

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

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wendover, Nevada in the Cobb Meeting Room at the Stateline Hotel/Casino and called to order December 15, 1989, at 9:00 AM (MST). 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; 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 November 21, 1989, will stand approved as written.

**ADDITIONS TO AGENDA:**

It was requested that Tom Blankenship, Boise District Manager of Bonneville Power Administration, and Dave Harper, Pacific Northwest Generating Cooperative, be added to the agendas. There were no objections. Mr. Blankenship and Mr. Harper attended the full Board meeting.

**WENDOVER LAND:**

A letter was sent to Bob Hope informing him of the approved schedule. Mr. Hope had not gotten back to us at this time.

**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 newsletter were given to the Board for review and discussion.

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

CFC interest rates and investments made were reported.

The October Form 7 was handed out for review.

The Rural Utilities Economic Development Academy program is scheduled for January 26-31.

Wells Rural Electric is hosting the Rural Electric Management Development Council meeting scheduled for May 1990 at Lake Tahoe, Nevada. Dan requested approval to set up the meeting through Wells Rural Electric, using WREC[[#146]]s credit, consolidate the bills and send REMDC a bill for the total amount due. There were no objections.

Approval was requested on returning a total of \$244,604.76 in patronage capital (first-in-first-out - \$122,302.38 and last-in-first-out - \$122,302.38) for the years 1974, 1976m and half of 1977. In 1975, WREC had negative margins. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE RETURNING A TOTAL OF \$244,604.76 FOR THE ABOVE STATED YEARS. THE MOTION WAS SECONDED BY JERRY PARKIN PASSED UNANIMOUSLY.

Central Area Data Processing (CADP) announced a fee increase of approximately \$90.00/month. Clay Fitch reported.

A request was received form Consulting Engineering Services Incorporated asking permission to use our orthophoto negatives 9GIS project) in exchange for their DXF auto Cad file (useful to our Arc Info files, GIS). This will save the City of Wells Approximately \$2,500.00 in installing their water project (the contractor can use the photos as background for his mapping). Dan reported. There were no objections. A letter will be written stating approval of the exchange.

A GIS demonstration will be given during the January Board meeting.

NRECA is sending a letter (per our inquiry) detailing the possibilities of waste water systems (especially for the Wendover area). Dan reported. Dave Harper, PNGC, also reported.

A member request form (Policy 2-7) was filled out by Glen Swarhout of Wendover requesting street addresses of new people moving into Wendover so that the Wendover Welcome Wagon committee can contact them and welcome them to the community. A discussion ensued. It was the consensus of the Board that the new members, as they sign up for power, be asked if they would like their addresses given out for this service only. A list for the Welcome Wagon committee will be kept. There were no objections.

A donation request was received from the National Safety Council. We are affiliated through the Safety Accreditation program. Following discussion, IT WAS ON MOTION BY DR, JOE SMITH TO TABLE THIS REQUEST. THE MOTION WAS SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY.

#### BOARD COMMITTEE REPORT:

Vernon Scott reported on behalf of the Financial Advisory Committee which met December 13. Upon recommendation of the committee, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 3RD QUARTER 1990 BUDGET. THE MOTION WAS SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY. On behalf of the committee, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 1990 CAPITAL BUDGET. THE MOTION WAS SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY. On behalf of the committee, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 3RD QUARTER 1990 AUGMENTATIONS AND AUMENTATIONS FOR THE 1ST AND 2ND QUARER 1990 AS PRESENTED. THE MOTION WAS SECONDED BY MARY WRIGHT AND MOTION PASSED UNANIMOUSLY.

Larry Bradshaw reported on behalf of the Safety Committee which met December 13. Upon recommendation of the committee, IT WAS ON MTOION BY LARRY BRADSHAW TO APROVE A \$100.00 SAFETY AWARD FOR EACH REGULAR FULL-TIME EMPLOYEE WHO HAS HAD ONE FULL YEAR OF EMPLOYMENT AS OF DECEMBER 31, 1989 WITH THE STIPULATION THAT THE AWARD IS TO BE ORDERED FROM A CATALOGUE AND ANY ITEM IN EXCESS OF \$100.00 BE PAID BY THE EMPLOYEE. THE MOTION WAS SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY. It was noted that there was a savings of \$18,030.00 in insurance costs

due to our safety record of over twelve years of accident free days with no lost time.

Ferris Brough reported on behalf of the Retirement & Insurance Committee which met December 13. Upon recommendation of the committee, IT WAS ON MOTION BY FERRIS BROUGHT TO ACCEPT FEDERATED INSURANCE COMPANY **[[#146]]**S BID OF \$77,752.00 WHICH INCLUDES AN ALL RISK BLANKET, COMMERCIAL UMBRELLA OF \$10 MILLION, \$10 MILLION DIRECTORS, OFFICERS, MANAGERS PLUS A \$1 MILLION FUDICIARY, AND INCREASE THE MEDICAL LIABILITY FROM \$1,000.00 TO \$5,000.00 THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

#### FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

Ernst & Whinney and Anderson Young merged to become Ernst & Young. Clay reported. Approval of Ernst & Young as our 1989 audit firm was requested. IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE ERNST & YOUNG AS OUR 1989 AUDIT FIRM, THE MOTION WAS SECONDED BY LOIS NANNINI. A discussion ensued. THE MOTION PASSED UNANIMOUSLY. There has been no increase in fees for this year.

The 2989 Uncollectable accounts list was presented to the Board for approval to be written off as of 12/31/89. The list was handed out for review and discussion. Collection procedures in the state of Utah were addressed. IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE UNCOLLECTABLE ACCOUNTS THAT ARE TO BE WRITTEN OFF AS OF 12/31/89. THE MOTION WAS SECONDED BY LARRY BRADSHAW. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY. (EXHIBIT I)

The October Form 7 was discussed.

#### SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE SAFETY MINUTES. THE MOTION WAS SECONDED BY DR. JOE SMITH AND PASSED UNANIMOUSLY.

#### ENGINEERING & OPERATIONS REPORT:

Warren presented to the Board the 1990/1991 Two Year Construction Work Plan, in the amount of \$2,197,553.00, with accompanying resolutions for approval. Following a discussion, IT WAS ON MOTION BY DR. JOE SMITH TO APPROVE THE 1990/1991 TWO YEAR CONSTRUCTION WORK PLAN FOR 2,197,553.00 AND THE ACCOMPANYING RESOLUTION. THE MOTION WAS SECONDED BY VERNON SCOTT. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY. (RESOLUTION **[[#150]]** EXHIBIT III)

An Executive Summary for the Long Range Plan (20 Year Work Plan) was handed to the Board for review and consideration. The formal document will be presented to the Board at the January 1990 Board Meeting for approval. Warren reported. A short discussion ensued regarding the format.

#### OUTAGE REPORT:

Through November 30, 1989 there are 5.4 average hours outage per consumer per year. This is higher than the 5.0 hours REA Standard. This was due to excessive wholesale power supply outages which totaled nearly 50% of the 5.4 average. It was noted that WREC has little or no control over outages on the wholesale power supply system.

**HYDRO REPORT:**

Per the FERC license, water was increased into the stream flow to meet the 1.3 CFS requirement.

**NEW MEMBERSHIPS:**

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 41 NEW MEMBERSHIPS: 10 **[[#150]]** WELLS, NEVADA; 12- CARLIN, NEVADA; 11 **[[#150]]** WENDOVER, NEVADA; AND 8 - WENDOVER, UTAH. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

It was brought up that the Wells High School has had the gym remodeled and that two new basketball hoops are needed. It was requested that WREC consider donating the funds to purchase one of the hoops. The request was tabled until after the first of the year.

A recess was called at 10:40 AM (MST): meeting called back to order at 11:05 AM.

Vernon Dalton addressed ACRE contributions for the new ACRE year. WREC had 100% Board & staff century club participation last year and set the record for the region in Century Club memberships. We took 3rd place for total amount of memberships on the Region. As far as one co-op member, WREC had 63 members signed up **[[#150]]** more than any co-op in the entire Region. Challenges were made among the Board in signing up spouses and new members.

**DAVE HARPER, PACIFIC NORTHWEST GENERATING COOPERATIVE:**

Mr. Harper addressed the Board and handouts were given out. Pacific Northwest Generating Company has changed their name to Pacific Northwest Generating Cooperative. PNGC sees itself as a power manager for cooperatives. Politics, as well as economic issues that PNGC is keeping an eye on that would or could affect cooperatives. He addressed programs and funding available through REA for water and waste facilities. BPA issues were addressed and PNGC **[[#146]]**'s relationship with BPA. The Public Power Council **[[#146]]**'s Action Plan and projects were also addressed.

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

**TOM BLANKENSHIP, BONNEVILLE POWER ADMINISTRATION:**

Mr. Blankenship addressed BPA **[[#146]]**'s Fish and Wildlife Program (slide presentation), Resource Program 1990, and Financial Objectives (1990/1991). Handouts were given to the Board. Mr. Blankenship asked for written or oral factors which BPA applied to the Resource Program: 1) minimize present value in years 1994-2000 (3) minimize BPA **[[#146]]**'s financial risks (4) minimize exposure to the economic risks adjusting to unplanned change (7) minimize environmental impacts (8) maximize resource deliverability. Also addressed were the key considerations, 1990 program proposal, and policy issues. Three financial goals of BPA were addressed and discussed.

As there was no further business to come before this meeting, the meeting adjourned at 2:15 PM (MST).

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