

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****JUNE 16, 1989**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office and called to order June 16, 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, Jerry Parkin, Vernon Scott, Dr. Joe Smith and Mary Wright.

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 May 26, 1989, will stand approved as written.

ADDITIONS TO AGENDA:

It was requested that Wendover Land be moved to 1:00 PM. There were no objections.

NEVADA LEGISLATION:

Vernon Dalton gave an update on the state legislation regarding AB433. The bill went to the Senate Judiciary Committee and was amended. Copies of the amended bill were handed out to the Board for review (EXHIBIT I). Vernon went to Carson City and met with Senator Dean Rhoads. Senator Rhoads introduced Vernon to the members of the Judiciary Committee. At this time it seems the bill will be defeated, but there is concern if the bill passes as amended. The Committee[[#146]]s biggest concern is the open meeting portion of the bill. Vernon stressed that the legislature is very concerned with the problems leading to the introduction of AB433.

Senator Neil of Las Vegas suggested that Nevada Rural Electric Association (NREA) consider electing two directors from each cooperative that serves in the state to take care of problems such as these. A lengthy discussion ensued.

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.

Further discussion ensued regarding AV43. Also discussed at this time was getting out to the consumer through newsletters, news releases, personal contacts, Ruralite Magazine, meetings, etc. It was the consensus of the Board to send out the Ruralite Magazine to each state Assemblyman and Senator with a cover letter.

MANAGER[[#146]]S REPORT:

CFC interest rates and investments made were reported.

A dividend check (\$171.30) from General Pacific has been received.

Ken Deibert, Administrator of Canyon View Hospital, met with Dan and Buddy to discuss employee assistance programs. Mr. Deibert will be sending a proposal for the implementation of an assistance program for WREC. This will be brought before the Policy Committee for review and recommendations.

A 3.43% fee increase was requested by Vaughan, Hull, Copenhaver, and Zingale, Ltd. IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE 3.42% FEE INCREASE. THE MOTION WAS SECONDED BY VERNON SCOTT: THE MOTION PASSED UNANIMOUSLY.

The Basis Date Agreement is still under review by Bob Vaughan.

The additional information form AHP Associates regarding the recent survey they completed was discussed. They recommend a financial feasibility study [[#150]] there appears to be adequate support for many of the proposed programs and services, i.e., heating and cooling systems, hiring an electrician, large appliances, and having appliances repaired. A discussion ensued. It was decided to defer this to the Member Relations/Area Development Committee.

A letter was received from Don Carson, president of Idaho Cooperative Utility Association (ICUA) inviting WREC to become an associate member for \$50.00 per year. After a discussion, IT WAS ON MOTION BY WANDA BORDEN TO JOIN ICUA AS AN ASSOCIATE MEMBER FOR \$50.00 PER YEAR. THE MOTION WAS SECONDED BY LOIS NANNINI: THE MOTION PASSED UNANIMOUSLY.

The Wage and Salary Survey has been sent out and received back for this year. It was asked that the Board defer action on the proposed Wage and Salary Plan at this time and approve the current Wage and Salary through the end of 1989. This will give the time necessary to negotiate with the union as well as the opportunity to discuss the difference in rates between the inside employees and outside employees with the Board. IT WAS ON MOTION BY DARYL ERIKSEN TO EXTEND THE CURRENT WAGE AND SALARY PLAN THROUGH DECEMBER 1989. THE MOTION WAS SECONDED BY JERRY PARKIN: THE MOTION PASSED UNANIMOUSLY.

The Nominating Committee met June 9. Copies of the minutes were handed out to the Board for review (EXHIBIT II). The committee is scheduled to meet again July 13. The committee suggested that the Board consider the 1 year residency requirement be raised to 2 years starting next year. A discussion ensued. The suggestion will be taken into consideration and referred to Bob Vaughan for legal opinion.

Mary Wright and Dan will speak at the Northwest Public Power Association Executive Secretary/Administrative conference in Reno, June 23.

The March Form 7 was reviewed. The April Form 7 will be mailed out to the Board.

A discussion was heard in regards to WREC being the shopper for United Parcel Service. Several problems were addressed and discussed regarding WREC being the shipper for UPS. Further discussion was deferred to Board Committee Reports at which time the Financial Advisory Committee will make a recommendation.

A recess was called at 10:30 AM. The meeting was called back to order at 10:45 AM. (Dr. Smith came in

at this time)

BOARD COMMITTEE REPORTS:

Ray Crawford reported for the Financial Advisory Committee and recommended approval of the 1st Quarter 1990 Budget. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 1ST QUARTER 1990 BUDGET. THE MOTION WAS SECONDED BY WANDA BORDEN: THE MOTION PASSED UNANIMOUSLY.

Figures regarding leasing and/or buying a new copier were handed out to the Board for review. After discussion, IT WAS ON MOTION BY WANDA BORDEN TO LEASE A COPIER FOR THE WELLS OFFICE AND, AS SUCH TIME AS NEEDED FOR THE CARLIN AND WENDOVER OFFICES, BUY TWO SMALLER COPIERS. THE MOTION WAS SECONDED BY VERNON SCOTT: THE MOTION PASSED UNANIMOUSLY.

Further discussion ensued in regards to removing UPS from all the WREC offices. Upon recommendation of the Financial Advisory Committee, IT WAS ON MOTION BY DARYL ERIKSEN TO REMOVE UPS FROM THE WREC OFFICES WITHIN 30 DAYS. THE MOTION WAS SECONDED BY RAY CRAWFORD. Further discussion ensued. THE MOTION PASSED WITH EIGHT IN FAVOR, TWO AGAINST AND WANDA BORDEN ABSTAINING DUE TO CONFLICT OF INTEREST.

Vernon Scott reported for the Policy Committee and recommended changes to Policy 4-1 (EXHIBIT III). IT WAS ON MOTION BY VERNON SCOTT TO CHANGE POLICY 4-1 AS RECOMMENDED. THE MOTION WAS SECONDED BY DARYL ERIKSEN: THE MOTION PASSED UNANIMOUSLY.

Also discussed was the proposed change to Policy 4-2 regarding method of allocating capital credits. Bob Vaughan is still working on the legal ramifications of changing the allocation of capital credits which would involve bylaw changes.

A Member Relations/Area Development Committee was scheduled for Monday, July 17, at 9:00 AM with the Policy Committee following (about 10:30 AM).

ADMINISTRATIVE SERVICES REPORT:

A report was handed out on Board Expenses for review and discussion.

COLLECTION REPORT:

The Collection Report was reviewed. The 30/60/90 Day Delinquent Report was handed out for review.

OFFICE SERVICES REPORT:

The annual Maintenance Renewal and Replacement Report from CFC was presented to the Board for consideration. IT WAS ON MOTION BY JERRY PARKIN TO APPROVE BOARD CERTIFICATION OF THE CFC MAINTENANCE RENEWAL AND REPLACEMENT REPORT. THE MOTION WAS SECONDED BY DR. JOE SMITH: THE MOTION PASSED UNANIMOUSLY.

REA Form 219 for March was brought before the Board for consideration in the amount of \$21,092.00 IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE BORROWER[[#146]]S CERTIFICATION WITH SIGNATURES OF THE BOARD PRESIDENT AND GENERAL MANAGER. THE MOTION WAS SECONDED BY MARY WRIGHT: THE MOTION PASSED

UNANIMOUSLY.

SAFETY MINUTES:

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

Nevada State Unemployment Agency conducted an audit. No tax adjustment was required. They owe WREC 43 cents.

ACRE:

WREC has set another record for state of Nevada memberships, as well as Century Club memberships.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 51 NEW MEMBERSHIPS: 3 **[[#150]]** WELLS, NEVADA; 11- CARLIN, NEVADA; 20 **[[#150]]** WENDOVER, NEVADA; AND 17- WENDOVER, UTAH. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY.

A lunch recess was called at 12:00 PM. The meeting was called back to order at 1:20 PM.

A conference call with Valley Electric was held at this time to discuss AB433. Vernon Dalton gave an update of the legislative hearing to Valley.

WENDOVER LAND:

Bob Hope, Architect, reviewed the preliminary plans with the Board. The building design is similar to the Wells office building. A lengthy discussion ensued. Mr. Hope recommendation was to get the whole site cleaned up and prepared for use (site survey, soil samples, etc.) and prepare time schedules. IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE SITE CLEAN UP AND PREPARATION AND SOIL TESTING. THE MOTION WAS SECONDED BY VERNON SCOTT: THE MOTION PASSED UNANIMOUSLY.

A break was called at 3:00 PM. The meeting was called back to order at 3:15 PM.

Another conference call was placed to Valley Electric to get their point of view on the amended AB433.

As there was no further business to come before this meeting, the meeting adjourned at 3:30 PM.

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