

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

JUNE 17, 1986

The regular meeting of the board of directors of Wells Rural Electric Company was held in the New Headquarter's office and called to order on May 16, 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, Claudia Wines, and Mary Wright.

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

APPROVAL OF THE MINUTES:

The minutes of the regular meeting held May 16, 1986 will stand approved as written. The minutes of the Special Meeting on May 30, 1986 will stand approved as written.

ADDITIONS TO THE AGENDA:

Dan Kessler asked that Rick Willman of Central Area Data be added to the agenda at 9:30 a.m.. As there were no objections, Rick Willman was added. Also Dan asked that the discussion on the new building be delayed until Bob Hope arrives. As there were no objections, the discussion was delayed. Mary Wright asked that Bill Wright be added to the agenda; as there were no objections, Bill Wright was added.

It was asked of the board to have a smoking and non-smoking side of the board table. As there were no objections, the smoking board members are to sit on the right side of the table and the non-smoking are to sit on the left side of the table.

JOHN NEFF:

Mr. John Neff approached the board to change the Line Extension Policy to qualify his granary operation for an irrigation rate schedule. At the present time the granary operation qualifies for a commercial rate schedule. A thorough discussion followed. IT WAS ON MOTION BY FERRIS BROUGHT TO HAVE JOHN NEFF PAY 30% ON THE FIRST YEAR, 30% ON THE SECOND YEAR AND 40% BALANCE DUE THE THIRD YEAR THUS CHANGING THE CURRENT POLICY COVERING HIS EXTENSION. THE MOTION WAS SECONDED BY MARY WRIGHT. A discussion followed. A VOTE WAS CALLED FOR WITH FERRIS BROUGHT FOR AND 10 AGAINST.

BILL WRIGHT:

Bill Wright approached the board to change the present policy on rural/ residential line extensions requiring upfront payments and the opportunity to recapture the money if the money is put upfront via power credits or a relatively small lump sum payment. Mr. Wright would like to extend the length of time that the rural/residential person can get power credits. A thorough discussion followed.

RICK WILLMAN:

Dan Kessler introduced Rick Willman, Member Service Representative of Central Area. Mr. Willman

gave a presentation on the CAP's Data Processing system to the board members. Also introduced was a new billing format with more information on the bill available to the consumers. VERNON SCOTT MADE THE MOTION TO ACCEPT THE BILLING FORMAT PRESENTED FROM UUARCO; SECONDED BY LARRY BRADSHAW. THE MOTION PASSED UNANIMOUSLY.

The staff is to put the format accepted up for bid and report the prices to the board.

A break was called at 11:00 a.m..

Called back to order at 11:15 a.m.

It was suggested to have individual microphones for each board member placed on the board table with a central speaker.

NEW BUILDING:

Mr. Bob Hope answered questions about the new building by the board members.

A chalk board and screen was discussed by the board. IT WAS ON MOTION BY WANDA BORDEN TO HAVE A SMALL MOBILE CHALK BOARD FOR THE BOARD ROOM AND GIVE THE LARGE BOARD TO ENGINEERING. THIS MOTION WAS SECONDED BY VERNON SCOTT; MOTION PASSED UNANIMOUSLY.

IT WAS ON MOTION BY DARYL ERIKSEN TO ATTACH A PROJECTION SCREEN TO THE BACK SIDE OF THE MOBILE CHALK BOARD. THE MOTION WAS SECONDED BY LARRY BRADSHAW; MOTION PASSED UNANIMOUSLY.

Bill Petty recommends that the heat exchanger system be changed to hot water with no antifreeze and have the system be automatic rather than manual. This would require a \$4,600.00 change order for that system. The staff is to get a report from the engineer, Bill Petty, on the heat exchanger system for the next board meeting.

CFC LOAN DOCUMENTS:

WANDA BORDEN MADE THE MOTION TO HAVE A BOARD OFFICER, VERNON DALTON, SIGN THE CFC LOAN DOCUMENTS FOR THE NEW BUILDING. MOTION WAS SECONDED BY VERNON SCOTT; MOTION PASSED UNANIMOUSLY.

BOARD REPORTS ON MEMBER CONTACTS:

Board members reported on the "personal contacts" made this month. It was brought to the board's attention of billing being late due to the length of time in the mail and being charged a late charge. The staff is preparing a list of consumers with this problem. The "bumping" in Carlin was also brought to the board's attention.

Ray Crawford suggested that the Policy Committee should discuss the possibility of a hazard policy.

A handout on member comments/complaints was passed out to board and staff members.

Dan Kessler reported that several complaints were given on WREC selling appliances. The consumer felt that WREC is unfairly competing with private enterprises. Bob Vaughan sent a letter regarding the Anti-Trust Laws and his opinion is, "not to compete unfairly in anyway with private enterprises."

Dan Kessler also reported that 169 member survey letters had been received to date.

Dan Kessler reported on the trip to Pine Valley. All is going well with Pine Valley.

A lunch break was called at 12:00 p.m..

Called back to order at 1:00 p.m.

MANAGER'S REPORT:

Building Lease:

The building lease has been signed by the City. WREC has received a letter from the City agreeing to pay the water and not charge for any water in the future. Dan has asked Bob Vaughan to draft a letter being more explicit; the letter has not arrived.

A handout, on the past through present Scholarship Recipients, was passed out to the board members.

WREC History:

Rick Steber has the History of Wells Rural Electric Company on its way. A report will be given at the next board meeting.

R.H. Merrill's Account:

Mr. Merrill is current.

Outage of April 23, 1986, Carlin:

Word was received from Bob Laffel that the transfer trip arrangement was really the only way we were able to get a contract with Sierra Pacific. Without it, the cost liability would have to have been shared by WREC and Newmont for any brown-out conditions, etc., resulting to the Sierra Pacific's customers in Reno. Mr. Laffel is working on preventing future trips on this line, first through operational procedure reports to SPPCO., and hopefully through an electronic control devise.

Rain Project:

A letter was received from Newmont Gold Co. asking WREC to evaluate serving their site designated as "Rain". It is currently in Sierra Pacific's territory. A similar letter was sent to Sierra Pacific. In having met with Larry Bradshaw and Paul Hovan, it is suspected that if a response is not received from Sierra Pacific, they may lead a Public Service Commission fight and ask the Public Service Commission to relinquish the territorial rights and grant them to Wells Rural Electric and us to serve that load. It is feasible for WREC to do so regarding capacity.

GEMC Uplink Project:

Dan gave a report on the GEMC Uplink Project (satellite telecommunications).

Board Education Courses:

Dan reported on the changes of Board Education Courses. There were no changes in the requirements or credits. There is an updated list available for the board members. Also available is information on NRECA Summer School courses.

NWPPA and Montana Associated Utilities have a course titled the Board Member Looks at the

Financial and Statistical Report Workshop to be held July 15 and 16 at the Heritage Inn in Great Falls, Montana. NRECA is offering the Director's Update course as follows: Sept. 3-5 (Denver); Oct. 7-9 (Lansing, Mich.); Oct. 14-16 (New Orleans); December 9-11 (Minneapolis).

Utah Rural Electric Association is sponsoring a CFC Seminar titled "Financing the Cooperative of Tomorrow" on June 25th at 9:00 a.m. in Sandy, Utah; also a Director's Orientation Workshop on June 26th at 8:00 a.m. also in Sandy.

CFC Patronage Capital:

A check from CFC for \$902.00 as our portion of Patronage Capital for the year 1980. They are on a six year rotation.

Donations:

A request from Mark Mansfield of Fallon, Nevada, representing the United States on a tour of Japan for a wrestling program, to help in any way with his trip to Japan. Request was denied.

Dock Crew Concept:

Warren Linnell gave a report on the Dock Crew Concept. IT WAS ON MOTION BY VERNON SCOTT TO HIRE LUTES CONSTRUCTION COMPANY AS A DOCK CREW WITH A MAXIMUM OF \$25,000.00 AND A THOROUGH REVIEW OF EACH BID. MOTION WAS SECONDED BY CLAUDIA WINES; MOTION PASSED UNANIMOUSLY.

Dan reported to the board of the part-time summer help hired.

Gretchen Wines approached Dan Kessler to have WREC help with hanging of the Rodeo Banners for the PRCA Rodeo. This would involve the use of the bucket truck. FERRIS BROUGH MADE THE MOTION TO USE THE BUCKET TRUCK IN THE HANGING OF THE BANNERS FOR THE PRCA RODEO. THE MOTION WAS SECONDED BY RAY CRAWFORD; MOTION PASSED UNANIMOUSLY.

Grounds Keeper Position:

The position of Grounds Keeper was posted in house. An employee applied in house. The position is part-time temporary this first year. It will involve about six to eight hours a week. Also discussed was the possibility of purchasing a small tractor/lawn mower. A discussion followed. It was decided to hire Tommi Reynolds, employee, as grounds keeper to supervise and maintain the grounds. It was also decided to contract the lawn mowing, this first year, with Tommi as supervisor.

AMOCO (Pine Valley):

American Oil Company has contacted us regarding service to a 500 KW load (Blackburn Unit). Our attorneys drafted a contract for indeterminate service (line extension) for the Pine Valley area which was approved.

Open House:

The Open House for the opening of the New Headquarters was discussed. It was decided July 18 from 4:00 to 7:00 p.m. would be the Open House date. Bids will be received from the local caterers.

Wells Utility Invitational Golf Tournament:

The four man scramble tournament will be held Saturday, June 21 at the Wells Golf Course. Entry

fees will be \$22.00. A buffet will be at the Four Way Cafe.

POWER SUPPLY:

Vernon Dalton spoke with a BPA Official and the possibility of the wholesale power rate in the future increasing 10-20% was discussed.

BOARD COMMITTEE REPORTS:

Mary Wright gave a report on the Policy Committee Meeting. The committee discussed two changes in policy. One was in the director elections in requiring the nominee to attend a workshop before they can be listed on the ballot. There would be a backup schedule in the event of an emergency and the director nominee could not attend that workshop. Bob Vaughan is to review this change. The other one was an addition which would require the Director Expense Committee to review and approve director trip expenses as they are turned in. This is to take place in a brief Director Expense Committee Meeting following each board meeting. A thorough discussion followed. It was decided that the Policy Committee and Director Expense Committee will meet in July to discuss said changes in policy.

The combined Policy Committee and Safety Committee are to meet July 14 at 9:00 a.m.. The Director Expense Committee will meet July 14 at 11:00 a.m.. The BPA Meeting will be the afternoon of July 14, at 2:00 p.m., in the Wells office.

ENGINEERING/OPERATIONS REPORT:

Warren Linnell gave a report on the two cases of energy diversion in Wendover. A recap report will be sent out with the July agenda.

A short recess was called.

Called back to order.

HYDRO REPORT:

A tour of the hydro is scheduled for July 14 following the meeting with Bonneville Power Administration, approximately 4:00 p.m..

MEMBER SERVICES REPORT:

The nominating committee elected Betty Thorne as chairperson. An authorization was given to the staff to make any news releases on their behalf within the parameters of Policy 1-3. Bob Vaughan is reviewing this policy to eliminate the repetition regarding director expenses and director qualifications, instructions to the nominating committee etc..

NEW MEMBERSHIPS:

A list of new memberships was presented to the board. RAY CRAWFORD MADE THE MOTION TO ACCEPT 30 NEW MEMBERSHIPS: SEVEN IN WELLS, NINE IN CARLIN, NINE IN WENDOVER, UTAH, AND FIVE IN WENDOVER, NEVADA. SECONDED BY LARRY BRADSHAW; MOTION PASSED UNANIMOUSLY.

TABLE FOR THE BOARD ROOM:

It was decided to have Don Huett of Elko Cabinet draw up plans for a narrow diamond shaped and a

narrow oval shaped table with various styles of table legs. The staff is to present these plans to the board at the July Board Meeting, then it will be bid out.

MEETING ADJOURNED 3:30 P.M..

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY