

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****AUGUST 15, 1989**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office and called to order August 15, 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 July 21, 1989, will stand approved as written.

**ADDITIONS TO AGENDA:**

It was requested that a discussion be held regarding the position WREC will take toward solving the issues raised at the Nevada Legislature before the next legislative session in two years. There were no objections.

**UPDATE - NEVADA LEGISLATION:**

A thorough discussion was heard regarding the position that the Board of Directors of WREC want to take and present at the NREA Annual Meeting. WREC's position will be that the issues of concern to the Legislature will be addressed and steps will be taken to correct these issues before the next legislation. (Lois Nannini came in during this discussion). It was the consensus that the Statewide, NREA, can play an important role in settling the legislature's member cooperative, to set guidelines and policies for the member cooperatives to follow is an important step to correcting those concerns.

It was reported that the cost of WREC for our involvement with preparing for and testifying at the legislature to date (including the 1987 legislative session was \$52,000.00. A bill was received from the firm of Mike Soumbeniotis for \$7, 578.36. Ross Dohlen, General Manager of Valley Electric would pay one half of the bill \$3,789.16). It was the consensus that the money was well spent.

**WENDOVER LAND:**

Summit Engineering is still working on the survey and developing and plot plan. Many if the trailer court tenant have moved out. All tenants have been given notice to vacate the land by or soon after September 1.

**MEMBER CONTACTS:**

Reports were given of member contacts made. 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 and discussion.

#### BOARD COMMITTEE REPORT:

Daryl Eriksen reported on the Rural Development Conference, sponsored by REA and NRECA, that he and Paul Johnson attended in Washington, D.C. A committee was formed, independent of REA and NRECA, and is sponsoring a school through the University of Oklahoma for Economic Development. Cost for the school is approximately \$700.00 (subject to change). An agenda will be sent out to all of those attending the conference.

Dan reported on the Wells City Council meeting. Addressed was the 1000 Springs Project. The City requested of the City businesses a donation to raise \$15,000.00 for the study (done by POWER Engineers, Inc.) of the Environmental Impact Statement of Sierra Pacific. A discussion ensued. The donation will be taken under consideration **[[#150]]** more information is to be obtained. It was suggested that the City may want to contact Gary Jacobson (spoke at the WREC 198 Annual Meeting) of Great Basin Electric Cooperative for information and to possibly work with the City in regards to economic development.

#### ADMINISTRATIVE SERVICES REPORT:

Northern Nevada Community College is sponsoring a drive to improve the facilities at the college. More information is coming regarding this drive.

Annually WREC purchases a 4-H Beef. IT WAS ON MOTION BY MARY WRIGHT TO PURCHASE A 4-H BEEF. THE MOTION WAS SECONDED BY VERNON SCOTT. THE MOTION PASSED UNANIMOUSLY.

WREC is to demonstrate the Safety Trailer at the Elko County Fair this year. It received a lot of attention and was requested back.

#### KEN DEIBERT **[[#150]]** CANYON VIEW HOSPITAL:

Mr. Ken Deibert, Administrator of Canyon View Hospital of Twin Falls, Idaho, gave a presentation on the proposed Employee Assistance Program for WREC. A question and answer period followed.

#### YOUTH CAMP PARTICIPANTS:

The following students participated in the Nevada Rural Electric Association Youth Seminar and the Utah Rural Electric Association Youth Seminar: Brian McIntosh, NREA Youth Seminar; Justin Egbert, NREA Youth Seminar; Marianne Dahl, NREA Youth Seminar and chosen for the Washington D.C. Youth Tour; Tina Harley, Nevada Youth Seminar; Shannon Green, UREA Youth Seminar; and Tanya Linnell, UREA Youth Seminar. Each student gave a report on their experiences and thanked the Board for sending them to these seminars. Leigh Anne Nannini and Tina Yan sent thank you cards as they could not attend this Board meeting.

A recess was called at 10:50 AM. The meeting was called back to order at 11:00 AM.

#### EMPLOYEE ASSISTANCE PROGRAM:

A discussion ensued regarding the proposed Employee Assistance Program. It was noted that directors as

well as employees may use this program. Following discussion, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE PROPOSED EMPLOYEE ASSISTANCE PROGRAM. THE MOTION WAS SECONDED BY DR. JOE SMITH. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

#### MANAGER[[#146]]S REPORT:

Rates and investments made were reported.

Handed out to the Board was a report on the investment transactions made through the Agency Account with First Interstate Bank from 11/29/88 to 6/30/89. \$87,000.00 in interest has been made during this time. FIB has requested approval of investment program as originally established by agreement of March 23, 1989. Through this account, WREC controls the types of investments made. Following discussion, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE INVESTMENTS MADE. THE MOTION WAS SECONDED BY FERRIS BROUGH. THE MOTION PASSED UNANIMOUSLY.

The June Form 7 is not available for this meeting due to the upcoming budget before the Board for consideration in September.

Due to the conflict of September 15 with the region IX Meeting, IT WAS ON MOTION BY DARYL ERIKSEN TO CHANGE THE SEPTEMBER BOARD MEETING DATE TO TUESDAY, SEPTEMBER 26. THE MOTION WAS SECONDED BY FERRIS BROUGH. THE MOTION PASSED UNANIMOUSLY.

It was the consensus of the Board to send out the 2nd Quarter 1990 Budget figures to the Board prior to the meeting in September for Board review. The budget will be discussed and considered at the September meeting.

Region IX voting delegates were discussed: NRECA [[#150]] Lois Nannini with Larry Bradshaw as alternate; CFC [[#150]] Dr. Joe Smith with Vernon Scott as alternate; WREC delegate to elect for national director [[#150]] Larry Bradshaw. IT WAS ON MOTION BY RAY CRAWFORD TO APPROVE THE ABOVE DELEGATES AND ALTERNATES. THE MOTION WAS SECONDED BY DARYL ERIKSEN. THE MOTION PASSED UNANIMOUSLY.

Martin Lowery will be the keynote speaker for our Annual Meeting on September 3. Rod McQuery will recite cowboy poetry.

The 989 Director[[#146]]s Update schedule is as follows: Sept. 12-14 at the Hyatt Regency in San Antonio, TX; Oct. 17-19 at the Holiday Inn, Independence Mall, Philadelphia, PA; Nov. 14-16 at the Kansas City Marriott Plaza in Kansas City, MO; Nov. 28-30 at the Hyatt Regency in Nashville, TN; Dec. 12-14 at Radison Hotel South, Plaza Tower, Minneapolis, MN.

Representatives from Bonneville Power Administration, including Tom Blankenship and Joe Rogers, met at WREC. The Newmont new large single load resource rate trigger was addressed. Our records were reviewed to make certain that the new resource rate was not triggered. The representatives were also taken on a tour of the Newmont Mine. Also discussed were BPA[[#146]]s rates. Due to the low water years, the Cost Recovery Adjustment Clause (CRAC) may be triggered next year.

Handed out to the Board was a copy of the rate comparisons of the twelve most expensive service territories and the twelve least expensive service territories.

Rate comparison between Sierra Pacific Company in Elko prior to their proposed 13% rate increase and

Wells Rural Electric were handed out to the Board. A discussion ensued.

1000 Springs News briefs was handed out for review.

RECNET future update was handed for Board review. These updates will be listed in the Member Services Report in the future.

A copy of the Electricity Today **[[#146]]**s Way was handed out for Board review. This is the new as we are participating in through NRECA.

Dan reported on the meeting with attorney Richard Seguin of the Industrial Relations Council.

Due to conflicts of schedules, Dan and Steve Juenke, of the Wells Progress, have not been able to schedule a meeting prior to this Board meeting. A meeting will be scheduled prior to the September Board Meeting

A letter was sent to Rick Steber thanking him for the years of service he has given to WREC through his stories with Ruralite Magazine.

In the Bi-Monthly Newsletter, a list of members with unclaimed capital credit checks was posted. Twenty-three members have been located from that list. Lists of capital credit checks issued 4/21/89, capital credit checks un-cashed as of 7/31/89 and capital credit checks cashed as of 7/31/89 (all lists included: checks less than \$1.00, less than \$5.00, less than \$10.00, less than \$20.00) were handed out for review and discussion.

The next business to come before the meeting concerned the matter of amendment of the By-Laws regarding the locating of members and former members of the company. It was noted that it was often necessary to locate members and former members for various purposes, including but not limited to the matter of disbursement of retired capital credits. After a thorough discussion of the matter and advice of counsel, IT WAS ON MOTION BY DIRECTOR LARRY BRADSHAW, SECONDED BY DIRECTOR VERNON SCOTT, AND PASSED WITH SIX (6) VOTES FOR, THREE (3) VOTES AGAINST, AND ONE (1) VOTE ABSTAINING AS FOLLOWS:

RESOLVED, that Article VI **[[#150]]** MEMBERSHIP **[[#150]]**ELIGIBILITY, RIGHTS, LIABILITIES AND RULES be amended by the addition of a Section 11 **[[#150]]** LOCATING OF MEMBERS AND FORMER MEMBERS, shall read and provide as follows:

Section 11. LOCATING OF MEMBERS AND FORMER MEMBERS.

It is the responsibility of every member or former member (both herein referred to as **[[#147]]**member**[[#148]]**), and he heirs, executors, administrators, successors and assigns of every member, to keep the corporation informed as to the member**[[#146]]**s current location and address, from the time the consumer first becomes a member to the time that all of the capital credits credited to that member**[[#146]]**s account have been repaid.

Within a reasonable time after any portion of the capital credits of a member is determined to be retired, the corporation shall mail either the check in retirement of said capital credits or a notice of the availability of the capital credit to the last address given by the member to the corporation. Therefore going is hereinafter referred to as the **[[#147]]**signal mailing.**[[#148]]**

In the event that the check in retirement of the capital credits is not negotiated or there is no response to the notice of the availability of the capital credit, then, and in either event, the corporation shall, at a date approximately one year subsequent to the date of the original mailing provided above in subparagraph 2, again mail either a check in retirement of the capital credits or a notice of the availability of the capital credit of the last address given by the member of the corporation.

If the member has not responded within three (3) years of the date of the original mailing provided above in subparagraph 2, by obtaining from the cooperative and negotiating the check in payment of the capital credits, then, and in that event, it will be deemed, and presumed by the corporation that the member cannot be found. In such event, any assignment of the contingency, shall be in effect, and the retired capital credits shall be paid or transferred to the equity capital account of the corporation as a donation from the member.

The corporation shall not be required to make further inquiry as to where the member may be found, however, in the event such information comes to the attention of the corporation, and the member is found, the retired capital credits shall be paid to the member as aforesaid.

The revised policy 4-2 was presented to the Board for consideration. After review and discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY FERRIS BROUGH, AND PASSED UNANIMOUSLY TO APPROVE POLICY 4-2 AS PRESENTED WITH THE FOLLOWING II. A.10. ONE-HALF OF ONE PERCENT (.5%), \$60,000.00. (EXHIBIT I)

A lunch recess was called at 12:30 PM. The meeting was called back to order at 1:30 PM.

MANAGER[**#146**]'S REPORT (CONT.):

Senator Bryan was in Wells. Dan reported.

NREA Annual Meeting registration form was handed out for those attending. The agenda was reviewed.

Further discussion ensued regarding the concerns of the Nevada Legislation regarding the Mt. Wheeler issue. IT WAS ON MOTION BY DARYL ERIKSEN TO COMMIT THE BOARD OF DIRECTORS TO TOTAL SUPPORT OF THE ISSUES TO BE RAISED BY WREC REPRESENTATIVES AT THE NREA ANNUAL MEETING. THE MOTION WAS SECONDED BY LARRY BRADSHAW. Further discussion ensued. (Dr. smith came in at this time). THE MOTION PASSED UNANIMOUSLY.

Vernon Dalton commended the Board, Management and Staff on the job well done regarding the capital credit program changes.

Tommi Reynolds has been hired to the Member Services Representative position. Vera Garcia will replace Tommi as the Plant Bookkeeper and Melody Widmer will move into the Materials Clerk position. The Meter Reader/Laborer position will be posted.

Warren reported on the need to start the Two Year (1990/1991) Construction Work Plan. A copy of the proposed budget and scope of work prepared by POWER Engineers, Inc. was handed out to the Board for consideration. IT WAS ON MOTION BY MARY WRIGHT TO APPROVE THE FUNDING OF THE 1990/1991 CONSTRUCTION WORK PLAN. THE MOTION WAS SECONDED BY RAY CRAWFORD. THE MOTION PASSED UNANIMOUSLY.

Warren reported on hiring a contractor versus WREC line crew doing the work. A comparison report was handed out to the Board for review.

The Engineering Technician position that was available was offered to Thad Ballard. Thad has the necessary background for this position.

#### OFFICE SERVICE REPORT:

The Collection Report is still under revision. It will be available for the September Board Meeting agenda.

An REA form, Special Equipment Summary, in amount of \$6,886.58 for the purchase of transformers and meters was brought before the Board for consideration. After discussion, IT WAS ON MOTION BY FERRIS BROUGHT TO APPROVE THE SPECIAL EQUIPMENT SUMMARY. THE MOTION WAS SECONDED BY LOIS NANNINI. THE MOTION PASSED UNANIMOUSLY.

This year[[#146]]s inventory went very well.

#### 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.

#### ENGINEERING & OPERATIONS REPORT:

The microwave system is working out well. The Capacity Study is still being worked on.

#### OUTAGE REPORT:

The Outage report was reviewed and discussed.

#### HYDRO REPORT:

A maintenance, operational and environmental report was handed out to the Board concerning the Hydro plant. The report covers the next five years which addresses certain budgeting and operating concerns for the five year period. It was noted that the relaying and protection scheme costs in the report were preliminary estimates. These costs will be firmed up during the engineering phase of the 1990/1991 Two Year Construction Work Plan.

#### MEMBER SERVICES REPORT:

For Cooperative Month, the Member Services Department would like WREC to sponsor a Trash-A-Thon on a Saturday in late October. They would coordinate with the area schools a clean up of their cities. There would be a fee paid to the students per bag of trash collected. The businesses of the cities could provide vehicles for the students to haul trash, etc. The proposed cost of the Trash-A-Thon is \$1,500.00. IT WAS ON MOTION BY VERNON SCOTT TO SPONSOR THE TRASH-A-THON AND DONATE \$1,500.00. THE MOTION WAS SECONDED BY LARRY BRADSHAW. THE MOTION PASSED UNANIMOUSLY.

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE NEW MEMBERSHIPS FOR JULY 21, 1989: 2 [[#150]] WELLS, NEVADA; 12- CARLIN, NEVADA; 6 [[#150]] WENDOVER,

NEVADA; AND 4 - WENDOVER, UTAH, AS WELL AS THE MEMBERSHIPS FOR AUGUST 15, 1989 WHICH ARE : 11- WELLS, NEVADA; 21 **[[#150]]** CARLIN, NEVADA; 14 **[[#150]]** WENDOVER, NEVADA; AND 15 **[[#150]]** WENDOVER, UT. THE MOTION WAS SECONDED BY VERNON SCOTT. THE MOTION PASSED UNANIMOUSLY.

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

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