

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****NOVEMBER 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 November 21, 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 October 21, 1989, will stand approved as corrected: Dr. Joe Smith was present for part of the afternoon session, leaving after the Manager **[[#146]]**'s Evaluation; the acreage quoted for the Board Resolution- Land Exchange Elko County/Clark County and the motion opposing the land exchange was incorrect **[[#150]]** 58,000 acres of private ownership in Elko County, not 63,000 acres; 2,300 acres of public lands in Las Vegas, not 2,000 acres. There were no objections to the changes.

ADDITIONS TO AGENDA:

It was requested that Joe Santos and Charles Harper on behalf of the Northern Nevada Community College be added to the agenda. There were no objections.

WENDOVER LAND:

Bob Hope, Architect, has received the topographical maps. Mr. Hope sent a proposed construction schedule for Board consideration: Feb. 1, 1990 **[[#150]]** relocation of power line & telephone work completed; Feb. 15, 1990 **[[#150]]** site grading contract bid; March 1, 1990 **[[#150]]** site grading contract awarded; April 1, 1990 **[[#150]]** site grading work completed; April 15, 1990 **[[#150]]** building contract completed. Also sent were contracts for architectural services to be signed by the Board selecting Hope as our architect and allowing the bid on the site grading. The Bid states: complete site grading of owner **[[#146]]**'s property of approximately 14 acres located in Wendover, Utah, not to exceed \$100,000.00. Board signature for the contracts was requested. A discussion ensued. **IT WAS ON MOTION BY DR. JOE SMITH TO APPROVE THE CONSTRUCTION SCHEDULE AND BOARD SIGNATURE OF THE CONTRACTS FOR ARCHITECTURAL SERVICES ALLOWING MR. HOPE TO PREPARE THE BID AS STATED. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY.**

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:

CFC interest rates and investments made were reported.

Bonneville Power Administration has announced that there will not be a wholesale rate increase for the next two years. The next possible rate increase will be October 1991. It was the consensus of the Board to send a letter to Administrator Jim Jura for a job well one.

Mary Wright reported on the Utah Rural Electric Annual Meeting held November 2 & 3 at Bryce Canyon, Utah.

It was noted the CFC sold the noted held on Deseret G & T. A discussion ensued.

Several donation requests were received. Joe Santos and Charles Harper addressed the Board requesting a donation for the building of a community center, in two phases, at the Northern Nevada Community College. Construction I to begin in the spring of 1990. Following a thorough discussion, IT WAS ON MOTION BY WANDA BORDEN TO DONATE \$10,000.00 OVER A FIVE YEAR PERIOD (\$2000/YEAR) TO THE NORTHERN NEVADA COMMUNITY COLLEGE FOR PHASE I CONSTRUCTION OF THE COMMUNITY CENTER. THE MOTION WAS SECONDED BY MARY WRIGHT: THE MOTION PASSED UNANIMOUSLY. A donation request was received from the Utah Wing Civil Air Patrol for their quarterly publication. Following a discussion, IT WAS ON MOTION BY WANDA BORDEN TO DONATE \$35.00 TO THE UTAH WING CIVIL AIR PATROL. THE MOTION WAS SECONDED BY RAY CRAWFORD; THE MOTION PASSED UNANIMOUSLY. A donation request as received from the Special Olympics/Nevada for support of their program as well as donation of time. Following a discussion, it was the consensus of the Board that more information was necessary regarding the program and the number of participants from our service territory. The City of Carlin requested a donation for support of the Secret Witness program started due to the rise of crime in the City. A discussion ensued: it was the consensus of the Board that more information was necessary. A donation request for the Christmas lighting contest in the three communities was discussed. Following discussion, IT WAS ON MOTION TO DONATE \$100.00 PER COMMUNITY FOR THE CRISTMAS LIGHTING CONTEST. THE MOTION WAS SECONDED BY JERRY PARKIN: THE MOTION PASSED UNANIMOUSLY. A discussion ensued regarding needy families in our service territory. A box was placed in the lunch room of the Wells office for a donation of food by the employees for a needy family in Wells. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT TO DONATE \$100.00 PER COMMUNITY FOR NEEDY FAMILIES. THE MOTION WAS SECONDED BY JERRY PARKIN. Discussion ensued. Following the discussion, IT WAS ON MOTION BY DARYL ERIKSEN TO AMEND THE MOTION TO \$200.00 PER COMMUNITY FOR THE NEEDY FAMILIES. THE MOTION WAS SECONDED; THE MOTION AS AMENDED PASSED UNANIMOUSLY.

The Nevada Rural Electric Association (NREA) Advisory Committee meeting has been rescheduled for Friday, December in Las Vegas.

Negotiations between Wells Rural Electric and the International Brotherhood of Electrical Workers Local 120 were discussed. Following the discussion, IT WAS ON MOTION BY DARYL ERIKSEN TO TOTALLY SUPPORT THE STAND TAKEN BY MANAGEMENT. THE MOTION WAS SECONDED BY DR. JOE SMITH, MOTION PASSED UNANIMOUSLY.

A recess was called at 10:35 AM. The meeting was called back to order at 10:50 AM.

MANAGER[[#146]]S REPORT CONTINUED:

Dave Harper, Pacific Northwest Generating Company (PNGC), could not attend this meeting. He would like to attend the December Board meeting. There were no objections.

Due to the Christmas Party being held in Wendover at the Stateline/Silver Smith, IT WAS ON MOTION BY RAY CRAWFORD TO MOVE THE DECEMBER 15 BOARD MEETING TO WENDOVER AT 9:00 AM MST. AT THE STATELINE. THE MOTION WAS SECONDED BY FERRIS BROUGH; THE MOTION PASSED UNANIMOUSLY.

A resolution to approve Wells Rural Electric participation in a MINT Retirement Plan was brought before the Board for signature approval. IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE RESOLUTION FOR THE MINT RETIREMENT PLAN. THE MOTION WAS SECONDED BY FERRIS BROUGH; THE MOTION PASSED UNANIMOUSLY. (EXHIBIT I)

A lawyer is interested in renting space in the old WREC building. He was referred to the City of Wells. Due to a broken pipe in the old building, the insulation had gotten wet and new insulation is needed **[[#150]]** our insurance will cover this expenditure.

Due to conflicts with the January Board meeting, IT WAS ON MOTION BY WANDA BORDEN TO CHANGE THE SCHEDULED JANUARY MEETING TO THURSDAY, JANUARY 18, 1990. THE MOTION WAS SECONDED BY RAY CRAWFORD. THE MOTION PASSED WITH ONE OPPOSITION.

A letter was received from Dean Rhoads regarding the formation of the Elko County Advisory Board for the Thousand Springs project. A delegate needs to be selected for representation from WREC. After discussion, IT WAS ON MOTION BY VERNON SCOTT TO APPOINT DAN KESSLER AS DELEGATE. THE MOTION WAS SECONDED BY DR. JOE SMITH; THE MOTION PASSED UNANIMOUSLY. Dan reported on the Advisory Board meeting of November 20. A number of items were discussed: EIS study and available money to fund a private study (comments were the private study would not be released until the Woodward Clyde study had been released); the Highway 93 access road (Sierra Resources say they cannot adequately address this issue until June 1990); distribution of tax dollars; benefits remaining in Elko County as opposed to Idaho; Nevada workforce as opposed to Idaho workforce; and a report, Thousand Springs Energy Park by Great Basin Resource Management **[[#150]]** an evaluation of the proposed energy park with special emphasis on the City of Wells. The next meeting is December 11 at the Red Lion in Elko. It was noted that Cecil Andrus, governor of Idaho and formerly Secretary of Interior, may be pushing the Highway 93 access road (this would build the Twin Falls area increase Idaho **[[#146]]**s economy, etc.).

A letter was received from G & T Construction stating that they are considering building a federally subsidized apartment complex in Wells. The rental housing would be for senior citizens and/or other qualified people for low income families in the Wells area. They requested that we write a letter stating a need for this type of facility in Wells. A discussion ensued. After the discussion, IT WAS ON MOTION BY DR. JOE SMITH TO TABLE THE REQUEST. THE MOTION WAS SECONDED BY DARYL ERIKSEN; THE MOTION PASSED UNANIMOUSLY WITH LOIS NANNINI ABSTAINING.

The NRECA Annual Meeting in Orlando, Florida is scheduled February 4-7 with pre-conference workshops scheduled February 1-3. For those attending, reservations need to be made.

Pacific Northwest Generating Company, PNGC, affiliate membership is due (\$1,000.00/year). It was the consensus that they have done an excellent job. IT WAS ON MOTION BY JERRY PARKIN TO APPROVE THE AFFILIATE MEMBERSHIP FOR \$1,000.00 FOR 1990. THE MOTION WAS SECONDED BY VERNON SCOTT; THE MOTION PASSED UNANIMOUSLY.

Dan addressed the in-house restructuring that has taken place with the Company: Buddy Welsh **[[#150]]** Manager, information services now under Clay Fitch **[[#150]]** Manger, Finance & Administration. The staff positions of Manager, Finance & Administration. The staff positions of Manger, Administrative Services and Manger, Office Service were combined **[[#150]]** Manager, Finance & Administration.

A letter of appreciation was received from Sandra harp for the resolution sent to her in memory of Les Sharp.

Vernon Dalton had visited with Senator Dean Rhoads. Senator Rhoads receives the Ruralite magazine from Mt. Wheeler and was not aware that Wells Rural also has an addition of the Ruralite magazine sent out. Vernon asked that the Wells Ruralite magazine be sent to members of the Legislature so as to inform them of happenings with in our service territory.

POWER SUPPLY:

Dan reported on the meeting with Sierra Pacific and Bonneville Power. A number of items were addressed: Jiggs/Lee capacity increases; load development in the Carlin line; Newmont load increases and quality of service. BPA is well aware of Wells Rural needs. The meeting went very well. Sierra Pacific took a very cordial position at this meeting. It was stated in the meeting that Sierra Pacific is positioning itself to become transmission company.

BOARD COMMITTEE MEETINGS:

Wanda Borden will be unable to attend the December meeting and requested that an acting chairman for the Financial Advisory Committee be chosen. Vernon Scott was appointed Acting Chairman **[[#150]]** there were no objections.

The Financial Advisory Committee Meeting was scheduled for Wednesday, December 13 at 9:00 AM with the Insurance & Retirement Committee and the Safety Committee following.

Daryl reported on the meeting with NENDA regarding the terms of the \$3,000.00 donation WREC had made to NENDA. A position on the Board of NENDA will be opening. A discussion ensued. It was noted they had contacted Mary Wright asking if she would be interested. It was also emphasized that NENDA needs to update the outgoing information to people that may be interested incoming to this area.

A lunch recess was called at 12:00 PM. The meeting was called back to order at 1:15 PM.

Joe Smith did not attend the afternoon session.

SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE SAFETY MINTUES. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY.

ENGINEERING & OPERATIONS REPORT:

The line extension Contract for the Wells BM fire station as presented to the Board with recommendations from Bob Vaughan for approval and Board President **[[#146]]**s signature. There were no objections.

REA Form 234, Certificate of Engineer, for project #1225 plant #5 was presented for Board President **[[#146]]**s signature. There were no objections.

(Daryl Eriksen came in at this time)

The Easement and Facilities[[#146]] Transfer Agreement concerning the Wells MCI site was presented to the Board for approval. At this time Vernon Dalton excused himself due to being a party to the easement transfer. Daryl Eriksen chaired the meeting for this discussion. It was Bob Vaughan[[#146]]s recommendation that the Easement and Facilities[[#146]] Transfer Agreement be signed. Following discussion, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE CONTRACT. THE MOTION WAS SECONDED BY JERRY PARKIN; THE MOTION PASSED UNANIMOUSLY. Daryl Eriksen signed the contract as Vice President. Following the signing of the contract, Vernon Dalton re-entered he meeting.

Warren presented the 1990/1991 Two Year Construction Work Plan executive summary to the Board. (Tony Glauser, REA Field Representative, attended the meeting at this time). Each project within the Work Plan was discussed, as well as projected costs associated with each project. Total cost of the Construction Work Plan as presented is \$2,197,553.00. The final work plan document will be presented to the Board with accompanying resolutions for Board consideration at the December meeting. Engineering was commended for an excellent job in the preparation of this plan.

Uninterruptible Power Supply system is in place and operable.

Warren gave an Update on the Geographical Information System (GIS). December 4 POWER Engineers, Inc. will deliver the software for the system. Three or four days will be needed for training in use of the system.

OUTAGE REPORT:

Warren reported that the town of Wendover worked well with us on the planned outage. The demand was greatly reduced due to the town[[#146]]s efforts.

MEMBER SERVICES REPORT:

Over 1100 students from the three communities attended presentations put on by the Member Services Department. The Trash-A-Thon went much better than expected. The Member Services Department as commended for a job well done.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 51 NEW MEMBERSHIPS: 4 [[#150]] WELLS, NEVADA; 20 - CARLIN, NEVADA; 21 [[#150]] WENDOVER, NEVADA; AND 6 - WENDOVER, UTAH. THE MOTION WAS SECONDED BY FERRIS BROUGH; THE MOTION PASSED UNANIMOUSLY.

As there was no further business to come before the Board, the meeting adjourned at 2:00 PM

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