

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

JANUARY 15, 1988

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office and called to order January 15, 1988, 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, Buddy Welsh, Paul Johnson, Clay Fitch and Diane Griswold.

APPROVAL OF THE MINUTES:

The minutes of the regular meeting of December 18, 1987 will stand approved as written.

ADDITIONS TO THE AGENDA:

Leslie Sharp requested adding Wilderness to the agenda. There were no objections. Lois Nannini requested adding the Wells Chariot Invitational. There were no objections.

GEOHERMAL UPDATE:

Bill Petty of Petty & Associates could not make this meeting. He will attend the March or April Board Meeting with his recommendations.

WENDOVER LAND/OFFICE BUILDING:

Dan reported on 10 parcels of land for sale in Wendover (Nevada & Utah), prices, acres, zoning, etc. A thorough discussion ensued. It was requested that staff send a letter to Stateline Properties stating our need for additional information for the frontage parcel included with a total of the 10 acre parcel as well as the adjoining 10 acre parcel; priced separately.

Several land owners are interested in coming before the Board. Staff was to inform them that at such time we are interested in the various parcels, they will be invited before the Board.

MEMBER CONTACTS:

Reports were given on member contacts made this month. Handouts on the updated Office Payments record and Questions/Comments were passed out for the Board's review.

Also discussed was estimating meter readings due to being snowed out, some meters are inside the house and the people may not be home, etc. The meters inside the houses will be relocated if practicable.

MANAGER'S REPORT:

The November Form 7 will be handed out later in the Board meeting.

Investments made and CFC interest rates were reviewed.

The auditors will be here in February for the 1987 audit. Their audit will be completed and their findings will be reported on at the April Board meeting. A preliminary report will be mailed to the Directors before the April meeting.

Dan reported on the 120kV Line Sale situation. The 1st draft of the contract (drawn up by Jim Copenhaver of Vaughan, Hull & Copenhaver) has been given to Sierra Pacific for their review. At this time they have not responded back. A copy of the draft was given to Vernon Dalton.

Sierra will send us a letter stating that if they sell the 69kV line (Wells to our service territory boundary), we will have first offering. At this time the line is not for sale.

Engineering and Operations has been working with Newmont getting everything together to prepare for their growth. Ordering the materials is pending on the 120kV line sale, Transfer Agreement, and the Power Sales/Facilities contract (16-40MW) with Newmont finalization.

A Special Meeting was called for Friday, January 29, 1988, at 1:00 p.m. to discuss the above contracts.

Vernon Dalton reported on the fire at NRECA's office in Washington, D.C. The records are intact, but delays in information are expected. The Official Voting Representative Credential has been lost (due to the fire) and another one was sent for Board signatures (Ray Crawford, delegate and Vernon Scott, alternate). There were no objections.

During the NRECA Annual Meeting in New Orleans, National Rural Telecommunications Cooperative (NRTC) will be holding their 1st Annual Meeting. As a NRTC member, a voting delegate and alternate need to be designated. Leslie Sharp volunteered as delegate; there were no objections. Dan Kessler volunteered as alternate, there were no objections. The document was signed approving the delegate and alternate.

Dan reported on statistics comparing 1986 with 1987 revenues and kilowatt hours.

A check for \$179,000.00 was received from White Pine Power Project. We had agreed to sell 3/4 of our voting rights share.

Pacific Power & Light and Utah Power & Light merger was reported on by Dan.

At the December Board meeting approval was given to sign the Two Year Work Plan resolution. The resolution was misplaced; approval was requested to sign the resolution again. There were no objections.

Revision 1, Exhibits B and C to Lease Agreement Contract No. DE-MS79-84BP91698 was presented for Board signatures. It had been previously approved during the December 18, 1987 Board meeting.

WREC was awarded a \$35.00 first prize for the business Christmas Lighting Contest sponsored by the Wells Chamber of Commerce. Since WREC donated \$100.00 to each of the communities for the lighting contest, the \$35.00 was donated to the Silver Sage Senior Citizen Center in Wells. IT WAS ON MOTION BY MARY WRIGHT TO APPROVE THE \$35.00 DONATION TO THE WELLS SENIOR CITIZEN CENTER. THE MOTION WAS SECONDED BY VERNON SCOTT. THE MOTION PASSED UNANIMOUSLY.

Vernon Scott reported that the Carlin people really enjoyed the lighting contest this year.

The City of Wendover, Utah approached WREC requesting a donation to purchase city signs (street, etc.). A denomination was not quoted. A discussion ensued. It was the consensus of the Board that more information was needed that we are definitely interested.

A donation request was received from the World Chariot Racing Association to sponsor a team for \$150.00, donate \$50.00 for an R.V. spot or any denomination would be welcomed for the World Chariot Races held in Elko. A discussion ensued. IT WAS ON MOTION BY LOIS NANNINI TO DONATE \$25.00 TO THE WORLD CHARIOT RACING ASSOCIATION. THE MOTION WAS SECONDED BY LESLIE SHARP. THE MOTION PASSED UNANIMOUSLY.

A donation request was also received from the Wells Chariot Club to donate to the Wells Invitational for prizes. A discussion ensued. IT WAS ON MOTION BY MARY WRIGHT TO DONATE \$150.00 TO THE WELLS CHARIOT CLUB FOR THE WELLS INVITATIONAL. THE MOTION WAS SECONDED BY VERNON SCOTT. THE MOTION PASSED UNANIMOUSLY.

Drury Thiercof contacted us in regard to donating to Mardi Gras dinner/dance to be held February 15, at the Convention Center in Elko. It is an annual fund raiser for the Northern Nevada Community College. Tickets are \$30.00/person; tables may be reserved (seat 8 to 10 people). A discussion ensued. IT WAS ON MOTION BY LARRY BRADSHAW TO DONATE \$300.00 TO PURCHASE TICKETS. THE MOTION WAS SECONDED BY DARYL ERIKSEN. THE MOTION PASSED UNANIMOUSLY.

The Wendover Police Department contacted us regarding a donation to support a new program, The Wendover Police Cadet Program, directed at their youth. A discussion ensued. IT WAS ON MOTION BY RAY CRAWFORD TO DONATE \$50.00 TO THE WENDOVER POLICE DEPARTMENT TO SUPPORT THIS PROGRAM. THE MOTION WAS SECONDED BY LESLIE SHARP. THE MOTION PASSED UNANIMOUSLY.

A discussion was heard regarding growth in Wendover. The need for another person in Wendover is evident due to such growth. A position had been previously approved but never filled. Staff requested approval to fill the position prior to March 1 . Wage and Salary research has been done and was reviewed by the Board. Further discussion ensued. IT WAS ON MOTION BY RAY CRAWFORD TO AUGMENT THE 1ST, 2ND, AND 3RD QUARTER 1988 EXPENSE BUDGET FOR \$20,650.00 TO COVER THE ADDITION OF THIS POSITION. THE MOTION WAS SECONDED BY FERRIS BROUGH. THE MOTION CARRIED.

Also discussed was the Materials Clerk position which was also previously approved. Staff requested that the position of Materials Clerk be filled (Vera Garcia), as well as hire Lorrie Egbert full time as Cashier/Receptionist. A discussion ensued. IT WAS ON MOTION BY FERRIS BROUGH TO AUGMENT THE 1ST, 2ND, AND 3RD QUARTER EXPENSE BUDGET BY DECREASING THE BUDGET \$2,000.00. THE MOTION WAS SECONDED BY JERRY PARKIN. THE MOTION PASSED UNANIMOUSLY.

Russel Groesbeck, Journeyman Lineman in Carlin, has resigned. That position has been put out for bid.

A recess was called at 10:15 a.m.

The meeting was called back to order at 10:30 a.m..

WPPSS UPDATE:

Mr. Vaughan asked that Dan report to the Board that favorable progress is being made regarding

settlement.

BOARD COMMITTEE REPORTS:

A report on the Financial Committee Meeting of January 14, 1988, was given by Vernon Scott. He reported on the Ed Spencer's (CFC) presentation on Equity Management. It was suggested that equity management become part of the Company's financial planning. More research is needed before any decisions can be made.

A report on the Policy Committee Meeting of January 14, 1988, was given by Mary Wright. Two policies were reviewed. An addition to Policy 7-2, to allow employee loans.

R.Employee Loans

1. Employees may request to receive a loan from Wells Rural Electric Company under the following conditions.

A. All loans must be approved by the General Manager in advance.

B. The amount of the loan will not exceed \$100.00.

C. Each employee will be limited to one loan during each calendar year regardless of the amount.

D. All loan payments will be deducted from the employee's payroll check over a period not to exceed four months. The initial payment will be deducted from the first payroll check subsequent to the date of the loan.

E. Any unpaid balance on a loan will be deducted from the employee's final payroll check if the employee terminates employment for any reason.

The Policy Committee recommends adopting Employees Loans to Policy 7-2. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE ADDITION TO POLICY 7-2, R. EMPLOYEE LOANS AS STATED ABOVE. THE MOTION WAS SECONDED BY LESLIE SHARP. THE MOTION PASSED UNANIMOUSLY.

Also reviewed were the revisions to Rule No. 1 and Rule No. 9. The proposed changes area as follows:

Rule No. 1

Indeterminate Service: Electric loads above 50kva such as service including but not limited to mining, industrial, manufacturing, speculative development (ie: apartments subdivision, mobile home trailer parks, real estate developments, quarries, oil wells, property being developed for sale and large power consumers, and residential units when not treated as real property for tax purposes, or when permanency of service cannot be reasonably assured).

PROPOSED CHANGE:

Electric loads above 350kva such as service including but.....

Permanent Service: Service to residential, small commercial, and irrigation consumers when the permanency can be reasonably assured.

PROPOSED CHANGE:

Permanent Service: Service to residential, small commercial, and large power (50-350kva) consumers when the permanency can be reasonably assured.

Rule No. 9

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3. Permanent Line Extensions to Small Commercial & Irrigation Consumers:

PROPOSED CHANGE:

3. Permanent Line Extensions to Small Commercial & Large Power (50-350kva) Consumers:

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H. Extensions for Indeterminate Service (Seasonal, Stock Water, Large Commercial, Residential).

PROPOSED CHANGE:

H. Extensions for Indeterminate Service (Seasonal, Stock Water, Large Power (350 and above), Residential).

After a discussion and upon recommendation of the Policy Committee, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE ABOVE STATED CHANGES REGARDING THE LINE EXTENSION POLICY AFFECTING RULE NO. 1 AND RULE NO. 9. THE MOTION WAS SECONDED BY RAY CRAWFORD. THE MOTION PASSED UNANIMOUSLY.

ADMINISTRATIVE SERVICES REPORT:

A report was given by Buddy Welsh.

COLLECTION REPORT:

The Collection Report was reviewed and discussed by the Board. It was requested that the percentage of bills current, 30 days overdue and 90 days overdue be shown on the report. Also discussed was bankruptcies and budget billing.

SAFETY MINUTES:

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

HYDRO REPORT:

The chart with the Hydro report was reviewed.

MEMBER SERVICES REPORT:

A discussion was heard in regard to the Annual Meeting guest speaker for this year. Bob Bergland,

Executive Vice-President, General Manager of NRECA, was suggested. Also suggested was that NREA could sponsor a meeting in which Mr. Bergland could address in conjunction with the Annual Meeting.

Super Good Cents Homes were also discussed.

ACRE donations were discussed. It was noted that WREC had more Century members than any other cooperative in Region IX.

WILDERNESS BILL:

A discussion was heard regarding the Wilderness Bill. Leslie Sharp passed out to the Board and Staff a copy of Wilderness Alert for their information.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 19 NEW MEMBERSHIPS: 2 IN WELLS, NEVADA; 7 IN CARLIN, NEVADA; 4 IN WENDOVER, NEVADA; AND 6 IN WENDOVER, UTAH. THE MOTION WAS SECONDED BY LARRY BRADSHAW. THE MOTION PASSED UNANIMOUSLY.

As there was no further business to come before the Board, the meeting adjourned at 12:00 p.m..

D. Vernon Dalton, President

Ray Crawford, Appointed Acting Secretary