

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

**JULY 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 July 15, 1988, 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, Jerry Parkin, Vernon Scott, Leslie Sharp, and Mary Wright.

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

**APPROVAL OF MINUTES:**

The minutes of the regular meeting of June 7, 1988, will stand approved as written.

**ADDITIONS TO AGENDA:**

It was requested that the following be added to the agenda: Lourinda Wines, Chairperson of the Nominating Committee at 10:00 A.M.; Jim Cruson at 11:30 A.M.; City of Wells Lease; Board Evaluation; and NRECA Summer Board of Directors' Meeting. As there were no objections, they were added.

**WENDOVER LAND:**

Dan Kessler reported. Daryl Eriksen and Dan have not been able to get in touch with Petrolane to set up a meeting. An update will be given at the August Board Meeting. Several architectural firms have contacted Dan regarding the proposed new Wendover office building.

**REPORTS ON MEMBER CONTACTS:**

Member contacts made this month were reported. Handouts on Customer Payments and Member Comments were passed out for the Board's review. Also handed out was a letter from Clyde Smith in Wendover commending the extra service received (Mr. Smith is an oxygen user; two outages were planned which would affect him - he received several visits and letters informing him of the outages so that he could plan accordingly). It was noted that the Carlin employees donated \$100.00 to sponsor a major league team in Carlin.

The July and August publication of "Board and Administrator" was passed out to the Board for their review.

**COST OF SERVICE/RATE STUDY:**

Dan and Clay Fitch met with David Hedburg, Larry Cope, and Ed Spencer of CFC to discuss a Cost of Service Study and Rate Study. A report was given by Dan. Mr. Hedburg or Mr. Cope will give a presentation at the August Board Meeting. A discussion ensued. It was noted that the Board had been looking at a Cost of Service Study and Rate Study for some time.

**MANAGER'S REPORT:**

Newmont is still reviewing the draft copy of the pending amendment to the Newmont Agreement. A

report was given by Dan.

The May Form 7 will be sent out with the Minutes.

Investments made and CFC interest rates were reported.

Joe Nadal of Pacific Northwest Generating Company (PNGC) toured our system. Mr. Nadal is looking into the possibility of PNGC serving loads outside BPA's 75 mile boundary. A report was given by Dan. Mr. Nadal's recommendation was to schedule a meeting with BPA, PNGC and WREC. A discussion ensued. There were no objections to scheduling a meeting.

Sierra Pacific Power Company has contacted WREC regarding the 12 section land exchange. At this time, SPPCO. does not feel that it would be in their best interest to do so.

Service territory boundaries were discussed.

The Pacific Power & Light and Utah Power & Light merger was discussed.

The State of Utah has passed a Clean Air Act stipulating non-smoking in all public buildings. A discussion ensued regarding compliance with the Utah Clean Air Act and designated smoking areas.

Signature approval was asked regarding CFC's Maintenance Renewal and Replacement Plan certificate. IT WAS ON MOTION BY JERRY PARKIN TO AUTHORIZE SIGNATURE APPROVAL OF CFC'S MAINTENANCE RENEWAL AND REPLACEMENT PLAN CERTIFICATE. THE MOTION WAS SECONDED BY RAY CRAWFORD. THE MOTION PASSED UNANIMOUSLY.

Several donation requests were reviewed and discussed. IT WAS ON MOTION BY MARY WRIGHT TO DONATE \$3,000.00 TO NENDA. THE MOTION WAS SECONDED BY VERNON SCOTT. THE MOTION PASSED UNANIMOUSLY. Hal Dunn has begun an adult drug program. A donation of \$319.00 was requested for an ad in the magazine to be published. IT WAS ON MOTION BY RAY CRAWFORD TO DONATE \$319.00 TO THE PROGRAM. THE MOTION WAS SECONDED BY JERRY PARKIN. THE MOTION PASSED UNANIMOUSLY. Glenn Supp had requested a donation to the Mickey Birdzell Memorial Scholarship Fund. Due to a conflict of information regarding the fund, the donation was tabled until more information is received.

National Rural Telecommunications Cooperative (NRTC) has signed programming agreements with several major programming services. A discussion ensued. Cost information was requested.

#### NOMINATING COMMITTEE:

Lourinda Wines, Chairperson of the Nominating Committee, gave the Nominating Committee Report. (Exhibit 1) IT WAS ON MOTION BY FERRIS BROUGHT TO APPROVE THE NOMINATING COMMITTEE REPORT. THE MOTION WAS SECONDED BY WANDA BORDEN. THE MOTION PASSED UNANIMOUSLY. A copy of the ballot and Nominating Committee Report was handed out to the Board. It was noted that Lourinda Wines was the first lady nominated to the Board of Directors for WREC.

#### MANAGER'S REPORT CONTINUED:

The updated Wage and Salary Study was presented to the Board for their review. A report was given by Dan and Buddy. Entry level wages were addressed. The updated study was based upon information received from NRECA's Region IX and a special survey conducted by WREC. A discussion ensued. It was decided that further discussion would be conducted at the August Board

Meeting.

A report was given by Dan on the new employee recognition program Think Service. This program will promote good service to the consumer and recognition of employees for a job well done. Ads will be placed in the newspapers, member newsletter, and employee newsletter. Cards will be available in the three offices and sent out with billing for consumers to fill out if he/she feels an employee has done a good job. A discussion ensued.

A recess was called at 10:30 A.M.

The meeting was called back to order at 10:45 A.M..

A discussion was held regarding the length of Board Meetings, agenda information and format. It was the consensus of the Board that the agenda format and information within the agenda is working well, as well as meeting during the day for Board Meetings and the length of the meetings.

#### CITY OF WELLS LEASE:

The City of Wells lease for the old building was due for renewal. The renewal was the same as the original lease with the expiration date being June 30,1990. (Exhibit 11) A discussion ensued. IT WAS ON MOTION BY DARYL ERIKSEN TO RENEW THE LEASE WITH THE CITY OF WELLS. THE MOTION WAS SECONDED BY JERRY PARKIN. THE MOTION PASSED UNANIMOUSLY.

#### POWER SUPPLY:

A new system peak has been set (32.1 MW) which is up 10% from the previous peak of 28.8 set in January 1988. A discussion ensued. It was asked that the a comparison be shown between the present month and the past year as each month progresses on the Power Supply Report.

#### BOARD COMMITTEE REPORTS:

Financial Advisory Committee (budget review) and Policy Committee were scheduled to meet Friday, August 12, at 9:00 A.M. (Policy will immediately follow Financial). Due to conflicts with the date for the scheduled August 19 Board Meeting, it was requested that the meeting be changed to Tuesday, August 23 at 9:00 A.M.. There were no objections to the change. A discussion ensued regarding the timeliness of the change in the Board meeting with the Ballots for the Director Election being sent out. IT WAS ON MOTION BY DARYL ERIKSEN TO AUTHORIZE SENDING OUT THE BALLOT AUGUST 23. THE MOTION WAS SECONDED BY VERNON SCOTT. THE MOTION PASSED UNANIMOUSLY.

#### JIM CRUSON:

Jim Cruson requested permission to add an operatory in the old office building. A discussion ensued. There were no objections.

#### COLLECTION REPORT:

The 30/60/90 delinquent report was handed out to the Board for review. A seminar regarding collections was attended by three employees.

#### OFFICE SERVICES REPORT:

Clay explained the Sweep Account offered at First Interstate Bank. A discussion ensued.

#### SAFETY MINUTES:

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

Warren Linnell, Bud Calton, and Ruralite Services were commended for the excellent job done putting on the Hot Line School. A resolution of Appreciation was approved by the Board commending the Ruralite staff on the job they do in putting on the Hot Line training school at Wells. (Exhibit III) A discussion ensued on in-house training. Also discussed was Ruralite's training services and possible cut-backs on training.

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

The meeting was called back to order at 1:30 P.M..

#### STAKING/CONSTRUCTION REPORT:

A discussion ensued on the growth in Carlin.

#### HYDRO REPORT:

Licensing for the Hydro was discussed.

#### MEMBER SERVICES REPORT:

Participants of the Nevada Youth Energy Seminar Youth Camp will attend the next Board Meeting with a presentation.

#### BOARD WORKSHOP:

Wanda asked permission to attend the 510.2 course, Current Issues of Board Concern, August 2-3, at the Sunriver Resort in Sunriver, Oregon. There were no objections.

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 61 NEW MEMBERSHIPS: 7 IN WELLS, 12 IN CARLIN; 20 WENDOVER, NEVADA; AND 22 WENDOVER, UTAH. THE MOTION WAS SECONDED BY WANDA BORDEN. THE MOTION PASSED UNANIMOUSLY.

#### BOARD EVALUATION:

Two proposals (Dunning and Associates, Dr. Gail Dunning and NRECA, John Mashaw) were received for Board consideration regarding a Board Evaluation. A discussion ensued. It was the consensus of the Board that an evaluation is justified and there were no objections to having one done. IT WAS ON MOTION BY LARRY BRADSHAW TO SELECT JOHN MASHAW OF NRECA TO PERFORM THE EVALUATION. A discussion ensued. THE MOTION WAS SECONDED BY DARYL ERIKSEN. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY. The last week of September or first of October was set for a possible time in which to schedule the evaluation to be held in the Board Room.

#### NRECA SUMMER BOARD MEETING:

A report was given by Vernon Dalton on the NRECA Summer Board Meeting. Addressed were RS&I contributions (no cooperative contribution through 1989), medical insurance rates and deductions,

and the Wellness Program. Also addressed was the possibility of changing the NRECA Annual Meeting date.

**BOARD RETREAT:**

A discussion was held regarding a Board Retreat. It was suggested that John Mashaw, NRECA, be contacted for suggestions. A structured retreat was also discussed.

As there was no further business to come before the Board, the meeting was adjourned at 2:20 P.M.

D. Vernon Dalton, President

Wanda Borden, Secretary