

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****APRIL 28, 1989**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office and called to order April 28, 1989, at 9:00 am. 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, Vernon Scott, Dr. Joe Smith and Mary Wright. Jerry Parkin was not present.

Present from the staff were Dan Kessler, General Manager; Warren Linnell, Manager of Engineering & Operations; Buddy Welsh, Manager of Administrative Services; Paul Johnson, Manager of Member Services; Clay Fitch, Manager of Office Services; and Diane Griswold, Confidential Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of March 24, 1989, as well as the Special Minutes of April 7, 1989, will stand approved as written.

ADDITIONS TO AGENDA:

It was requested that an Executive Session be added to the agenda. There were no objections. There were no objections to moving the Bill Petty presentation to 10:00 AM or soon thereafter, with the POWER Engineers, Inc. presentation to follow.

A.B. 433/A.B. 506:

(Doctor Smith came in at this time). Vernon Dalton, Dan and Lois reported on the legislative hearing, Wednesday, April 12, 1989. Vernon stated that the hearing went very well for WREC and that favorable comments were made. Also, he felt that our decision to amend A.B. 433 was very well received by the legislators. Lois stated that she could see the importance of a Statewide organization and the difference in attitudes of the cooperatives there. Dan gave an update (John carpenter had contacted him on April 27th). Mr. Carpenter may introduce legislation that will mandate that cooperatives offer some type of irrigation discount. Valley Electric and WREC already offer a discount. (Our discount is through Bonneville Power Administration's program). Harney and Raft River have stated their support to WREC and Valley Electric.

Dan had asked Bob Vaughan for recommendations (EXHIBIT I) regarding open meetings and notice of Board meetings. These were handed out to the Board for review and discussion.

A.B. 506 had died before the hearing.

WENDOVER LAND:

A copy of the preliminary plans of the Wendover building was displayed for Board review and discussion. Bob Hope, Architect, will attend the May Board Meeting. The Wendover employees also

gave their suggestions regarding the plans to Mr. Hope. The Wendover building will be basically the same type of building as the Wells office building.

MEMBER CONTACTS:

Member contacts made were reported. The Member Comments and Office Payment report, Thank you cards, Please Tell Us How We Did cards, Think Service forms and the Board and Administrator publication were handed out. Paul is working on a graph of office payments reported.

MANAGER[[#146]]S REPORT:

CFC interest rates and investments made were reported.

A response from POWER Engineers, Inc., regarding the analysis of the Thousand Springs Power Plant, has been received. Daryl Eriksen, chairman of the Area Development Committee, reported. The cost of the analysis is not to exceed \$15,696.00. The analysis will include a review of the draft of the Environmental Impact Statement, particularly the social economics of the project; assess the fiscal and local master plans, planning and zoning ordinances, technical characteristics and design of the generating plant, and their associated facilities. A meeting with several entities (i.e., city of Wells, NENDA, Elko County, etc.) will be scheduled to discuss the impact of the 1000 Springs Project as well as the cost analysis, etc.

Surprise Valley Electrification Corporation has won their suit against Pacific Power & Light. They can now serve, through condemnation, the City of Alturas, California; thus the consumers paying considerably smaller utility bills.

A letter was received from CFC requesting our continued participation through contribution of 5 percent of our CFC Patronage Capital Refund (\$506.00). Following discussion, IT WAS ON MOTION BY VERNON SCOTT TO PARTICIPATE IN THE CFC INTEGRITY FUND FOR FISCAL YEAR 1991: CONTRIBUTING 5 PERCENT (506.00) OF WREC[[#146]]S CFC PATRONAGE CAPITAL REFUND. THE MOTION WAS SECONDED BY LARRY BRADSHAW; THE MOTION PASSED UNANIMOUSLY.

There will be no retail from Bob Vaughan requesting attendance for Jim Copenhaver and himself to the 1989 XXIX Legal Seminar in Jackson, Wyoming July 10 and 11. Expenses will be split with Mt. Wheeler Power with Bob and Jim donating their time to attend. IT WAS ON MOTION BY FERRIS BROUGHT TO APPROVE BOB VAUGHAN AND JIM COPENHAVER ATTENDING THE 1989 XXIX LEGAL SEMINAR AND SPLITTING THEIR EXPENSES WITH MT. WHEELER POWER, INC. THE MOTION WAS SECONDED BY DARYL ERIKSEN. Further discussion ensued. There were no objections from the Board to table this motion until a later Board meeting.

The information on the AHP Marketing Survey has not been received. AHP representatives are scheduled to attend the May Board meeting.

Northwest Public Power Association (NWPPA) workshop, Board Planning and Control 530.2, is scheduled for May 16-17 at the Eugene Hilton, Eugene, Oregon. It was noted that NRECA does not accredit NWPPA[[#146]]s workshops.

IT WAS ON MOTION BY MARY WRIGHT TO CHANGE THE MAY BOARD MEETING TO FRIDAY, MAY 26. THE MOTION WAS SECONDED BY VERNON SCOTT; THE MOTION PASSED UNANIMOUSLY.

The 49th Annual Meeting of NWPPA is scheduled for June 13-16, at the Empress Hotel in Victoria, British Columbia.

Northern Nevada Utility Tournament has requested that WREC donate a prize for their golf tournament. Several utilities participate in the tournament. It is scheduled for Saturday, June 3, at 9:00 AM at the Ruby View Golf Course. It was suggested that a meter lamp could be donated for a prize. IT WAS ON MOTION BY DARYL ERIKSEN TO DONATE A METER LAMP FOR A PRIZE TO THE NNUT GOLF TOURNAMENT. THE MOTION WAS SECONDED BY WANDA BORDEN; MOTION PASSED UNANIMOUSLY.

The Wells High Rodeo Club has requested a donation of \$100.00. They are presently on the standard donation list for \$50.00. Following discussion, IT WAS ON MOTION BY LOIS NANNINI TO DONATE \$ 100.00 TO THE WELLS HIGH RODEO CLUB. THE MOTION WAS SECONDED BY RAY CRAWFORD; MOTION PASSED UNANIMOUSLY.

The City of Carlin has requested a donation of at least 28 used power poles for the City Park. Also a request was received from the Wendover Advisory Council for a donation of six or seven used poles to be used as a back stop on the Little League Field. Warren checked the inventory of used poles in Carlin and Wendover: There are enough poles for each of the requests. A discussion ensued. IT WAS ON MOTION BY MARY WRIGHT TO DONATE THE REQUESTED POLES TO THE CITY OF CARLIN AND THE WENDOVER ADVISORY COUNSEL. THE MOTION WAS SECONDED BY DARYL ERIKSEN. Further discussion ensued. The Wendover request included labor & truck to place the poles. THE MOTION PASSED UNANIMOUSLY. Further discussion ensued. It was the consensus of the Board (through a letter) to inform those requesting a donation the total value of a donation from WREC when labor truck use, etc. is requested.

The Elko High School Rodeo Club requested a donation of any amount. The Rodeo Club purchased gifts for needy children at Christmas and also assist the State Welfare Program. IT WAS MOTION BY LOIS NANNINI NOT TO DONATE TO THE ELKO HIGH RODEO CLUB. THE MOTION WAS SECONDED BY WANDA BORDEN. A discussion ensued. THE MOTION PASSED UNANIMOUSLY.

A donation request of \$25.00 for the St. Judes Bike-a-Thon was received. It was suggested that this donation be added to the standard donation list. IT WAS ON MOTION BY LOIS NANNINI TO PLACE THE ST. JUDES BIKE-A-THON ON THE STANDARD DONATION LIST. THE MOTION WAS SECONDED BY WANDA BORDEN. A discussion ensued. THE MOTION PASSED UNANIMOUSLY.

It was asked if the Board would consider sending a letter to Jim Jura, Administrator of Bonneville Power Administration, commending him for a job well done and thanking him for not increasing the rates through October 1991. IT WAS ON MOTION BY DARYL ERICKSEN TO SEND THE LETTER. THE MOTION WAS SECONDED BY FERRIS BROUGH. It was the consensus of the Board to send letters to PNGC and NWPPA as well and to be included with the motion. THE MOTION PASSED UNANIMOUSLY.

A recess was called at 10:00 a.m. The meeting was called back to order at 10:15 a.m.

GEOTHERMAL UPDATE:

Bill Petty and Dale Bugenif, Hydrogeologist, addressed the Board regarding the feasibility as a heating source. A question and answer session followed. Mr. Petty recommended that, if WREC were to get into

geothermal heating, a master plan be developed to encompass the Industrial Park as an area to heat, and any new developments within the identifies zone. It was suggested that geothermal heat cools be used as an attraction for business to come to Wells. A thorough discussion ensued. It was asked that the Board prepare a list of questions and present them to Mr. Petty.

WREC GIS PROJECT:

John Henning, Pete Van der Muel, Mary Ann Mix, and Dick Kluge gave a presentation on the Geographic Information System (GIS). Mary Ann Mix addressed: What Is GIS? And How Does It Work? Dick Kluge Addressed: How Does GIS Get Implemented? And How Will WREC Utilize GIS? Slides and other visual aides were used during the presentation. In order to develop and accurate mapping system, orthophotography will be utilized to survey the urban areas.

Mr. Van der Muelen thanks the Board for the opportunity they have given POWER Engineers, Inc. to perform work for WREC, and invited them to the POWER Outage July 22 and 23.

A lunch recess was called at 12:45 PM. The meeting was called back to order at 2:00 PM.

A donation request of \$150.00 was received from the Wells Chamber of Commerce for the upcoming North American Pony Express Championship. IT WAS ON MOTION BY DARYL ERIKSEN TO DONATE \$150.00 TO THE CHAMBER OF COMMERCE FOR THE NORTH AMERICAN PONY EXPRESS CHAMPIONSHIP. THE MOTION WAS SECONDED BY DR. JOE SMITH; THE MOTION PASSED UNANIMOUSLY.

ACRE contributions are due.

WREC GIS PROJECT (Continued):

Warren gave a presentation on the advantage GIS will provide for WREC. In addition, a breakdown of all the costs associated with completing the first phase of implementing the GIS System were given. Clay gave a presentation on how WREC will recover the costs associated with the project through the work order procedures. The proposed budget for completing the GIS project is \$163,800.00. A thorough discussion ensued. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE PROPOSED GIS. THE MOTION WAS SECONDED BY DARYL ERIKSEN. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

MANAGER[[#146]]S REPORT (Continued):

A letter has been sent to Newmont requesting an update of their long range power requirements. A response should be received from Paul Hovan soon.

A discussion was held on setting a minimum amount in which to mail out Patronage Capital Refund checks. 91 checks between 1 cent and 99 cents and 72 checks between \$1.00 - \$4.00 were sent out this year.

The Administration[[#146]]s proposal to increase BPA[[#146]]s repayment to the Treasury appears to be dead at this time.

An invitation was received form the Carlin[[#146]]s American Legion Post 32 to participate in their Old Fashion 4th of July.

February Form 7 was reviewed.

A report was given on the April 26 meeting between Sierra Pacific, Wells Rural Electric Company, and BPA. Topics covered were: Jiggs/Lee wheeling paths, existing capacity in the old Humboldt Abobe; the transfer of a portion of the existing capacity in the old Carlin Agreement to Jiggs/Lee for a total of 300KW; further definition of who owns what equipment at the Jiggs/Lee Point of Delivery and who is responsible for its maintenance; future of WREC[[#146]]s 3 phase 24.9kV bank of regulators which are installed in SPPCo,[[#146]]s system for voltage support at their Vortac site; emergency backup service for Carlin; and emergency backup service for Wells. Sierra stated that they would not be interested in serving any loads over 45MW to Carlin.

Vernon Dalton and Dan were asked to speak at the NWPPA Executive Secretary-Administrative Assistant conference in Reno June 23. Vernon will be unable to attend. Vernon asked if one of the Board members would like to speak in his place. Mary Wright stated that she would like to go; there were no objections.

There was a misprint in the Irrigation Service rate schedule. Under Energy Charge the present schedule states: This charge is reduced by .39 cents between the months of April through August. The correct statement is: This charge is reduced by .46 cents between the months of April through October.

Dan is to speak at the Rural Electric Managers Development Council on "Effective Member Contacts" in Fargo, North Dakota. Also Wells Rural Electric Company was asked to host next year[[#146]]s conference at Lake Tahoe.

During the 1989 GPA Budget meeting, a request to lease a 1989 Ford Bronco for Operations was approved. However, the approval was not specifically stated in the December 19, 1988 minutes. IT WAS ON MOTION BY DARYL ERIKSEN TO SPECIFICALLY STATE THE BOARD[[#146]]S PREVIOUS APPROVAL OF LEASING 1989 FORD BRONCO FOR OPERATIONS. THE MOTION WAS SECONDED BY VERNON SCOTT; THE MOTION PASSED UNANIMOUSLY.

BOARD COMMITTEE REPORTS:

A Policy Committee meeting was scheduled for Friday, May 19, at 9:00 AM to discuss Patronage Capital Refunds checks (minimum amount) and the possible By-Law changes regarding open meetings (refer to Exhibit I). A Capital Credit committee meeting is scheduled following the Policy Committee meeting.

The Area Development Committee has tentatively set a meeting for Saturday evening, May 20.

Daryl Eriksen reported on the NENDA Annual Meeting held April 26.

EXECUTIVE SESSION:

An Executive Session was called.

There have been some restructuring of duties. Diane Griswold will handle medical insurance with Buddy Welsh a backup.

COLLECTION REPORT:

The Collection Report as reviewed.

OFFICE SERVICES REPORT:

A letter from REA has been received acknowledging receipt of the four resolutions regarding the four

resolutions regarding the rescinding of funds on our G6, H4 and K6 loans. REA will require REC to sign a Basis Date Extension Agreement which will include a legal opinion. The request for funds has been received: \$666,000.00 **[[#150]]** REA and 41,000.00 **[[#150]]** CF. The funds were placed into our Construction Trustee Account. In order to reimburse our general funds, original signatures on the trustee checks are required. A \$701,000.00 check was presented to Vernon Dalton and Wanda Borden for signatures.

Special Equipment Summaries for January 1989 and February 1989 requires Board certification. The Special Equipment summary will be brought before the Board on a monthly basis, as well as the E Form 19, Summary closed Work Orders, for Board consideration. IT WAS ON MOTION BY WANDA BORDEN TO APPROVE THE BOARD CERTIFICATION OF THE SPECIAL EQUIPMENT SUMMARIES FOR JANUARY 1989 AND FEBRUARY 1989. THE MOTION WAS SECONDED BY FERRIS BROUGH; THE MOTION PASSED UNANIMOUSLY.

It was noted that Terri Seal resigned her position as cashier.

SAFETY MINUTES:

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

An employee had smashed their thumb in the safe door. As of this date, it is not classified as a lost time accident.

The IRS has been working on the 401K Plan to determine if it was a qualified retirement plan: It has been determined that it is. The Adoption Agreement has been reworked and some percentages changed. Board signatures are needed to refile. There were no objections.

HYDRO EPORT:

Warren reported that the proposed Spillway Rehabilitation/Reservoir Inflow Control Plan had been mailed to ERC and delivered to the U.S. Forest Service in Wells for review and comment.

NEW MEMEBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 55 NEW MEMBERSHIPS: 15 **[[#150]]** WELLS, NEVADA; 11- CARLIN, NEVADA; 18 **[[#150]]** WENDOVER, NEVADA; AND 1- 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 was adjourned at 4:25 PM.

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