was inquiring that WREC allow customers to pay off "front money" requirements over a period of time, so that it is not such a financial burden for the people located some distance from our lines. After a thorough discussion, the board decided that our current policy is adequate

A short break was called at 10:30 a.m..

Called back to order at 10:45 a.m..

## BOARD REPORT ON MEMBER CONTACTS:

Board and staff members reported on the "personal contacts" made this month.

Vernon Scott stated he had many complaints on the outages in Carlin on April 22nd. The Carlin outages were thoroughly discussed. It was noted that all seven of the outages were supplier related with the last six being caused by poor operating procedure on the part of Sierra Pacific Reno Dispatch. The board instructed the staff to contact both Sierra Pacific and Bonneville Power and insist procedural improvements be put into place to eliminate these problems in the future. It was noted that Ken Schlecht was meeting with Carlin Gold officials today to thoroughly brief them on the causes of these outages.

Leslie Sharp requested to have the scheduled outages for Ruby Valley changed to a different time slot due to the valley being on M.S.T. time part of the year. The schedule was interfering with the mid day-meal.

A handout on member comments/complaints was passed out to board and staff members, and a recap was given on the tracking of members paying in each office.

## DISCUSSION OF SPECIAL BOARD MEETINGS:

Vernon Dalton suggested that 2 special board meetings be added a year. They are to be non-structured meetings to let the board and staff members discuss issues at length, to generate new ideas, (communicate), etc.. There were no objections.

## CARLIN BOARD MEETING:

It was decided to schedule the Carlin board meeting for May 16, 1986. It will be held at the Carlin Office. RAY CRAWFORD MADE THE MOTION TO SCHEDULE THE CARLIN BOARD MEETING FOR MAY 16, 1986; SECONDED BY CLAUDIA WINES, MOTION PASSED UNANIMOUSLY.

VERNON SCOTT MADE THE MOTION TO APPROVE THE RESOLUTION CALLING FOR A SPECIAL BOARD MEETING ON MAY 30, 1986 TO DISCUSS AND APPROVE THE 2ND QUARTER BUDGET; SECONDED BY LOIS NANNINI, MOTION PASSED UNANIMOUSLY. \*See attached resolution, exhibit I.

AY CRAWFORD MADE THE MOTION TO MOVE THE REGULAR JUNE BOARD MEETING FROM JUNE 20 TO JUNE 17, 1986; CLAUDIA WINES SECONDED, MOTION PASSED UNANIMOUSLY.

## NEW OFFICE BUILDING:

The meeting adjourned at 11:40 to tour the new office building and a lunch break immediately following the tour.

Called back to order at 1:15 p.m..

The board was impressed with the progress made on the new building.

Bob Hope had given Dan Kessler change order #5 to be approved by the board. It included all the mill work changes such as the board room, manager's office, and front lobby areas. The change order was in the amount of \$7,397.00.

VERNON SCOTT MADE THE MOTION TO SIGN THE CHANGE ORDER #5 IN THE AMOUNT OF

\$7,397.00; SECONDED BY WANDA BORDEN, MOTION PASSED UNANIMOUSLY.

The board room furniture was thoroughly discussed. FERRIS BROUGH MADE THE MOTION TO HAVE THE BUILDING COMMITTEE AND RAY CRAWFORD SELECT THE BOARD ROOM FURNITURE; SECONDED BY LESLIE SHARP, MOTION PASSED UNANIMOUSLY.

The committee decided that Tuesday, May 13th to be the date to go to Salt Lake City to select the furniture.

MAYOR MIKE NANNINI:

Mayor Mike Nannini and Dave Martin, City Manager, requested the board consider using the old WREC building for a dental office. After a thorough discussion, DARYL ERIKSEN MADE THE MOTION TO LOOK INTO THE LEGAL RAMIFICATIONS OF RENTING OR LEASING THE BUILDING; SECONDED BY CLAUDIA WINES, PASSED UNANIMOUSLY. The board requested that Dan contact Bob Vaughan and have a report for the regular May Board Meeting.

KIMBERLY NURSERY:

The landscape plan was presented to the board. A discussion followed.

MANAGER'S REPORT:

Paul Kramer, NRECA Representative:

Paul Kramer presented several options on retirement plans, savings plans, etc. to Dan Kessler and the staff April 22nd. Dan will have a report for the board when all the written information is received from Mr. Kramer.

Easement (SPRR):

The easement with the Southern Pacific Railroad regarding the Telecommunications site (U.S. Telecom) was explained. Santa Fe Realty Corporation for Southern Pacific Railroad want to enter into an easement exactly like the Pine Valley easement. In the agreement we agree to pay \$700.00 which is recoverable from U.S. Telecom. Also, U.S. Telecom agrees to pay for the relocation of the line if the need arises. Jim Copenhaver reviewed the easement and recommended that it be approved.

Donations:

Dan Kessler handed out a list of donations to the board to be approved. RAY CRAWFORD MADE THE MOTION TO DONATE \$850.00 TO THE CARLIN VOLUNTEER FIRE DEPARTMENT; SECONDED BY LARRY BRADSHAW, MOTION PASSED UNANIMOUSLY. It was decided that Dan Kessler is to follow established policy on the other donations.

Legislative Conference:

The Nevada Rural Electric Breakfast is to be held May 5, 1986 at 7:00 a.m. at the Bryce Room at the Hyatt Regency. Vernon Dalton, Vernon Scott, Lois Nannini and Dan Kessler are to attend. Dan went through the schedule with the board, which includes a meeting with the Congressional Delegation on Tuesday May 6, 1986.

Billing Formats:

Dan requested to defer looking over the potential new billing formats due to just receiving them. The request was approved.

#### ACRE:

The Acre memberships are due.

#### Supercollider:

Mr. Bob Laffell of BPA made a verbal commitment that if the "Supercollider" Project is located in our service area that Bonneville will provide us with power to serve them.

#### Take-overs and Sell-outs:

Dan reported on the Take-Overs and Sell-outs Seminar held in Denver, Colorado.

#### Scholarship Committee:

It was decided that the Scholarship Committee will meet May 8th to interview applicants for this year's Vocational Scholarship. Applications have been submitted from each area High School.

#### Board Training and Certification:

A list of Director Certification (500 Series) required courses was discussed.

A break was called at 3:40 p.m..

Called back to order 3:55 p.m..

#### Meter Loops.

Dan gave a report on providing meter loops, etc. to our customers. The report explained the cost involved, savings and benefits for WREC. WREC proposes only to sell and install the meter loop on our pole. The meter loop ownership and maintenance is the responsibility of the consumer. WREC is not proposing to install any metering or entrance equipment on the customer's house, only on a pole completely separated from the building. **LESLIE SHARP MADE THE MOTION TO ADOPT THE REPORT ON METER LOOPS; FERRIS BROUGHT SECONDED, AND MOTION PASSED UNANIMOUSLY.**

#### Alternative Financing Methods for Rural Consumers:

Warren Linnell gave a report on alternative financing methods for rural customers. A discussion followed, with no policy changes recommended.

#### Meter Reading:

A report was given on meter reading on our system by Warren Linnell. The cost analysis was explained and what WREC could do to improve efficiency on reading meters as well as getting the readings into the office on time thus saving money for our consumers. A discussion followed. The staff will research this further, by studying remote hand held devices as well.

#### Federal Marketing Agencies:

Letters were sent to state our stand against the selling of Federal Marketing Agencies. A letter was

received from Senator Paul Laxalt and Representative Barbara Vucanovich in support of our stand against the selling of Federal Marketing. An acknowledgement was also sent from the White House.

#### NRECA Sponsored Legal Seminar:

Bob Vaughan expressed an interest in he and Jim Copenhaver attending the NRECA sponsored Legal Seminar #26, to be held June 26-27 in Boulder, Colorado. It would be a split cost with Mt. Wheeler Power with actual travel expenses paid. They will donate their time to attend. VERNON SCOTT MADE THE MOTION TO SEND BOTH BOB VAUGHAN AND JIM COPENHAVER TO THE NRECA SPONSORED LEGAL SEMINAR #26 AND SPLIT THE COSTS WITH MT. WHEELER; SECONDED BY RAY CRAWFORD AND PASSED BY A VOTE OF 9 IN FAVOR AND CLAUDIA WINES OPPOSED.

#### Power Engineers Fee Increase:

Dan gave a breakdown of the fee increases adopted by Power Engineers.

#### Solec:

Solec is a manufacturer of solar electric generating units. They are interested in making a presentation to the board on how their units would be an alternative to situations where it is not economically feasible to have a power line constructed. A display will be at the Annual Meeting, and they will address the board at the meeting.

#### Budget for Video Lighting:

Member services budgeted \$600.00 for video lighting. Dan requested that the board augment the General Plant Acquisition Budget \$175.00 to buy a Color-Tran 3 Kit for \$775.00. VERNON SCOTT MADE THE MOTION TO AUGMENT THE GENERAL PLANT ACQUISITION BUDGET FOR \$175.00; SECONDED BY WANDA BORDEN, MOTION PASSED UNANIMOUSLY.

#### Wendover's Business Group:

A letter was received from the Wendover's Business Group asking WREC to join their organization. There is a \$50.00 annual fee. A MOTION WAS MADE BY RAY CRAWFORD TO JOIN THE WENDOVER'S BUSINESS GROUP AND PAY THE \$50.00 ANNUAL FEE; SECONDED BY CLAUDIA WINES, MOTION PASSED UNANIMOUSLY.

#### REA FORM 7:

Dan asked the board for approval on the recap format of the Monthly Form 7, and quarterly give the board a Graph Analysis and (Bar Chart Analysis). The board gave their approval. Buddy Welsh explained the break down of the Form 7.

#### Density of the Coops:

The board discussed editorials on the density of the coops. The Myrtle Beach editorial was used as an example. After a thorough discussion, Dan Kessler suggested that he and Vernon Dalton write an editorial for the Guest Editorial in the Elko Daily Free Press. Vernon Dalton suggested that we get a pamphlet (from NRECA) documenting the tax subsidies IOU's receive.

#### CFC Short-term Line of Credit:

The CFC Short-term Line of Credit has come up for review. Dan Kessler asked for a resolution to

institute a \$2,000,000.00 short-term line of credit as had been done the last two years. An option of twelve months or five years is available. FERRIS BROUGH MADE THE MOTION TO ACCEPT A SHORT-TERM LINE OF CREDIT FOR TWELVE MONTHS; SECONDED BY WANDA BORDEN, MOTION PASSED UNANIMOUSLY.

RAY CRAWFORD MADE THE MOTION TO APPROVE THE REA MAINTENANCE RENEWAL & REPLACEMENT CFC FORM #51; SECONDED BY VERNON SCOTT, MOTION PASSED UNANIMOUSLY.

WANDA BORDEN MADE THE MOTION TO APPROVE REA FORM 268 REPORT OF COMPLIANCE AND PARTICIPATION; SECONDED BY CLAUDIA WINES, MOTION PASSED UNANIMOUSLY.

#### LEAKAGE REPORT:

Dan contacted Resource Concepts regarding the "Leakage Study" for the communities of Carlin, Wendover, and Wells. Dan gave a report on the conversation and his findings.

#### TELECOMMUNICATIONS:

Upon advice from the Rural Telecommunications Council, and with staff cooperation, the staff assembled a survey to be distributed "randomly" on telecommunications, appliance sales, heat pumps, water heating, service work and general information. The survey was presented to the board for review and approval. A thorough discussion followed, the board approved the survey.

#### MEMBER SERVICES REPORT:

##### Safety Poster Contest:

A poster contest for grades 1 - 3 with the theme "Living Safely With You" is sponsored by WREC. All children participating will receive a certificate with the first three places in each grade receiving a certificate denoting the place finished. The first three places in each grade will also receive a T-Shirt. The posters will be judged April 30, 1986.

##### Super Good Cents Builders Technical Workshop:

Paul Johnson gave a report on the Super Good Cents Builders Technical Workshop held April 7th, 8th, and 9th, in Wells. Attendees said the meeting was very informative, and the builders are very interested in the program.

##### Donations - Annual Meeting:

Paul Johnson listed the donations area businesses had donated for the Annual Meeting, and reported that the Annual Meeting preparations are progressing well.

#### WENDOVER EQUESTRIAN CENTER:

RAY CRAWFORD MADE THE MOTION THAT THE USE OF EQUIPMENT BE DONATED IF THE WREC EMPLOYEES WILL DONATE THEIR OFF HOURS' TIME TO OPERATE THE EQUIPMENT, AND THAT THE POLES AND CROSS ARMS NEEDED BE SOLD AT COST TO THE WENDOVER EQUESTRIAN CENTER; SECONDED BY FERRIS BROUGH, MOTION PASSED UNANIMOUSLY.

#### CONSTRUCTION WORK PLAN:

The work plan is finalized and approval is needed for the Transfer of Approved REA Funds

Resolution stated Dan Kessler. LARRY BRADSHAW MADE THE MOTION TO ACCEPT AND APPROVE THE TRANSFER OF APPROVED REA FUNDS RESOLUTION; SECONDED BY CLAUDIA WINES, MOTION PASSED UNANIMOUSLY. \*See attached resolution, Exhibit II

LARRY BRADSHAW MADE THE MOTION TO ACCEPT AND APPROVE OF THE BOARD RESOLUTION TWO YEAR WORK PLAN; SECONDED BY CLAUDIA WINES, MOTION PASSED UNANIMOUSLY. \* See attached resolution, exhibit III.

NEW MEMBERSHIPS:

A list of the new memberships was presented. VERNON SCOTT MADE THE MOTION TO ACCEPT THE NEW MEMBERSHIPS; SECONDED BY RAY CRAWFORD, MOTION PASSED UNANIMOUSLY.

MEETING ADJOURNED AT 5:45 P.M..

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY