

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****February 16,1990**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wells, Nevada in the board room of the Wells office and called to order February 16, 1990, at 9:00 a.m. The meeting was presided over by President D. Vernon Dalton.

Directors present were Wanda Borden, Larry Bradshaw, Ferris Brough, Ray Crawford, D. Vernon Dalton, Daryl Eriksen, Lois Nannini, Jerry Parkin, Vernon Scott, S.J. Smith, and Mary A. Wright. Jerry Parkin was not present.

Present from the staff were Dan Kessler, General Manager; Warren Linnell, Manager, Engineering & Operations; Clay Fitch, Manager, Finance/Administration; Paul Johnson, Manager, Member Services; and Diane Griswold, Confidential Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of January 18, 1990 will stand approved as written.

ADDITIONS TO THE AGENDA:

Mike Nannini, member of the Advisory Board for the Thousand Springs Project, requested addressing the Board. There were no objections.

MAYOR GEORGE YAN, CITY OF WELLS:

Mayor Yan addressed the Board requesting a donation for the building of a new county library in Wells. The plans for the building were shown to the Board. Mayor Yan requested that WREC donate the underground line extension to the building (approximately 200 feet) in the amount of approximately \$2,100.00. A discussion ensued. IT WAS ON MOTION BY RAY CRAWFORD TO ENTER INTO A PERMANENT LINE EXTENSION CONTRACT, BUT TO WAIVE THE MINIMUM BILL PROVISION. THE MOTION WAS SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY.

Mayor Yan attended the meeting with Sierra Pacific regarding the Thousand Springs Project and gave a brief report.

Vernon Dalton reported on the State Assembly Transportation Committee meeting he had attended in Elko on February 15. They are considering, during the next Legislative Session in 1991, placing ports of entry (four or five) for trucks in various locations throughout Nevada. There is a hearing scheduled March 2 in Reno regarding this matter. Mr. Dalton offered his help if a representative from the City of Wells is considering attending the meeting. This could bring about fourteen families to the designated areas of the ports of entry.

WENDOVER LAND:

Bob Hope, architect, sent the following copies for approval and signatures: 5 copies of the 740 G Form,

REA, 3 copies of the architectural contract for the building construction; 3 copies of the preliminary plans and outline specifications. A thorough discussion ensued. There were three underground storage tanks located on the property. Two tanks have been removed, one tank was left on the property. REA will not approve the construction plans for the new building if the environmental statements do not adequately address the status of the underground tanks. It was suggested that the diesel tank be removed due to stringent EPA regulations and possible future ramifications (leakage, etc). The approximate cost of moving the tank would be \$7,000.00. An overhead diesel tank can replace the underground tank for heating the office Petrolane is leasing at this time. IT WAS ON MOTION BY S.J. SMITH TO APPROVE THE REA FORM 740 G, ARCHITECTURAL CONTRACT FOR THE SITE GRADING WORK, ARCHITECTURAL CONTRACT FOR THE BUILDING CONSTRUCTION, THE PRELIMINARY PLANS AND OUTLINE SPECIFICATIONS, AND THE UNDERGROUND DIESEL TANK REMOVAL. THE MOTION WAS SECONDED BY MARY WRIGHT. A lengthy discussion ensued regarding the size of the building, number of offices, and the possibility of leasing office space. THE MOTION PASSED UNANIMOUSLY.

Vernon Dalton noted that the bylaws of WREC state that the Board Meetings shall be conducted under Roberts Rules of Order. As chairman, he should give information to the Board for consideration, ensure that the entire board understands the question, and the rules permit the chairman to vote on any question when his vote will change the result, he should avoid showing any partisanship on a debatable question. The chairman should vote when a ballot is used.

A discussion ensued regarding Take-Overs and Buy-Outs. The membership is changing and consideration of the possibility that one or both of these occurring to Wells Rural Electric Company should be taken.

MEMBER CONTACTS:

Reports on member contacts made were given. Thank You cards, Please Tell Us How We Did cards, and the Board & Administrator publication were handed out to the Board for review and discussion.

Dan and Vernon Dalton are trying to schedule a meeting with BPA regarding the possibility of a point of delivery through BPA from the Thousand Springs Generating Plant. A discussion ensued. It was suggested that Jim Wadhams, NREA Attorney, and/or Wally Tillman, NRECA, be contacted regarding the legal ramifications of the Thousand Springs Plant supplying its own power to the generating site.

A recess was called at 10:25 a.m. The meeting was called back to order at 10:40 a.m.

MANAGER[[#146]]S REPORT:

Vernon Dalton called an Executive Session to discuss the Union contract. The session was recessed as Mike Nannini was here to address the Board.

Mike Nannini:

Mike Nannini, member of the Thousand Springs Advisory Board, updated the Board on the Thousand Springs Project. Addressed were the I-80 access road versus the Highway 90 access road, the concessions SPPR is willing to make if the 93 access does go in, issues that the Advisory Board is monitoring, and funding that is needed by the Thousand Springs Task Force to continue monitoring the Project. The Advisory Board is working as an extension of NENDA, but is receiving no funding for NENDA. Mr. Nannini requested a \$1,000.00 to \$1,500.00 donation. Dan, a member of the Advisory Board as well, reported. Following a thorough discussion, IT WAS ON MOTION BY DARYL ERIKSEN TO DONATE \$1,500.00 TO THE THOUSAND SPRINGS TASK FORCE, ADDING THAT AS FURTHER

DONATIONS ARE NEEDED THE ADVISORY BOARD MAY ADDRESS THE BOARD AT THAT TIME FOR FURTHER FUNDING CONSIDERATION. THE MOTION WAS SECONDED BY VERNON SCOTT. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

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

MANAGER[[#146]]S REPORT CONTINUED:

The Executive Session continued. Following the Executive Session, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE UNION AGREEMENT AS PRESENTED JANUARY 1, 1990 TO DECEMBER 31, 1990) WITH THE STIPULATION THAT WHEN THE AGREEMENT EXPIRES 1.5, DUES CHECK-OFF, WILL BE DISPUTED. THE MOTION WAS SECONDED BY RAY CRAWFORD. THE MOTION CARRIED WITH DARYL ERIKSEN, LOIS NANNINI AND S.J. SMITH OPPOSING.

CFC interest rates and investments made were reported. Total interest earned through December 31, 1989 was \$284,927.30.

Jay Smith, Ernst & Young, will address the Board at the March 23 Board Meeting regarding the recent financial audit.

Those attending the NRECA Annual Meeting reported.

A discussion ensued regarding the Bush Administration[[#146]]s attitude toward the REA program.

Mrs. Clara Hand of Carlin turned 100 years old on February 18. IT WAS ON MOTION BY FERRIS BROUGHT TO ACKNOWLEDGE MRS. HAND[[#146]]S 100 YEAR BIRTHDAY WITH A \$100.00 POWER CREDIT. THE MOTION WAS SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY.

A report was given by Dan regarding the possibility of marketing the excess capacity on our microwave system. Bob Vaughan, attorney, has been in contact with the firm of Keller & Heckman regarding the legal ramifications. Keller & Heckman will provide us with a feasibility study of marketing the excess capacity for \$5,000-\$10,000 depending on the number of issues (listed & reported to the Board) the Board wishes to be covered. Mr. Vaughan stated that he does not have the legal background in this area but will work with the firm. The study could be done within a two or three week period. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN TO HIRE THE FIRM KELLER & HECKMAN TO DO THE FEASIBILITY STUDY. THE MOTION WAS SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY.

A letter was received from Paul Hovan, Manager of Electrical Engineering, Newmont Gold Company, requesting an extension of the North Well 25 kv primary distribution line to a point near the eastern boundary of the pit and a 5 MVA, 25 kv/4.16 kv substation at the end of the line. They would like to energize by mid-June 1990.

Paul reported on the Rural Utilities Economic Development Academy he attended in January.

POWER Engineers[[#146]] personnel fee schedule has increased 10% for 1990. A letter was received listing the personnel fee schedule. However, POWER increased their published personnel fee schedule to WREC by approximately 5%.

A letter was received from Bob Vaughan, attorney, regarding the matter of minutes at the executive

session. Mr. Vaughan gave his recommendations. A discussion ensued. Further explanation of his recommendations was requested.

Also received from Mr. Vaughan was correspondence regarding the drafting of an Option Agreement with CFC in which a number of cooperatives are entering into. The agreement is to stop any action to a sell-out to an investor owned. There were no objections to adding this to the agenda for the March Board Meeting.

Dan reported on the meeting with Bonneville Power Administration in Idaho Falls on February 15. BPA proposed Time of Day Kilowatt-Hour (on-peak/off-peak) rates. They are proposing to decrease the demand charge and increase the on-peak kilowatt-hour charge. This would have an adverse impact on those systems with a high load factor. This could increase Newmont[[#146]]s rate approximately 10%. The increase to residential consumers would be approximately 7.5%. The proposal was rejected by those cooperatives attending the meeting.

Legislative Conference is scheduled April 29-May 4 in Washington, DC.

Manager/Director Conference is scheduled March 1 & 2 at the Templin[[#146]]s Resort in Post Falls, Idaho. Kootenai Electric is hosting the conference.

The NRECA Directors[[#146]] Conference is scheduled for March 18-21 at the Marriott River Center in San Antonio, Texas.

A letter was received on the FFA, Ruby Mountain Chapter, auction to be held July 27.

A letter was received from the City of Wells Manager, Mike Cosgrove, requesting a donation of the facility charge of \$10.25 for the Wells Babe Ruth Field. IT WAS ON MOTION BY WANDA BORDEN TO ADD THIS TO OUR STANDARD DONATION LIST. THE MOTION WAS SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY.

Several request for the use of the FAX machine have been received. It was requested that \$1.00/page charge be required (sending and receiving) with a 20 page maximum. There were no objection to the charge.

POWER SUPPLY:

A new peak was set of 49.88 MW for the last billing (December) period.

BOARD COMMITTEE REPORTS:

Financial Advisory, Director Expense and Policy committees need to be scheduled before the March Board Meeting. The three committees were scheduled to meet Monday, March 12 with the Financial Advisory at 9:00 a.m. [[#150]]the Director Expense and Policy committees are to follow. Wanda Borden, Chairman of the Financial Advisory Committee, will be unable to attend. She requested that Daryl Eriksen serve as chairman for committee. There were no objections.

COLLECTION AND ACCOUNT AGING REPORT:

The Collection and Account Aging Report was reviewed.

SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE THE SAFETY MINUTES. THE MOTION WAS SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY.

ID badges will be worn by meter readers and engineering personnel while working with consumers outside the office.

ENGINEERING & OPERATIONS REPORT:

Page 75 of the US Sprint Line Extension Contract was not previously signed. REA is requesting signature at this time. The BLM Wells Fire Station Line Extension contract needs two additions per REA request: 1) add paragraph 22 to the Line Extension Contract stating that the initial billing period for the customer will start with the date service is available; 2) add the appropriate rate schedule to the document.

MEMBER SERVICES REPORT:

46 people have paid or committed to join ACRE. Irrigators Workshop is scheduled for February 21.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY LARRY BRADSHAW TO APPROVE 43 NEW MEMBERS: 5-WELLS, NEVADA; 14-CARLIN, NEVADA; 17-WENDOVER, NEVADA; AND 7 WENDOVER, UTAH. THE MOTION WAS SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY.

Larry Bradshaw requested permission to attend the 550.2 course June 22 & 23 in Florida. There were no objections.

As there was no further business to come before the Board, the meeting adjourned at 2:45 p.m.

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