

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****March 23, 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 March 23, 1990, at 9:00 a.m. The meeting was presided over by President D. Vernon Dalton.

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

APPROVAL OF MINUTES:

The minutes of the regular meeting of February 16, 1990 will stand approved as written.

ADDITIONS TO THE AGENDA:

It was requested that Jay Smith, Ernst & Young, be added at 9:00 a.m. to present the 1989 audit and Terry Schobe, President of Nevada Business Consultants, regarding land development in Wells at 1:00 p.m. There were no objections to these additions.

AUDITOR[[#146]]S REPORT:

A report was given by Jay Smith of Ernst & Young on the completed 1989 audit. A discussion ensued. IT WAS ON MOTION BY MARY WRIGHT TO APPROVE THE 1989 AUDIT AS REPORTED. THE MOTION WAS SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY. (EXHIBIT D)

WENDOVER LAND:

Three drawings of the proposed new building were brought before the board for review and discussion: original plan [[#150]]8,000 sq. ft. [[#150]]about \$504,000.00; option 1 [[#150]] 6,000 sq.ft. [[#150]]about \$400,000.00; and option 2- 7,000 sq. ft. [[#150]]about \$452,000.00. Following a thorough and lengthy discussion, IT WAS ON MOTION BY LOIS NANNINI TO APPROVE OPTION #1 INCLUDING A RESTROOM. THE MOTION WAS SECONDED BY MARY WRIGHT. Further discussion ensued. THE MOTION FAILED WITH TWO FOR, FOUR AGAINST AND TWO ABSTAINING. Following further discussion, IT WAS ON MOTION BY S.J. SMITH TO APPROVE OPTION 1 WITH PROVISION OR AN ADDED RESTROOM. THE MOTION WAS SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY.

MEMBER CONTACTS:

Member contacts made were reported. Thank you cards, Please Tell Us How We Did cards, and the Board & Administrator publication were handed out for review.

A discussion ensued regarding expenses incurred through education of directors and employees. It was requested that Dan address the importance of education, board policy regarding education, etc. in the Manger[[#146]]s Column of the Ruralite magazine.

A recess was called at 11:00 a.m. The meeting was called back to order at 11:15 a.m.

MANAGER[[#146]]S REPORT:

CFC interest rates/investments made were reported.

NRECA is again joining with Edison Electric Institute in their Pro-Electricity marketing campaign promoting the value of electricity. They will be focusing on trade and consumer magazines for advertising instead of using television as their major medium. It was requested that \$0.10 per meter served be donated to the campaign (approximately \$420.00). Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN TO DONATE \$0.10 PER METER SERVED FOR THE PRO-ELECTRICITY CAMPAIGN. THE MOTION WAS SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY.

Donations: The Wells BPW requested a donation for the beautification of the Wells Cemetery (installing a sprinkler system, shrubs, etc.). Following a discussion, IT WAS ON MOTION BY MARY WRIGHT TO DONATE \$500.00 FOR THE BEAUTIFICATION OF THE WELLS CEMETERY. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

The report requested of NENDA regarding areas addressed for economic development within our service territory and what they have accomplished was received and reviewed by the board.

The REA internal audit was completed in February. The recommendations have been received and will be responded to by next month.

The Legislative Conference is scheduled April 29-May 4. Oregon Rural Electric Association (ORECA) is hosting the Northwest utilities congressional members reception during the conference May 1.

Bob Vaughan and Jim Copenhaver has requested approval to attend NRECA Legal Seminar XXX. As in the past, they will donate their time and the expenses would be split between Mt. Wheeler and WREC. IT WAS ON MOTION BY FERRIS BROUGH TO APPROVE BOB VAUGHAN AND JIM COPENHAVER ATTENDING LEGAL SEMINAR XXX. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

A copy of the NRECA Summer Schools was handed out for review.

Notification of the 5<sup>th</sup> Annual Northern Nevada Utility Tournament Invitational, of which we are a member, has been received. The tournament is scheduled for Saturday, June 2 at the Ruby View Golf Course.

Warren Linnell updated the board on the status of the Barger pump failures.

Jim Copenhaver recommended that the board pass a Resolution of Assurances which is required under the Uniform Relocation Assistance Real Property Acquisition Policy Act. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT TO APPROVE A RESOLUTION OF ASSURANCES. THE MOTION WAS SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY. (EXHIBIT II)

NRECA Annual Meeting evaluations will be sent out with the minutes to those that attended to be filled out.

Senator Richard Bryan signed on in opposition to a Power Marketing Agency rate hike. ACRE has donated \$300.00 to the Barbara Vucanovich campaign.

Leo C. Smith, President of Coastal Chemical Inc. has contacted us regarding long-term service to a proposed fertilizer plant in the Starr Valley area. Dan reported.

An article was published in the Northwest Public Power Association magazine last month about WREC. Several discrepancies in the article were discussed. A letter was written addressing those discrepancies. A retraction will be forthcoming.

Wyo-Ida-Co-Generation Power Resources has contacted us regarding capacity sales in their proposed 300 MW power plant in southeastern Idaho at a cost (wholesale) of 7.2937 [ [#162] ] per kilowatt-hour. Dan reported. A discussion ensued.

Dan received an invitation from a citizen [ [#146] ]s ambassador group to join a delegation and attend a meeting with the Soviet Ministry of Energy and Electrification this fall. Dan declined the invitation.

Dan was asked to speak by NRECA, as part of a panel, on compensation issues, etc. at East River G & T. Due to conflicts of schedules, he declined. Dan will be speaking at the NWPPA Accounting Workshop in Sacramento.

The January Form 7 was handed out for review.

The City of Wendover sent a letter requesting help in finding funding for their water system. Discussion was deferred to the Member Services Report.

Dan reported on the NREA Advisory Committee meeting. Recommendations by the committee were made to the NREA Board of Directors and a copy was handed out to the board for review.

Bob Vaughan sent a letter regarding providing microwave service to individual parties on the basis of being a private carrier. Enclosed with Mr. Vaughan [ [#146] ]s letter was the study done by Keller and Heckman advising us of the legal and regulatory issues associated with WREC [ [#146] ]s plan to offer excess capacity on its private microwave system to other users. It looks to be very promising. More information will be forthcoming and an update given. A discussion ensued.

NRECA just completed a study on lost time accidents. WREC was listed 4<sup>th</sup> out of the top 10 systems in the United States, as of December 31, 1989, for number of hours worked with no lost time accidents.

Several graphs were handed out for review and discussion: TIER, Equity, Total Assets, and Revenue. Dan reported.

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

#### TERRY SCHOBE:

Terry Schobe, President of Nevada Business Consultants, brought before the board a Pre-Development Proposal for the Pacific Addition No. 2 Subdivision for Wells. Nevada Business Consultants are interested in developing 66 lots and 2 parcel blocks (38.79 acres) located south of Interstate 80 and bordering Shoshone Ave. near the Wells Municipal Gold Course. They are interested in developing 14 lots first to show involvement and support by the City of Wells at no up front expense to the project. Plans for the homes will be FHA approved and available for FHA and VA financing. Mr. Schobe would like the support of the businesses in Wells. It was the consensus of the board that more information would be needed and further discussion will be held during the April meeting.

Donation: Jim Henderson requested a donation for a drug program, Kindergarten thru sixth grade, for

Wells and Carlin. A discussion ensued. It was the consensus of the board that the program should be available to all three communities and more information will be needed.

### POWER SUPPLY:

A new system peak was reached during the last billing period, January, of 50.27 megawatts. For comparison purposes, ten years ago in January our system peak was 9.61 megawatts.

### BOARD COMMITTEE REPORTS:

Dan reported on the proposed policy and rule changes as recommended by the Policy Committee (EXHIBIT III): Policy 1-5 **[[#150]]** IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-5 AS PRESENTED. Policy 1-6 **[[#150]]** (An executive session was called following the other policy changes to discuss 1-6). Policy 1-11- IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-11 AS PRESENTED. Policy 2-6 **[[#150]]** IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN TO APPROVE POLICY 2-6 AS PRESENTED. A discussion ensued and PASSED UNANIMOUSLY. Policy 4-3 **[[#150]]** IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY FERRIS BROUGHT TO APPROVE POLICY 4-3 AS PRESENTED. A discussion ensued and THE MOTION PASSED UNANIMOUSLY. Policy 4-4 **[[#150]]** IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE POLICY 4-4 AS PRESENTED. Following the executive session, IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE POLICY 1-6 WITH THE FOLLOWING CHANGES: INCREASE BOARD ATTENDANCE FEES TO \$150.00 PER DAY, \$85.00 PER HALF DAY, LEAVE COMPANY CONTRIBUTION LEVEL FOR MEDICAL INSURANCE FOR DIRECTORS AT 100%, AND REVIEW THE POLICY ANNUALLY IN JANUARY-THIS WILL BE IN EFFECT AS OF 3/23/90. THE MOTION WAS SECONDED BY S.J. SMITH. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY, ONE OPPOSED. Rule 9 **[[#150]]** IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE RULE 9 AS PRESENTED. Rule 17 **[[#150]]** IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY FERRIS BROUGHT AND PASSED UNANIMOUSLY TO APPROVE RULE 17 AS PRESENTED.

Daryl Eriksen reported on behalf of the Directors & Manger Expense Committee. Upon recommendation of the committee, IT WAS ON MOTION BY DARYL ERIKSEN, AND SECONDED BY JERRY PARKIN TO APPROVE THE 1990 DIRECTORS **[[#146]]** EXPENSE BUDGET WITH AUGMENTATIONS AS PRESENTED. A discussion ensued. It was noted that all directors and manager expenses are duly noted and approved by the Directors & Manger Expense committee. THE MOTION PASSED UNANIMOUSLY. **4<sup>th</sup> Quarter 1990 Budget **[[#150]]**** Copies of the budget were handed out for further review. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE 4<sup>TH</sup> QUARTER 1990 BUDGET WITH THE 1<sup>ST</sup>, 2<sup>ND</sup>, & 3<sup>RD</sup> QUARTER AUGMENTATIONS AS PRESENTED.

Handed out for review and discussion was the total transportation budget. (Ferris Brough left the meeting at this time.) A comparison between 1988, 1989 actuals and 1990 budget was discussed. Also handed out was the comparison of company fuel purchases **[[#150]]** Warren reported **[[#150]]** a discussion ensued.

### FINANCIAL/ADMINISTRATIVE REPORT:

A discussion ensued regarding NWPPA ability to offer to directors board certification courses through NRECA. The board courses offered through NWPPA at this time are not certified through NRECA. It

was requested that Dan look into this matter.

#### COLLECTION & ACCOUNT AGING REPORT:

A discussion ensued.

#### SAFETY MINUTES:

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

The Ruralite Annual Meeting is scheduled for Tuesday and Wednesday, April 24 & 25 in Portland, Oregon. Vernon Dalton would like to see as many board and staff members attend as possible. General Pacific[[#146]]s Annual Meeting is held at the same time.

#### MEMBER SERVICES REPORT:

The Super Good Cents workshop and Irrigator[[#146]]s workshop were well planned and went very well this year. Attendance had increased with both workshops.

The Added Services Update was handed out to the board for review and discussion. The In-House Answering Service study was addressed.

Further discussion ensued regarding Wendover[[#146]]s water supply. (Mary Wright left at this time.)

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE 57 NEW MEMBERSHIPS: 7-WELLS, NEVADA; 18-CARLIN, NEVADA; 18-WENDOVER, NEVADA; AND 14-WENDOVER, UTAH. THE MOTION WAS SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY.

As there was no further business to come before the board, the meeting adjourned at 4:45 p.m.

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