

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

NOVEMBER 20, 1987

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wendover, Nevada at the Nevada Crossing Casino conference room and called to order November 20, 1987, at 9:00 A.M.(MST). The meeting was presided over by Vice-President Daryl Eriksen.

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

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

APPROVAL OF THE MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE MINUTES AS WRITTEN. THE MOTION WAS SECONDED BY VERNON SCOTT; MOTION PASSED UNANIMOUSLY.

ADDITIONS TO THE AGENDA:

There were no additions to the agenda. It was noted that the time for Mr. Bob Vaughan, WREC attorney, will be moved to 11:00 A.M. (MST).

GEOHERMAL FEASIBILITY STUDY:

A discussion was held regarding the Feasibility Study done by Petty & Associates on the geothermal possibility within the WREC service area. IT WAS ON MOTION BY WANDA BORDEN TO CONTACT BILL PETTY AND FIND OUT WHAT THE NEXT STEP WOULD BE IN THE STUDY, COST INVOLVED, AND RECOMMENDATIONS MR. PETTY WOULD GIVE. THE MOTION WAS SECONDED BY FERRIS BROUGH. Further discussion ensued. MOTION PASSED UNANIMOUSLY. The Board requested that the Staff contact Mr. Petty and ask if he could have the information and recommendations for the next Board Meeting. It was the consensus of the Board not to let the Feasibility Study be reviewed by outside parties interested in the findings.

OLD WREC BUILDING:

Dave Martin, City Manager, contacted Dan regarding a leak in the old break room. The leak is being repaired.

WENDOVER OFFICE BUILDING:

The Appraisal Report was received and a report was given to the Board by Dan. A thorough and lengthy discussion followed. Following the meeting, the Board will tour the WREC facilities in Wendover and look at the land available for sale.

MEMBER CONTACTS:

Reports were given by Board and Staff regarding member contacts made this month.

Also reviewed were the handouts on Office Payments and Questions/Comments.

MANAGER'S REPORT:

September Form 7 was handed out to the Board for their review.

Reports were heard from those attending the NREA Board Retreat held in Ely, Nevada. A discussion followed.

CFC Rates were reviewed.

The Newmont Gold capacity increase was thoroughly discussed.

Presented to the Board for their review and approval was the contract between Sierra Pacific Company and WREC on the wheeling agreement for the U.S. Sprint Site. A thorough and lengthy discussion followed. IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE U.S. SPRINT CONTRACT. THE MOTION WAS SECONDED BY VERNON SCOTT; MOTION PASSED UNANIMOUSLY.

A draft agreement for the Rain Project was read by Dan. Approval was requested contingent upon Sierra Pacific Company's complete agreement with everything stated in the contract. A thorough discussion followed. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE RAIN PROJECT CONTRACT CONTINGENT UPON SIERRA PACIFIC COMPANY'S COMPLETE AGREEMENT WITH THE STATED CONTRACT AND GIVE THE GENERAL MANAGER AUTHORITY TO HAVE PRESIDENT VERNON DALTON SIGN THE CONTRACT. THE MOTION WAS SECONDED BY WANDA BORDEN. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

The Utah Rural Electric Annual Meeting was changed to November 19 and 20. Two staff members attended the meeting. A report will be given at the December Board Meeting.

A report was given by Dan regarding the Legal Mix Seminar he and Bob Vaughan attended.

Board Evaluation Sheets were turned in by Board members to be sent to Tony Glauser, REA Field Representative.

A letter was received and read from the National Safety Accreditation Program Committee commending WREC on their safety accreditation. Bud Calton, Warren Linnell and all employees involved were commended on the excellent job done in regard to the Safety Accreditation Program.

The NRECA Annual Meeting will be held February 8 through 10, 1988, with pre-Annual Meeting workshops held February 4, 5, 6, and 7, Thursday through Sunday, in New Orleans at the Sheraton New Orleans Hotel. The pre-Annual Meeting Workshops are as follows: Director's Update (282.1), 2/4: 9:00 a.m.- 5:00 p.m. and 2/5: 9:00 a.m. - 5:00 p.m. , Fee: \$175.00; Legal Seminar XXVII (658.1), 2/6: 9:00 a.m. - 5:00 p.m. and 2/7: 9:00 a.m. - 1:00 p.m., Fee: \$440; Employee and Labor Relations Update V (205.1), 2/6: 9:00 a.m. - 5:00 p.m. and 2/7: 8:30 a.m. Noon, Fee: \$420.00; Managing Conflict and Dealing with Aging (257.0), 2/6: 1:00 5:00 p.m. and 2/7: 11:00 a.m. - 1:00 p.m. & 2:00 p.m. - 4:00 p.m., Fee: \$215.00; Career and Retirement Planning Programs: Key Management Issues (493.2), 2/6: 9:00 a.m. - 5:00 p.m. and 2/7: 9:00 a.m. - Noon, Fee: \$335; Being a Board Member (500.2), 2/6: 9:00 a.m. - 5:00 p.m. and 2/7: 9:00 a.m. - Noon, Fee: \$335; The Effective Board Meeting (520.2), 2/6: 9:00 a.m. - 5:00 p.m. and 2/7: 9:00 a.m. Noon, Fee: \$335; Understanding Electric Utility Operations (575.2), 2/6: 9:00 a.m. - 5:00 p.m. and 2/7: 9:00 a.m. - Noon, Fee: \$335; The Executive Management Forum Consolidation and Alternative Approaches to Shared and Federated Services (991.1), 2/6: 9:06-a.m. - 5:00 p.m. and 2/7: 9:00 a.m. - Noon, Fee: \$335.

A Board training 531.2 course will be offered in Beaverton, Oregon December 8 and 9. The course offered is "The Board's Role in Good Member Relations".

A request for a donation was received from the Wells Chamber of Commerce regarding the Christmas Lighting Program. A discussion followed. IT WAS ON MOTION BY FERRIS BROUGHT TO DONATE \$100.00 TO EACH COMMUNITY SPONSOR (WELLS, THE MOTION WAS SECONDED WENDOVER AND CARLIN) FOR A CHRISTMAS LIGHTING PROGRAM. THE MOTION WAS SECONDED BY WANDA BORDEN; MOTION PASSED UNANIMOUSLY.

A recess was called at 10:30 A.M. (MST) Called back to order at 10:45 A.M. (MST)

WPPSS UPDATE:

An Executive Session was called in which Bob Vaughan, WREC attorney, gave an update on the WPPSS litigation.

BOB VAUGHAN:

Following the Executive Session, the Board considered asking our liability insurance carrier to refer future claims to Vaughan, Hull & Copenhaver, LTD for defense. IT WAS ON MOTION BY JERRY PARKIN TO NOTIFY WREC'S LIABILITY INSURANCE CARRIER THAT FUTURE CLAIMS WILL BE SENT TO VAUGHAN, HULL & COPENHAVER, LTD. THE MOTION WAS SECONDED BY VERNON SCOTT; MOTION PASSED UNANIMOUSLY.

A recess for lunch was called at 12:00 (MST) The meeting was called back to order at 1:00 P.M. (MST)

BOARD COMMITTEE REPORTS:

Vernon Scott, Chairman of the Financial Advisory Committee, reported on the Financial Advisory Committee meeting of November 19, in which the 3rd Quarter 1988 Budget was reviewed. The members of the Committee recommended that the Board approve the 3rd Quarter 1988 Budget as presented. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 3RD QUARTER 1988 BUDGET. THE MOTION WAS SECONDED BY RAY CRAWFORD. A discussion ensued. THE MOTION PASSED UNANIMOUSLY.

Before the next Board Meeting, December 18, several Board Committee meetings need to be scheduled (Safety Committee, Retirement & Insurance Committee, Financial Advisory Committee). All Board members are urged to attend. Wednesday, December 16, at 1:00 P.M. was decided as the day and time to meet.

BPA CUSTOMER MEETING:

Vernon Dalton and Buddy Welsh attended the BPA Customer Meeting in Burley, Idaho. A report was given by Buddy Welsh. Handed out to the Board was an Affiliate Member Letter of Understanding for 1987 from Pacific Northwest Generating Company (PNGC). A discussion ensued as to whether WREC should join as an affiliate member. The membership fee is \$1,000.00 per year. IT WAS ON MOTION BY FERRIS BROUGHT TO JOIN AS AN AFFILIATE MEMBER OF PNGC CONTINGENT UPON WREC NOT BECOMING INVOLVED IN ANY LITIGATION THAT PNGC HAS OR MAY BECOME INVOLVED IN . THE MOTION WAS SECONDED BY MARY WRIGHT. - Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

VEHICLE PURCHASE:

Federated Insurance Company has determined that Unit #13 was damaged beyond repair. Approval to purchase another vehicle to replace the damaged vehicle was requested. A discussion followed. IT

WAS ON MOTION BY MARY WRIGHT TO PURCHASE A NEW VEHICLE. THE MOTION WAS SECONDED BY LESLIE SHARP; MOTION PASSED UNANIMOUSLY. A plan to rotate the vehicles will be presented to the Board at the December 16 Committee Meetings.

SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE SAFETY MINUTES. THE MOTION WAS SECONDED BY LESLIE SHARP; MOTION PASSED UNANIMOUSLY.

HYDRO REPORT:

The Hydro is on-line and producing 60 KW.

MEMBER SERVICES REPORT:

ACRE Membership dues were discussed. WREC leads the region for Century Club memberships in 1987.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY RAY CRAWFORD TO APPROVE 80 NEW MEMBERSHIPS: 19 IN WENDOVER, UTAH; 28 IN WENDOVER, NEVADA; 22 IN CARLIN; AND 11 IN WELLS. THE MOTION WAS SECONDED BY JERRY PARKIN; MOTION PASSED UNANIMOUSLY.

WENDOVER APPRAISAL:

A discussion was heard regarding the appraisal fees on the right-of-way we lease from Southern Pacific Railroad.

As there was no further business to come before the Board, the meeting was adjourned at 2:00 P.M. (MST).

Daryl Eriksen, Vice President

Wanda Borden, Secretary