

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

DECEMBER 19, 1986

The regular meeting of the board of directors of Wells Rural Electric Company was held in the Wells office and called to order December 19, 1986, at 9:00 A.M. The meeting was presided over by President Vernon Dalton.

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

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

APPROVAL OF MINUTES:

The minutes of the regular meeting held November 24, 1986, will stand approved as written.

CORRECTIONS TO THE AGENDA:

Bob Vaughan will not be present.

WAGE AND SALARY REVIEW:

A report was given on the wage and salary review. A thorough discussion followed. An executive session was requested with the manager and secretary present. It was the consensus of the board to bid out proposals for a wage and salary review rather than having it done in-house. IT WAS ON MOTION BY DARYL ERIKSEN TO PUT OUT FOR BID PROPOSALS ON A WAGE AND SALARY PLAN/STUDY TO CONSULTING FIRMS WITH EXPERTISE IN THAT AREA. THE MOTION WAS SECONDED: MOTION PASSED UNANIMOUSLY.

UNION CONTRACT NEGOTIATION

In executive session, a report was given on union negotiations and the proposed contract. A thorough discussion followed. IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE AGREED UPON BY IBEW AND WELLS RURAL ELECTRIC COMPANY CONTRACT PRESENTED. THE MOTION WAS SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY.

A break was called at 10:00 A.M..

Called back to order 10:15 A.M..

BOARD/STAFF REPORTS ON MEMBER CONTRACTS:

Reports were heard by board and staff on member contacts made this month. Staff reported on the new bill. It was suggested to put an explanation on the next billing regarding facility charge.

Handouts on Member Comments and Member Complaints were passed out to the board.

MANAGER'S REPORT:

The Public Power Council mailed to Wells Rural Electric Company a certificate of award for bringing

the first central station electric service to Pine Valley in 1986.

A request from Elko County Library Board of Trustees was received regarding the donation of the old WREC building for the purposes of a library. After a discussion, the donation was denied.

The CFC long-term variable rate is 7 1/4%, 9.0% standard fixed rate, 9 3/4% converted fixed rate. The conversion of our CFC loans has been initiated.

An update was given on the Harney Electric, Sierra Pacific and Wells Rural Electric Nevada Public Service Commission's hearing regarding Sierra Pacific's territorial filing. A discussion followed.

Warren Linnell and Bud Calton will be going to Kooeteni REC in January for a tour of their facilities for Safety Accreditation.

A meeting with Wes Huntsman will be scheduled in January for review of the Utah Public Service Commission's rules and regulations.

Wells Rural Electric Company is looking into the possibility of a Winter Heat Discount program such as Idaho County is offering. The staff will consider a larger aspect of the program to include year-round discount.

Bonneville Power is offering an incremental sales rate between 13 - 16 mils per KWH for new incremental loads that are on line between January 1 and September 30, 1987. Bob Laffell has assured WREC that it is a long-term offering.

A collection report was given. A discussion followed.

Staff submitted to the Board of Directors a wheeling proposal to Sierra Pacific Power Company to serve a 10 KW load. IT WAS ON MOTION BY MARY WRIGHT TO APPROVE THE PROPOSAL TO BE SENT TO SIERRA PACIFIC POWER COMPANY. THE MOTION WAS SECONDED AND PASSED UNANIMOUSLY.

A written response concerning the audit conducted by Basil Majors was prepared by Buddy Welsh and brought before the board for approval. A discussion followed with the board approving the response and a letter confirming action taken will be sent to REA.

FINANCIAL ADVISORY COMMITTEE:

A report was given by Vernon Scott on the Financial Committee Meeting held December 17. A discussion was held on the General Plant Acquisition Budget. Also a discussion was held on the folding machine for the new bills and hand-held meter reading devices. IT WAS ON MOTION BY VERNON SCOTT TO ACCEPT THE GENERAL PLANT ACQUISITION BUDGET WITH ADDITIONS OF LEASING THE FOLDING MACHINE FOR \$570.00 PER MONTH, PURCHASING FROM CENTRAL AREA THE ELECTRONIC METER READING DEVICES FOR APPROXIMATELY \$30,000.00, AND APPROVING THE BID FROM FEDERATED INSURANCE FOR \$54,571.00. THE MOTION WAS SECONDED BY DARYL ERIKSEN. A thorough discussion followed. THE MOTION PASSED UNANIMOUSLY.

A lunch break was called at 12:00 P.M..

Called back to order at 1:00 P.M..

CFC TREND ANALYSIS GRAPHS:

The CFC Trend Analysis Graphs were handed out by staff and reviewed.

WPPSS UPDATE:

At this time there is no update on the WPPSS situation. Bob Vaughan will be here for the January Board Meeting.

ACRE:

The ACRE Refund for \$561.50 for the State's use has been received.

OFFICE SERVICES:

The billing problems experienced last month have been corrected.

A break was called to listen to the grammar school children that were Christmas Caroling.

OUTAGE REPORT:

It was noted that the amount of outages were very low last month.

Also discussed was the problem of automobiles/pickups hitting pad-mount transformers in Wendover.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO ACCEPT THE 35 NEW MEMBERSHIPS: SIX FROM WELLS, NEVADA; EIGHT FROM CARLIN, NEVADA; FOURTEEN FROM WENDOVER, UTAH AND SEVEN FROM WENDOVER, NEVADA. THE MOTION WAS SECONDED BY RAY CRAWFORD; MOTION PASSED UNANIMOUSLY.

BOARD ROOM CHAIRS AND TABLE:

There has been a delay in receiving the Board Room Table due to a bad shipment of oak. Also the Chairs have been delayed. They are to be here by January 16 Board Meeting.

Meeting was adjourned at 2:00 P.M..

Vernon Dalton, President

Wanda Borden, Secretary