

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****SEPTEMBER 26, 1989**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office and called to order September 26, 1989, at 9:00 am. The meeting was presided over by President Vernon Dalton.

Directors present were Larry Bradshaw, Ferris Brough, Ray Crawford, Vernon Dalton, Daryl Eriksen, Lois Nannini, Jerry Parkin, Vernon Scott, Dr. Joe Smith and Mary Wright. Wanda Borden 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.

**BOARD ORGANIZATION (OFFICER ELECTION):**

Vernon Dalton explained the voting procedure for the election of officers for the following year. Clay Fitch and Buddy Welsh tallied the votes with Dan Kessler reading the results: President **[[#150]]** Vernon Dalton (Vernon abstained from voting), seven (7) votes; Vice President **[[#150]]** Daryl Eriksen **[[#150]]** Five (votes), Ray Crawford **[[#150]]** two (2) votes, Larry Bradshaw **[[#150]]** one (1) vote; Secretary/Treasurer **[[#150]]** Mary Wright **[[#150]]** six (6) votes, Lois Nannini **[[#150]]** three (3) votes, Wanda Borden **[[#150]]** one (1) vote. (Jerry Parkin and Ray Crawford came in during the tally for the election of Vice President).

**APPROVAL OF MINUTES:**

The minutes of the regular meeting of August 15, 1989, will stand approved as written.

**ADDITIONS TO AGENDA:**

It was requested that representatives of NENDA (Deu Thiercoff, Chairman; Kelly Lucy, Executive Director; and Mike Eriksen, Wells Delegate to the Board) be added to the agenda. There were no objections.

**NREA ANNUAL MEETING RECAP:**

A recap of the NREA Annual Meeting held in Wendover, Nevada August 24 & 25 was given. An Advisory Committee was formed consisting of the officers of NREA (Ross Dohlen, President; Nancy Swallow, Vice President; Dan Kessler, Secretary/Treasurer; and Jack Heaston, member at large) and one delegate from each of the cooperatives in Nevada. Following discussion, IT WAS ON MOTION BY VERNON SCOTT TO ELECT VERNON DALTON AS THE WREC DELEGATE TO THE NREA ADVISORY COMMITTEE. THE MOTION WAS SECONDED BY DARYL ERIKSEN. THE MOTION PASSED UNANIMOUSLY. Mt. Wheeler requested that two delegates from Mt. Wheeler serve on the Committee. It was decided that at this time one delegate will be selected and the matter of more than one delegate from each cooperative serving on the Committee will again be taken up at the Advisory Committee meeting scheduled October 26 in Reno.

It was the consensus that the key objective for the Committee would be to re-establish the credibility of the Nevada cooperatives before the legislature. Procedures and guidelines regarding cooperatives member attendance at meetings and member access to information will be established. A discussion ensued.

#### WENDOVER LAND:

Summit Engineering has been surveying the land and progressing slowly. The concern regarding the timeliness of the surveying will be expressed to Summit Engineering. As soon as the surveying and plot plan are done, Bob Hope will meet with the Board requesting permission to proceed with the final drawings, etc.

#### 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, AWARE Group questionnaires and the Board and Administrator publication were given to the Board for review and discussion.

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

Rates and investments made were reported.

The June Form 7 was handed out for Board review.

As of the end of August ,over 25 million kWh have been sold.

The Financial Advisory Committee needs to schedule a meeting to review Key Ratios, Trend Analysis, for the past seven years, and the Borrower[[#146]]s Statistical Report. Future financial stability needs to be addressed.

A report was given on the meeting with Sierra Pacific Resources. They have provided us with information regarding their construction power requirements for the 1000 Springs power unit #1. A written request to serve the power is still forthcoming but is expected soon (WREC could be doing preliminary engineering s early as late fall [[#146]]89). We will be able to meet the capacity needs by tapping off of the 138kv line.

A meeting is scheduled for October 7 in Reno with BPA, Sierra Pacific, and WREC regarding the past year[[#146]]s operations, next year[[#146]]s operations, and future power needs, etc.

Discussed was the upcoming 20 year power sales contract with BPA. Mr. Blankenship will address in a letter that we had requested it. Mr. Blankenship felt it would be two years before BPA would be prepared to negotiate a new contract with any of the preference customers.

BPA rates were discussed. BPA will probably end its fiscal year September 30,1989 with zero net revenues. Most analysts figure the CRAC Clause will not trigger in 1989 and that there will be a general rate case result with a possible rate increase for October 1990. Last wholesale power rate increase was July 1985. We will be updating our Cost of Service Study after the first of the year.

The City of Wells will be approaching the Board for a donation to help finance the environmental impact study of the 1000 Springs project.

BPA has recently signed an agreement with the Direct Service Industrial (DSI) customers. This will allow them to purchase energy for the first quartile through December with the provision that on behalf of their load be restricted in the Spring of 1990 if BPA needs the power to serve its firm loads.

Clay reported on funding retirees medical insurance. In addition REA is sending out 14 accounting interpretations. A report will be brought before the Board when they have been received.

Those attending the Region IX Meeting reported. At the Region IX Meeting, WREC was 3rd in the Region for Century Club memberships.

A discussion was heard regarding the NRECA dues increase.

A discussion was heard regarding Board expenses. It was noted that many other cooperatives pay spouses expenses as well as the directors. That is a practice that WREC had not ensued. It is the consensus of this Board that it should not be incorporated at Wells Rural.

A recess was called at 10:30 AM. The meeting was called back to order at 10:45 AM.

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

The Manager[[#146]]s evaluation is due at the October Board meeting. As of November, Dan will have 5 years as General Manager.

Wanda Borden has completed her Board Certification through NRECA.

The Official Notice for the WREC Annual Meeting was presented to the Board.

A report on the meeting with Richard Seguin, Industrial Relations, was given by Dan. Key issues regarding the upcoming union negotiations were addressed.

Rick Steber would like to continue working for WREC and Mt. Wheeler in providing articles to the Ruralite Magazine. The fee will be the same as we now paying him.

The preliminary load forecast from BPA has been received.

Oregon Trail, new co-op in Oregon, has requested help to construct nine miles of single phase line. Oregon did not do enough environmental work and were stopped. They postponed until spring at which time they will request a donation of equipment and linemen.

Utah Rural Electric Association[[#146]]s Annual Meeting is scheduled for Thursday and Friday, November 2 and 3 at Ruby[[#146]]s Inn, Bryce Canyon, Utah. Garkane Power Association is hosting the meeting.

NRECA annual Meeting will be held in Orlando, Florida. The Annual Meeting packet had not been received: more information will be forthcoming.

Western Communications has inquired about a joint marketing of our excess microwave channels. It ahs been turned over to Terry Hoke, POWER Engineers, and Bob Vaughan for legal advice.

It was reported that the Hydro[[#146]]s output has increased to an estimated 8% due to cleaning, adjusting, oiling etc. the entire system.

**BOARD COMMITTEE REPORT:**

The Financial advisory Committee is scheduled to meet Wednesday, October 1 at 9:00 AM **[[#150]]** 12 noon. RENET is broadcasting "The Cooperative Legal Seminar IV, Director Powers, Duties and Potential Liabilities" at 12:00 noon on the 18th as well. The Member Relations and Area Development committee is scheduled following the broadcast at 1:00 PM. All Board members are encouraged to attend the Financial Committee.

**BUDGET **[[#150]]** 2ND QUARTER 1990:**

The 2nd Quarter 1990 Budget was reviewed and discussed. Each augmentation was presented and no objections were stated. After a thorough discussion, IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE BUDGET AND AUGMENTATIONS AS PRESENTED. THE MOTION WAS SECONDED BY VERNON SCOTT. THE MOTION PASSED UNANIMOUSLY.

A lunch recess was called at 12:15 PM. The meeting was called back to order at 1:30 PM.

**NENDA:**

Mike Eriksen gave the background of NENDA. Kelly Lucy presented the NENDA packet and explained its contents. A video was shown. Dru Thiercoff explained what NENDA is doing to promote Elko County, as well as the future plans for Elko County. Continued support for NENDA was requested. The Board expressed their concern that NENDA **[[#146]]**'s emphasis seems to be targeted more for the Elko area than the rest of the County and that more emphasis should be placed in the outlying areas as well. After thorough discussion, IT WAS ON MOTION BY VERNON SCOTT TO DONATE \$3,000.00 TO NENDA FOR THE UPCOMING YEAR. THE MOTION WAS SECONDED BY DARYL ERIKSEN. Further discussion ensued. It was the consensus of the Board that a letter be written to inform NENDA that their advertising efforts for the outlying area will be closely monitored throughout this year. Would like to see more emphasis in promoting the outlying areas. THE MOTION PASSED UNANIMOUSLY.

**COLLECTION REPORT:**

The revised Collection Report (Collection and Account Aging Report) was presented to Board. Clay reported.

**SAFETY MINUTES:**

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE SAFETY MINUTES. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY.  
**DESIGN & CONSTRUCTION REPORT:**

The report was reviewed and discussed.

**MEMBER SERVICES REPORT:**

The Christmas Banquet is scheduled for Friday, December 15 at the Stateline and Silversmith Casinos. (Stateline Hospitality Room at 7:30 PM MST; Silversmith The White Swan dining room at 8:30 PM) A block of rooms will be available for those wishing to stay the night.

The Executive Committee will meet immediately following the Board Meeting to form Board Committees.

**NEW MEMBERSHIPS:**

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 87 NEW MEMBERSHIPS: 13 **[[#150]]** WELLS, NEVADA; 20- CARLIN, NEVADA; 30 **[[#150]]** WENDOVER, NEVADA; AND 24 - WENDOVER, UTAH. THE MOTION WAS SECONDED BY DR. JOE SMITH; THE MOTION PASSED UNANIMOUSLY.

As there was no further business to come before this meeting, the meeting adjourned at 3:15 PM.

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