

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

JULY 18, 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 July 18, 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 June 17, 1986, will stand approved as written.

ADDITIONS TO THE AGENDA:

Dan Kessler asked that Yvonne Stuart and Elaine Swanson representing the Wells Progress be added at 9:30 a.m.. Also he requested the Chairperson, Betty Thorne, of the Nominating Committee be added at 10:00 a.m. and Bob Vaughan with a report on the WPPS be added at 1:00 p.m.. As there were no objections, each was added.

DON HEWITT:

Don Hewitt of Elko Cabinet presented plans drawn for a board table and several samples of materials. Mr. Hewitt listed the advantages and disadvantages of the given options and their costs. A thorough discussion followed. DARYL ERIKSEN MADE THE MOTION TO ACCEPT THE PLANS OF THE TABLE AS PRESENTED. LARRY BRADSHAW SECONDED. A discussion followed. THE MOTION PASSED WITH NINE FOR AND THREE OPPOSED.

WANDA BORDEN MADE THE MOTION TO HAVE THE BUILDING COMMITTEE MAKE THREE RECOMMENDATIONS OF MATERIALS AND COLORS TO BE PRESENTED TO THE BOARD FOR SELECTION OF ONE AT THE AUGUST BOARD MEETING: SECONDED BY LOIS NANNINI. MOTION PASSED WITH 10 FOR AND 1 OPPOSED.

WELLS PROGRESS:

Yvonne Stuart and Elaine Swanson made a presentation to the board concerning the buy-out of the Wells Progress by Steve Juenke and Larry Henderson of Elko. WREC would relinquish the one share of stock held. Bret Hansen has drawn a contract which has been reviewed by Gary Woodbury. The final stockholder's meeting will be held July 22, at 7:30 p.m.. A debt has been incurred by the Wells Progress; the proposition presented to WREC is: Wells Rural Electric Company support the Community Page with an add once a month for five years at \$50.00 per month to be applied towards this debt. A thorough discussion followed. RAY CRAWFORD MADE THE MOTION TO ACCEPT THE PROPOSAL OF THE WELLS PROGRESS. MOTION WAS SECONDED BY MARY WRIGHT. MOTION PASSED UNANIMOUSLY. Daryl Eriksen abstained his vote due to conflict of interest.

NOMINATING COMMITTEE:

Betty Thorne, Chairperson, of the Nominating Committee gave a report of the meeting held Monday, July 14. A list of the 1986 Nominees for the upcoming Board of Directors Election was presented to the board for approval. IT WAS ON MOTION BY DARYL ERIKSEN TO ACCEPT THE SEVEN NOMINEES, THEY BEING: CLAUDIA WINES, INCUMBENT, JERRY WAYNE PARKIN OF WENDOVER, ALBERT ANDERSON OF WENDOVER, FERRIS BROUGH, INCUMBENT. JOHN NEFF OF RUBY VALLEY, DARYL ERIKSEN, INCUMBENT AND VERNON SCOTT, INCUMBENT. RAY CRAWFORD SECONDED; MOTION PASSED UNANIMOUSLY.

It was on suggestion of the Nominating Committee to have the upper left hand corner of the ballot envelope for the printing of a name and a validating signature underneath to insure the reading and correct spelling of the nominees. VERNON SCOTT MADE THE MOTION TO PRINT THE BALLOTS AS SUGGESTED BY THE NOMINATING COMMITTEE. MOTION WAS SECONDED BY FERRIS BROUGH; MOTION PASSED UNANIMOUSLY.

Also suggested to the board was a 12 (twelve) month continuous residency and membership, within the WREC service area, requirement for all future nominees. IT WAS ON MOTION BY LESLIE SHARP TO REQUIRE A 12 MONTH CONTINUOUS RESIDENCY AND MEMBERSHIP WITHIN THE WREC SERVICE AREA BEFORE BEING ELIGIBLE AS A NOMINEE FOR THE BOARD OF DIRECTORS OF WELLS RURAL ELECTRIC COMPANY. DARYL ERIKSEN SECONDED; MOTION PASSED UNANIMOUSLY.

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

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

Dates were discussed for the Director Expense Committee, Building Committee, Policy Committee, and Financial Advisory Committee to meet. It was decided Tuesday, August 12, with the Director Expense Committee to meet at 9:00 a.m. and each meeting following consecutively.

An informal meeting for the board of directors will be held August 22 at 10:00 a.m. at President Vernon Dalton's.

BOARD REPORTS ON MEMBER CONTACTS:

Reports were given by board and staff members on member contacts. Handouts were given on Member Comments and Member Complaints. Handouts were also given on the percentages and comments received from the Member Survey sent out. A discussion followed. It was decided to have staff gather information for a report covering all aspects of Wells Rural Electric Company servicing the area with inside wiring, electric service, appliance installation and service.

NEW OFFICE BUILDING:

DARYL ERIKSEN MADE THE MOTION TO WITHHOLD ANY FURTHER PAYMENT UNTIL THE MECHANICAL NOISES IN THE NEW BUILDING ARE CORRECTED. CLAUDIA WINES SECONDED; MOTION PASSED UNANIMOUSLY.

A bid from Synder Plumbing was received to furnish and install a heat exchanger, 2 pumps, all related piping and electrical wiring as per Petty and Associates' drawings for \$15,616.00. This is an addition of approximately \$4,600.00 above the original estimate. IT WAS ON MOTION BY MARY WRIGHT TO NOT SPEND ANYMORE OF THE \$11,616.00 LEFT FOR THE HEAT EXCHANGER SYSTEM. FERRIS BROUGH SECONDED. A thorough discussion followed. MOTION DEFEATED.

IT WAS ON MOTION BY LESLIE SHARP TO PUT THE HEAT EXCHANGER SYSTEM OUT TO BID.

WANDA BORDEN SECONDED; MOTION PASSED WITH TEN FOR AND ONE OPPOSED.

The board decided to have Bill Petty advise and draw up the specifications for the heat exchanger system.

MANAGER'S REPORT

WREC History:

The costs submitted by Rick Steber of Ruralite to produce a history of WREC were discussed. It was decided to have the staff gather more information regarding cost, etc..

BPA Meeting:

The BPA Meeting has been postponed. A tentative date of August 19 through the 21 has been set.

NWPPA:

Oregon Rural Electric Association Director's Special Update will be held August 6 at the Sun River Lodge in Sun River, Oregon.

Solar Photovoltaic:

Dan presented the information regarding costs, etc. in portable solar energy applications.

NREA Youth Energy Seminar:

This year's Youth Energy Seminar went very well this year. The participants representing WREC will attend the next board meeting to give a report.

Election Committee:

The Election Committee is to be chosen at the next board meeting.

Telecommunications:

The National Rural Electric Association's board of directors and CFC board of directors approved the formation of the National Rural Telecommunication's Cooperative. The new cooperative will begin development of services, marketing, and oversee the communication needs of over 1,000 cooperatives in the nation.

Region IX Meeting:

Region IX Meeting is to be held in Portland, Oregon from September 30 through October 2, 1986. The cut-off date is September 7.

Lawn Mowing Equipment:

IT WAS ON MOTION BY VERNON SCOTT TO PURCHASE A LAWN MOWER EQUIPPED TO HANDLE THE SIZE OF WREC GROUNDS AND TO HAVE THE GENERAL MANAGER DECIDE WHAT REQUIREMENTS ARE NECESSARY FOR THE TOTAL LAWN MOWING NEEDS. MOTION WAS SECONDED BY DARYL ERIKSEN. A discussion followed. MOTION PASSED UNANIMOUSLY.

Radix:

Radix Hand Held Meter Corporation is to give a presentation to the board at the next Board Meeting. The exact time will be included in the Agenda or with the scheduled Committee Meetings.

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

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

BOB VAUGHAN:

An Executive's Session was called in which Bob Vaughan gave a report on the WPPS settlement.

Bob also stated his opinion on unsafe conditions beyond the meter. A discussion followed. Bob is to prepare some guidelines on unsafe conditions for WREC.

MANAGER'S REPORT CONTINUED:

Donations:

Joe Thomas, on behalf of the Shriner Circus, asked for support of the Shriner's Circus with a donation. The suggestion was for WREC to buy tickets to be passed out in the Elko area. A discussion followed. IT WAS ON MOTION BY LARRY BRADSHAW TO BUY FIFTY TICKETS FOR \$150.00. RAY CRAWFORD SECONDED THE MOTION. MOTION PASSED UNANIMOUSLY. It was decided to send equal amounts of tickets to each office (Wendover, Wells, Carlin) and to give them out on a first come first serve basis.

Commercial Carpet Cleaning Equipment:

Wes Bowlen has a commercial carpet shampoo machine for sale for \$950.00 which was \$1,850.00 new. IT WAS ON MOTION BY RAY CRAWFORD NOT TO BUY THE COMMERCIAL CARPET SHAMPOO MACHINE. MOTION WAS SECONDED BY WANDA BORDEN. MOTION PASSED UNANIMOUSLY.

Wendover Clinic:

Ray Crawford was approached by the City of Wendover to lease the Wendover Clinic building under the existing agreement Wells Rural Electric Company has with the Wendover Medical Center. IT WAS ON MOTION BY DARYL ERIKSEN TO LEASE THE WENDOVER CLINIC BUILDING TO THE CITY OF WENDOVER UNDER THE EXISTING AGREEMENT. THE MOTION WAS SECONDED BY LOIS NANNINI. A discussion followed. THE MOTION PASSED UNANIMOUSLY. It was decided to have Bob Vaughan to draw up the new contract.

Computer Billing Forms:

Dan Kessler reported four companies have been reached for bids on the billing forms for this current billing period of six months.

Manager of Administrative Services:

Recommended the hiring of Clay Fitch as Manager of Administrative Services. It was discussed that an augmentation of the 3rd Quarter and 4th Quarter Budgets (payroll and group insurance) would need to be done at the August Board Meeting; Buddy Welsh will need to discuss an augmentation for those quarters anyway. It was decided to bring all augmentations to the board then.

HR4515:

The HR4515 is now law. A report was given by Dan Kessler.

BPA Rates:

An official notice in regards to rates was received. Due to the loss of revenues BPA is experiencing, a 10-30% wholesale power increase could be experienced in October 1987.

Human Relations Training:

Patty Smith and Dr. Gail Dunning are scheduled to conduct Human Relations Training for the WREC employees. Dan presented the board with several topics that can be scheduled for the board. The board decided on Problem Solving for a one-day session.

Oasis Substation Expansion:

Management feels due to the amount of upgrading (\$100,000.00) necessary to the Oasis Substation, WREC should own the land on which the substation was built. WREC has a Standard Easement Agreement now. VERNON SCOTT MADE THE MOTION TO PURCHASE THE LAND NEEDED FOR THE OASIS SUBSTATION. MOTION PASSED UNANIMOUSLY.

Past Due Summary:

Dan gave a report on all past due accounts and recommended that each month a report be given to the board. A discussion followed. IT WAS ON MOTION BY VERNON SCOTT TO HAVE STAFF INVESTIGATE THE LEGALITY OF CHARGING INTEREST ON PAST DUE ACCOUNTS IN UTAH AND NEVADA AND REPORT BACK AT THE NEXT BOARD MEETING. THE MOTION WAS SECONDED BY DARYL ERIKSEN: A discussion followed. MOTION PASSED UNANIMOUSLY.

A break was called at 2:30 p.m..

Called back to order at 2:45 p.m..

POWER SUPPLY:

Wells Rural Electric Company has added their 1000th mile of line. A news release will be released with the exact location of the line stated.

BOARD COMMITTEE REPORTS:

Mary Wright gave a report on the Policy Committee Meeting. They discussed Policy 1-3 Nominations Elections Qualifications Training and Guidelines for Board of Directors. The committee decided to postpone consideration of that policy until the committee had more time to thoroughly read the policy. Also the addition of the training for the board nominees will be added with Policy 1-3.

Policy 1-6 was revised July 18, 1986. The changes are as follows:

New paragraph following 1 C.: Compensation and per diem will only be paid for actual meeting days plus required travel time up to two days. It is the responsibility of each director to attend the meetings associated with the purpose of the trip.

A new addition - IV Responsibility: (A) It will be the responsibility of the Director and Manager Expense Committee for the enforcement and review of this policy. (B) The Director and Manager Expense Committee shall meet each month to review adherence to this policy and grant exceptions, if necessary.

Wordage changes: II. C. Other Expenses, 1. last sentence - Payment for attendance was changed to Compensation for attendance. Also C. Other Expenses, 4. Per Diem -(For Meals) was added.

MARY WRIGHT MADE THE MOTION TO ADOPT THE CHANGES ON POLICY 1-6. THE MOTION WAS SECONDED BY VERNON SCOTT: MOTION PASSED UNANIMOUSLY.

The Safety Committee report was given by Mary Wright. The Safety Committee met to consider a policy regarding WREC's responsibility in helping members who have an unsafe condition in their house which would require the power to be shut off. The committee referred this to Bob Vaughan. Rule 6, Paragraph 5 Granting a Credit for Unusual Circumstances gives the General Manager or the Board of Directors Authority to grant credit under unusual circumstances as they see fit.

HOT LINE SCHOOL BUILDING:

Dan pointed the location of the Hot Line School out to the board. The second week of September an Underground Training Session will be held in conjunction with the school.

MEMBER SERVICES REPORT:

Twelve system efficiency tests were conducted by Robin Wells of Snake River Consulting on member irrigation pumps. Paul stated that Robin was a great benefit to the Company. Robin did a thorough job on the testing.

Super Good Cents:

Brad Gentry qualifies for a Super Good Cents home. He is to begin building in about three weeks in Wendover.

Nominations:

Paul asked the board if they would like to have a Candidates Night. It was the consensus of the board not to have a candidates night due to past experiences.

Employee/Director Picnic:

The picnic is to be held July 25, from 4:00 p.m. to 7:00 p.m..

NEW MEMBERSHIPS:

RAY CRAWFORD MADE THE MOTION TO ACCEPT 42 NEW MEMBERS; 13 IN WELLS, NEVADA, 2 IN CARLIN, NEVADA, 15 IN WENDOVER, NEVADA, AND 12 IN WENDOVER, UTAH. THE MOTION WAS SECONDED BY LARRY BRADSHAW: MOTION PASSED UNANIMOUSLY.

Ray Crawford thanked the board for allowing their employees to serve on Fire

Departments in the different areas.

Meeting adjourned at 3:15 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY