

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****JULY 21, 1989**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office and called to order July 21, 1989, at 9:00 am. The meeting was presided over by President Vernon Dalton.

Directors present were Wanda Borden, Larry Bradshaw, Ferris Brough, Vernon Dalton, Daryl Eriksen, Lois Nannini, Jerry Parkin, Vernon Scott, Dr. Joe Smith and Mary Wright. Ray Crawford 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 June 16, 1989, will stand approved as written.

ADDITIONS TO AGENDA:

It was requested that Betty Wright, Chairperson of the Nominating Committee, be added at 10:00 AM, as well as Bob Vaughan, Attorney, at 11:30 AM, and a discussion of the Wells Progress. There were no objections to these additions.

DISCUSSION OF NEVADA LEGISLATION:

Dan reported on the meeting with Mike Soumbeniotis June 20. On behalf of Nevada Rural Electric Association, a letter was submitted to the Legislature (Senate Judiciary Committee) stating NREA will formulate suggested procedures and guidelines for the Statewide member cooperatives to adopt. The issues addressed were open meetings and member access to information. The Judiciary Committee has postponed AB433 indefinitely. AB506 died. A discussion ensued. (Jerry Parkin came in at this time). The Senate Judiciary Committee is very concerned with the problems that brought about AB433. Things will have to be changed before the next Legislative Session in two years.

/the Nevada Rural Electric Association Annual Meeting is scheduled for August 24 and 25 in Wendover. A statewide committee will be formed to establish the procedures and guidelines mentioned above to address the problems that brought about AB433. It was the consensus that positive steps have been taken to resolve the problems.

WENDOVER LAND:

The services of summit Engineering have been secured to develop a plot plan of the Wendover land. Tenants of the trailer court and used car lot have been given notice to vacate on or before September 1. (Mary Wright came in at this time).

MEMBER CONTACTS:

The Wells Progress discussion was added at this time. Community businessmen are concerned over the editorial articles appearing in the Wells Progress. It is the consensus of the businessmen that the articles are detrimental to the community of Wells. Several businessmen have dropped advertising with the Progress. A discussion ensued.

An article, "Another Perspective on the Alaska Oil Spill" (Industrial Relations Council), was handed out for the Board's review.

A letter to President Bush from Ray Cavellero of Wendover regarding rural electric cooperatives was read and discussed. The letter appeared in the Ruralite Magazine.

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 given to the Board for review.

NOMINATING COMMITTEE REPORT:

Betty Wright, Chairperson of the Nominating Committee, gave the Nominating Committee report (EXHIBIT I). IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE NOMINATING COMMITTEE REPORT. THE MOTION WAS SECONDED BY LOIS NANNINI; THE MOTION PASSED UNANIMOUSLY.

A Nominating Committee news release was read to the Board. There were no objections to sending out the news release.

MANAGER'S REPORT:

CFC interest rates and investments made were reported.

The Microwave Study will be discussed under Board Committee Reports.

Vernon Dalton reported on the NRECA Summer Board Meeting held in June. Addressed at the meeting were the moratorium on the retirement program, Edison Electric Institute's testimony before Congress concerning the Rural Development bill funding NRECA is very upset with these comments, NRECA proposal to increase dues, and NRECA's strategic plan. A list of dates for NRECA's future Annual Meetings was handed out to the Board for review.

Rick Steber, free-lance writer/photographer for Ruralite Services, Inc., will be retiring. Disney Corporation has brought the rights to his book "New York to Nome" for a movie. A discussion ensued. IT WAS ON MOTION BY JERRY PARKIN TO SEND RICK STEBER A LETTER THANKING HIM FOR THE YEARS OF SERVICE HE HAS GIVEN TO WREC THROUGH RURALITE SERVICES, INC. THE MOTION WAS SECONDED BY VERNON SCOTT; THE MOTION PASSED UNANIMOUSLY.

Information regarding the Region IX Meeting in Fairbanks, Alaska September 20-25 was handed out to the Board.

A letter was sent to United Parcel Service regarding the termination, as of July 31, of WREC being a shipper for them. Also they were contacted by phone. We will still ship UPS for ourselves.

The May Form 7 was handed out for review.

A donation request for \$100.00 for the annual Wells Utility Golf Tournament was received. IT WAS ON MOTION BY VERNON SCOTT TO DONATE \$100.00 YEARLY TO THE WELLS UTILITY GOLF TOURNAMENT. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY.

Jim Young of the Carlin Economic Development Committee requested an open-end donation for the purchase of Christmas decorations to hang along main-street of Carlin. After discussion, IT AS ON MOTION BY WANDA BORDEN TO MAKE A ONE TIME DONATION OT EACH COMMUNITY OF \$500.00 TO PURCHASE CHRISTMAS DECORATIONS. THE MOTION WAS SECONDED BY JERRY PARKIN. A discussion ensued. A recess was called at 10:45 AM. The meeting was called back to order at 11:00 AM. Further discussion ensued. THE MOTION FAILED. Dan is to contact the Economic Development Committee in each community in regards to matching funds with WREC to purchase Christmas decorations.

NRECA Annual Meeting comments were handed out to the Board for review.

Wanda Borden asked permission to attend the NRECA 540.2 course in Denver, Colorado. There were no objections.

Rural Development Conference (NRECA/REA) will be held in Washington, D.C. August 7-8.

The approval for the \$2,000,000.0 line of credit from CFC has been received. A new Form 11B needs to be signed by Wanda Borden, Secretary. There were no objections.

Ken Diebert of Canyon View Hospital could not attend this meeting. Mr. Diebert will plan on attending the August meeting.

There were no objections to inviting Martin Lowery of NRECA to speak at the Annual Meeting in September.

A report was given by Mary Wright on the Chairman for the Board Conference held in Sun Valley, Idaho June 25-28.

AHP update was moved to Board Committee Reports.

BOARD COMMITTEE REPORTS:

Vernon Scott reported for the Policy Committee on the meeting held Monday, July 1. The Employee Assistance proposal from Canyon View Hospital will attend the August Board meeting. An addition to Policy 7-2, S. Working conditions 1. Smoking shall be prohibited in designated areas as determined by management, was recommended by the Policy Committee. IT WAS ON MOTION BY DR. JOE SMITH TO APPROVE THE ADDITION S.1 TO POLICY 7-2. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY. It was suggested that a sign be placed in the lobby area of each area offices as a designated no smoking area.

BOB VAUGHAN:

The next business to come before the meeting related to the approval of an agreement between the Corporation and the United States of America acting through the Administrator of the Rural Electrification Administration advancing the basis date on the unadvanced balance of the promissory note dated November 23, 1984. After due consideration and advice of counsel, IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR FERRIS BROUGH,

UNANIMOUSLY, RESOLVED, THAT THE PRESIDENT D. VERNON DALTON IS HEREBY AUTHORIZED ON BEHALF OF THE CORPORATION TO EXECUTE AND DELIVER UNDER ITS CORPORATE SEAL, WHICH THE SECRETARY IS DIRECTED TO AFFIX AND ATTEST, AS MANY COUNTERPARTS AS SHALL BE DEEMED ADVISABLE OF AN AGREEMENT BY AND BETWEEN THE CORPORATION AND THE UNITED STATES OF AMERICA (HEREINAFTER CALL THE "GOVERNMENT"), ACTING THROUGH THE ADMINISTRATOR OF THE RURAL ELECTRIFICATION ADMINISTRATION, ADJUSTING WITH RESPECT TO A CERTAIN MORTGAGE NOTE, DATED NOVEMBER 23, 1984, IN THE PRINCIPLE AMOUNT OF \$3,926,000.00, ISSUED BY THE CORPORATION TO THE GOVERNMENT, THE REPAYMENT SCHEDULE WITH RESPECT TO AMOUNTS WHICH MAY HEREAFTER BE ADVANCED TO THE CORPORATION BY THE GOVERNMENT, SUBSTANTIALLY IN THE FORM OF THE AGREEMENT, PRESENTED TO HIS MEETING. (EXHIBIT II) a Waiver of Notice (EXHIBIT III) was signed by all directors.

Mr. Vaughan handed out material regarding the changes to the capital credit program, (Policy 4-2, By-Law and membership application changes) (EXHIBIT IV), for Board review. The material was thoroughly discussed with the following decisions made on Policy **[[#150]]**2:

4-2, II. A.4 **[[#150]]** IT WAS ON MOTION BY MARY WRIGHT THAT THE DISCOUNT RATE SHALL BE A COMPOUND SIMPLIFIED RATE AT 8%. THE MOTION WAS SECONDED BY FERRIS BROUGH . Discussion ensued. THE MOTION FAILED. IT WAS ON MOTION BY LOIS NANNINI THAT THE DISCOUNT RATE SHALL BE A COMPOUND SIMPLIFIED RATE AT 10%. THE MOTION WAS SECONDED BY WANDA BORDEN. THE MOTION PASSED UNANIMOUSLY.

4-2, II. A. 5 b & c **[[#150]]** IT WAS ON MOTION BY LARRY BRADSHAW THAT THE PAYMENTS SHALL BE \$1,000.00. THE MOTION WAS SECONDED BY LOIS NANNINI. THE MOTION PASSED UNANIMOUSLY.

4-2, II. A. 6 **[[#150]]** There were no objections to the language in this paragraph.

4-2, II. A. 7 **[[#150]]** IT WAS ON MOTION BY VERNON SCOTT TO USE (SHALL NOT). THE MOTION WAS SECONDED BY MARY WRIGHT. THE MOTION PASSED UNANIMOUSLY.

4-2, II. A. 8 & 9 **[[#150]]** There were no objections to the language in these paragraphs.

4-2, II. A. 10 **[[#150]]** There were no objections to staff looking at the figures more closely and presenting said figures to the Board at the August Board Meeting for consideration.

4-2, II. B. 2. d. **[[#150]]** IT WAS ON MOTION BY DR. JOE SMITH TO USE THE FIGURE OF \$5.00. THE MOTION WAS SECONDED BY LOIS NANNINI. THE MOTION PASSED UNANIMOUSLY.

The proposed By-Law change, Article VI, Section 11, 1.2.3.4.5., will be brought before the Board with changes at the August Board Meeting for consideration (part of Exhibit IV). A discussion ensued regarding the number of notices to be sent if a member cannot be found. It was decided that two notices should be sent.

4-2, II. B. e **[[#150]]** IT WAS ON MOTION BY DARYL ERIKSEN TO CHANGE (LOCATED WITHIN FIVE YEARS PURSUANT TO SECTION 11 OF ARTICLE VI) TO LOCATED WITHIN THREE YEARS PURSUANT TO SECTION 11 OF ARTICLE VI OF THE BY-LAWS. THE MOTION WAS SECONDED BY JERRY PARKIN. THE MOTION PASSED UNANIMOUSLY.

Also reviewed was the Substitute Paragraph on Application (part of Exhibit IV). This will also be brought before the Board at the August Board Meeting for further consideration.

In regards to the Newmont Contract and capital credits, Policy 4-2, II. F. complies

Policy 4-2 in its final form will be brought before the Board at the August Board Meeting for consideration.

A lunch recess was called at 1:00 PM. The meeting was called back to order at 2:15 PM.

(Bob Vaughan did not attend the afternoon session).

BOARD COMMITTEE REPORTS (CONT.):

Daryl Eriksen and Dan Kessler reported on the Member Relations Area Development Committee. Staff recommended hiring another Member Services Representative at entry level for a period of one year. At the end of the year, if the person hired shows that the position can be made into a full-time position, it will be taken into consideration at that time. This position will do the leg work for studies regarding the recommendations of AHP Survey in the diversification area, developing marketing and business plans, as well as duties assigned by the Manager of Member Services. Basis Communications skills and public relations skills will be a must. A payroll breakdown of this position was handed out for the Board[[#146]]s review. (Dr. Smith came in during this time.) A discussion ensued. Upon the Committee[[#146]]s recommendation, IT WAS ON MOTION BY DARYL ERIKSEN TO HIRE ANOTHER MEMBER SERVICES REPRESENTATIVE. THE MOTION WAS SECONDED BY VERNON SCOTT. Further discussion ensued. (Lois Nannini came in at this time.) THE MOTION PASSED UNANIMOUSLY.

A discussion was held regarding the Microwave Study. A three phase report outlining approaches to marketing the excess capacity of the Microwave system was handed out to the Board for review and discussion.

COLLECTION REPORT:

The Collection Report is being revised at this time [[#150]] it will be ready for the August Board Meeting. The 30/60/90 Day Delinquent Report was handed out for Board review.

OFFICE SERVICES REPORT:

REA Form 219 (\$30,754.00) was brought before the Board for Board and Manager certification stating that the funds were used for line extensions. Special Equipment Summaries (Transformers bought) in the amounts of \$83,408.00 and \$18,343.00 were brought before the Board for certification. All the above fund are reimbursements for monies spent per the Two Year Work Plan. IT WAS ON MOTION BY DR. JOE SMITH TO APPROVE THE ABOVE REIMBURSEMENTS. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY.

It was noted that Lorrie Egbert will be working on a part-time basis August 1. That position will be filled.

SAFETY MINUTES:

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

AUGUST BOARD MEETING DATE CONFLICT:

Due to a conflict of the date for the August Board Meeting, IT WAS ON MOTION BY MARY WRIGHT TO CHANGE THE REGULAR BOARD MEETING TO TUESDAY, AUGUST 15, 1989, AT 9:00 AM. THE MOTION WAS SECONDED BY LARRY BRADSHAW; THE MOTION PASSED UNANIMOUSLY.

NREA ANNUAL MEETING:

The NREA Annual Meeting is scheduled for August 4 & 25 in Wendover, Nevada. Wells Rural Electric is hosting the meeting this year. Dan gave a report.

As there was no further business to come before the Board, the meeting adjourned at 3:00 PM.

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