

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

MAY 15, 1987

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office and called to order May 15, 1987, 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, Warren Linnell, Paul Johnson, Clay Fitch, and Diane Griswold.

APPROVAL OF THE MINUTES:

The corrected minutes of the regular meeting held April 23, 1987, were noted and stand approved as written.

ADDITIONS TO THE AGENDA:

Legislative Conference discussion.

RAY BLEAK REPORT:

Ray Bleak, Line Superintendent, gave a report on line locations and system operations. A question and answer period followed with discussion.

WAGE AND SALARY REPORT:

A report was given on the progress of the Wage and Salary Study.

BOARD/STAFF REPORT ON MEMBER CONTACTS:

Reports were given on contacts made this month by board and staff members.

The Office Payment record and Comments/Questions sheet were handed out to the board members.

CHINATOWN MOTEL:

The Chinatown Motel account has been paid in full and is current.

MANAGER'S REPORT:

Bill Petty is working on the system feasibility study (geothermal heat) for WREC. Mr. Petty will not exceed \$7,500.00 without the board approval.

A letter was received from BPA inviting the General Manager and Board members to a meeting in Burley, Idaho, May 28, with Jim Jura, BPA Administrator. Those planning to attend are: Dan Kessler, Vernon Dalton, Daryl Eriksen, and Mary Wright.

A NWPPA workshop "Effective Boardmanship Workshop" will be held at the Seattle Marriot on June

4 & 5.

A letter and map were received from Tony Kerbovich of Wendover offering two acres of land in Wendover, Utah for sale. The letter stated that the surrounding land sold for \$40,000.00 per acre; Mr. Kerbovich has offered WREC \$70,000.00 for the two acres. A discussion followed; no action taken.

Director nominations are open June 10 through July 10. Vernon Dalton, Ray Crawford, Lois Nannini, and Mary Wright are the directors whose terms are expiring. The following people were suggested for the Nominating Committee: Donna Bailey, Pine Valley; Luana Dean, Wendover; Lourinda Wines, Ruby Valley; and Elaine Swanson, Wells, with Shirley Garrett, Deeth, as alternate. IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE ABOVE STATED NAMES FOR THE NOMINATING COMMITTEE. THE MOTION WAS SECONDED BY VERNON SCOTT; MOTION PASSED UNANIMOUSLY.

The meeting with the Federal Energy Regulatory Commission (FERC) in Washington, D.C. was successful in regard to the relicensing of the Hydro.

The investments made were reported on.

A letter was received from Bob Vaughan, WREC attorney, regarding the mandatory retirement provisions contained in Policy 7-2 and required physical examinations. A discussion was held. It was noted that all references to mandatory retirement age have been removed from Policy 7-2. Mr. Vaughan's recommendation for required physical examinations would be to impose the physical examination requirement only on those employees for whom it could be said the requirement is plainly job related. WREC has a voluntary physical examination program that has been working well. No action was taken.

The new facility's landscaping was discussed. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE \$2,800.00 TO COMPLETE THE LANDSCAPING. THE MOTION WAS SECONDED BY LARRY BRADSHAW; MOTION PASSED UNANIMOUSLY.

A letter was received from Bob Vaughan regarding a rate increase of 1.75% with the June billing payable in July. A discussion followed. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 1.75% RATE INCREASE. THE MOTION WAS SECONDED BY JERRY PARKIN; MOTION PASSED UNANIMOUSLY. It was noted that the legislation introduced by WREC regarding Takeovers and Sellouts was unanimously approved. (Mr. Vaughan effectively got that piece of legislation through for WREC).

This year is expected to be the second lowest year for stream flow from the Columbia River in 20 years.

The legislation introduced by Senator Lawton Chiles of Florida in regard to the straight line amortization of power costs, irrigation costs, and substituting the interest rates on U.S. Treasury One-Year Notes for existing rates were discussed. If this legislation is passed, it could substantially effect BPA rates.

Two petitions were received from some Clover Valley residents requesting WREC explore the possibility of extending their services to include telephone service to rural residents due to very poor service by CP National and exorbitant costs of running new lines for those who have no telephone. A discussion followed. It was suggested that the petitions with a cover letter be mailed to the Public Service Commission.

A report was given by Dan Kessler regarding Senate Bill 721-172 which was introduced into legislation (Interruptible Rates for Irrigation). Dan Kessler and Vernon Dalton testified against the bill at the hearing. A discussion followed. Assembly Bill 751 was passed through the Committee unanimously and will go to the Senate. Assembly Bill 754 (Tort Reform) will go before the Committee next week.

A sheet with figures regarding overtime hours worked in 1984, 1985 and 1986 was passed out to the board for their review.

Page 3 of the Form 7 was reviewed.

The additional block of power needed from BPA was discussed.

The amendment to the Newmont Gold contract was discussed. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE AMENDED CONTRACT AND GIVE SIGNING AUTHORITY TO VERNON DALTON AND WANDA BORDEN FOR SIGNATURE OF THE FINAL DRAFT OF SAID CONTRACT. THE MOTION WAS SECONDED BY LESLIE SHARP; MOTION PASSED UNANIMOUSLY.

A break was called at 10:30 A.M. Called back to order 10:45 A.M..

BOARD COMMITTEE REPORTS:

Ray Crawford, Chairperson of the Scholarship Committee, reported on the Scholarship Committee interviews held May 12. Eight applicants (3 - Wendover, 4 - Wells, and 1 - Carlin) were interviewed. IT WAS ON MOTION BY RAY CRAWFORD TO APPROVE THE SELECTION OF THAD BALLARD OF WELLS WITH STEPHANIE DIXON OF WENDOVER AS ALTERNATE. THE MOTION WAS SECONDED BY LARRY BRADSHAW; MOTION PASSED UNANIMOUSLY.

A report was given by Vernon Scott, Chairperson of the Financial Advisory Committee. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 1ST QUARTER 1988 BUDGET INCLUDING THE 4% INCREASE FOR PAYROLL AND THE AUGMENTATION OF \$300.00 FOR THE 3RD QUARTER 1987 BUDGET. THE MOTION WAS SECONDED BY RAY CRAWFORD. A discussion followed. THE MOTION PASSED UNANIMOUSLY.

OFFICE SERVICES REPORT:

A report was given by Clay Fitch in regard to prebill and billing. A discussion was held.

The area offices computerization was discussed. A 4-wire data telephone facility has been secured between Carlin and Wells. A facility between Wells and Wendover is still in the process of finalization.

COLLECTION REPORT:

The Collection Report was given by Clay Fitch. A thorough discussion was held.

SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE APRIL 20, 1987 SAFETY MINUTES. THE MOTION WAS SECONDED BY MARY WRIGHT; MOTION PASSED UNANIMOUSLY.

MEMBER SERVICES REPORT:

The Annual Meeting was very successful.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO ACCEPT 51 NEW MEMBERSHIPS: 6 - WELLS; 14 CARLIN; 14 - WENDOVER, NEVADA; AND 17 - WENDOVER, UTAH. THE MOTION WAS SECONDED BY LARRY BRADSHAW; MOTION PASSED UNANIMOUSLY.

LEGISLATIVE CONFERENCE:

Reports were given by those attending the Legislative Conference in Washington, D.C. . It was the consensus of those attending that the Conference was excellent and very successful.

CHAIRMAN OF THE BOARD CONFERENCE:

Vernon Dalton requested board approval to attend the Chairman of the Board Conference to be held in South Carolina June 29. There were no objections.

GUY WIRE GUARDS:

A discussion was held on the plastic guy wire guards in rural areas.

Meeting adjourned at 12:30 P.M.

Vernon Dalton, President

Wanda Borden, Secretary