

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****May 25, 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 May 25, 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, Vernon Scott, S.J. Smith, and Mary A. Wright. Jerry Parkin was not present.

Staff members present were Dan Kessler, General Manager; Clay Fitch, Manager, Finance/Administration; Warren Linnell, Manager, Engineering/Operations; and Paul Johnson, Manager of Member Services. Also present was Diane Griswold, Confidential Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of April 20, 1990 will stand approved as written.

ADDITIONS TO THE AGENDA:

There were no additions.

TOM BLANKENSHIP, BOISE DISTRICT MANAGER-BPA:

Mr. Blankenship addressed three issues of concern: BPA **[#146]**'s financial objectives, Federal Hydropower system operation **[#146]**'s review process, and potential action by the National Fishery Service and the US Fish & Wildlife Service concerning salmon endangerment, etc. Also addressed was the extension of the existing Capacity Sale Contract between BPA and Pacific Power & Light (terminates in 1991) which is important to future stability of revenue base for BPA. A question and answer period followed each concern that was addressed. Mr. Blankenship saw no problems with the signing of the upcoming preference power contracts (within next 3-5 years). Dan requested that we be kept abreast of the Federal Power Agency issues.

WENDOVER LAND:

A letter has been sent to Charles Philpott, Engineer for REA, regarding the adjustment to Form 740G (the large percentage of headquarters **[#146]** plant in comparison to distribution plant). **(EXHIBIT I)** We have not heard back from REA regarding this matter at this time.

As soon as REA approval has been received, site preparation will begin.

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.

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

CFC interest rates and investments made were reported. Total interest earned through March 1990 was \$32,331.00.

The director for Tooele County Health Department has requested a membership list for their area so that they can conduct a door-to-door survey. The survey is for the improvement of health care delivery in the Wendover area. A discussion ensued in which no action was taken.

The Pacific Northwest Generating Cooperative annual meeting is scheduled for June 5 at the Airport Shilo Inn in Portland, Oregon.

NRECA has announced, effective June 1, 1990, that a new life insurance carrier, Metropolitan Life Insurance Company, will take over group life insurance coverage and provide administrative services for their self-insured medical, dental, disability group benefit plans.

The RS&I Department of NRECA has sent a notice regarding the moratorium on employer contributions. It states that when the moratorium is lifted the utilities will need to pick up past service liability costs **[[#150]]** the option of re-amortization or paying off the existing liability will be available: however, at this time, there is no end date for the moratorium in site.

Reports were given by those attending the NRECA Legislative Conference.

Dan gave an update on the added services study the Member Services Department has been working on. An opinion from Robert O. Vaughan, Attorney, will be forthcoming regarding the legal ramifications of marketing the excess microwave capacity (72 channels) and maintaining private carrier status. (Mary Wright came in at this time.)

Official correspondence has been received from REA regarding the rescinding of funds of our G6 loan funds. This will not affect our ability to apply for additional REA funds in the future.

City of Wells Police Chief, Charlie Dunn, is requesting a donation of \$300.00 to \$500.00 for programs (drug/alcohol awareness, crime prevention, and safety) to be given to the students of the Wells schools. At this time, the above programs do not include the Carlin and Wendover schools. More information regarding the Carlin and Wendover school programs was requested.

The Rural Electric Management Development Council (REMDC) annual meeting went very well this year.

A donation request of \$200.00 was received from the Wells Businessmen/Chamber of Commerce Scholarship fund. **IT WAS ON MOTION BY LOIS NANNINI TO DONATE \$200.00 TO THE WELLS BUSINESSMEN SCHOLARSHIP FUND. THE MOTION WAS SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY.**

A donation request from the Presbyterian Church in Wells was received asking for used poles, equipment to set the poles, and a crew to set the poles. A discussion ensued: no action was taken.

Dan will not be traveling to the Soviet Union with the Citizen Ambassador Group. He thanked the board for their consideration of time-off to be a part of this group.

A recess was called at 10:20 a.m. The meeting was called back to order at 10:35 a.m.

BOARD COMMITTEE REPORTS:

Lois Nannini, Chairman, reported for the Scholarship Committee which met May 11 to interview students from the area high schools. Brock Buttars of Carlin was chosen as the recipient and Shannon Castillo as alternate. **IT WAS ON MOTION BY LOIS NANNINI TO APPROVE THE RECIPIENT AND ALTERNATE CHOSEN FOR THE WREC SCHOLARSHIP. THE MOTION WAS SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY.**

Kelly Lucy, NENDA, contacted Daryl Eriksen, Chairman of WREC Economic Development Committee, requesting our endorsement in asking Elko County for contributions to NENDA in the amount requested under the most recently revised donation schedule. A letter was sent to Ernie Hall, County Commissioner, asking the County for a donation to NENDA. There were no objections from the board in sending the letter.

A Nominating committee was appointed for the upcoming director election. The terms of Ray Crawford, Vernon Dalton, Lois Nannini and Mary Wright expire this year. Donna Crick, Wendover; Pat Griswold, Carlin; Ethel Scott, Carlin; and Lourinda Wines, Ruby Valley were suggested to serve on the committee with Bessie Winchell and Betty Thorne chosen as alternates. **IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE ABOVE NAMES FOR THE NOMINATING COMMITTEE. THE MOTION WAS SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY.**

The Policy Committee and Financial Advisory Committee were scheduled to meet Tuesday, June 12 with the Policy at 8:00 a.m. and Financial Advisory following at 9:00 a.m. All board members are invited to attend these meetings.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

It was asked that the board consider changing our Construction Fund account at First Interstate Bank from a commercial account to a market interest account. Clay reported. The market interest account will meet all REA requirements. Signatures (D. Vernon Dalton, Mary A. Wright, and Daniel L. Kessler, Jr.) were required by FIB to change the account over. **IT WAS ON MOTION BY S.J. SMITH TO APPROVE CHANGING THE ABOVE STATED COMMERCIAL ACCOUNT TO A MARKET INTEREST ACCOUNT. THE MOTION WAS SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY.**

COLLECTION & ACCOUNT AGING REPORT:

It was brought to the board **[[#146]]**s attention that the Late Payers (Current) column was increased substantially due to receiving Newmont **[[#146]]**s payment late. This late payment does not reflect upon Anewmont **[[#146]]**s ability to provide this payment to WREC. The receipt of this late payment was due to researching the final costs of all of the Newmont projects and making a number of adjustments, the bill was sent out about 12 days late.

SAFETY MINUTES:

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

ENGINEERING & OPERATIONS REPORT:

Dan reported on the meeting with Newmon Mining Company, WREC, and POWER Engineers. Newmont has requested an additional 20 MW of capacity over the next three years. A meeting (WREC,

BPA, & POWER, Engineers) has been scheduled for May 31 to discuss the long term needs of WREC and the economics of BPA building a transmission line to us.

The safety accreditation inspection is on schedule. Warren reported.

HYDRO REPORT:

Water loss at the hydro was discussed. Warren reported. In the Two Year Work Plan, it is scheduled to replace the dirt reservoir with a tank.

MEMBER SERVICES REPORT:

It was reported that a pair of hawks were nesting on a three phase transformer bank pole. The line crew transferred the nest to a taller pole with a plank of wood across the top to hold the nest. This transfer was done under the supervision of the Department of Wildlife. It appears that the hawks are fine and have accepted the new nesting area.

Paul Johnson was appointed to the Ruralite Publication Committee by recommendation of Vernon Dalton.

At this time there are 65 ACRE members.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 55 NEW MEMBERSHIPS: 7-WELLS, NEVADA: 19-CARLIN, NEVADA: 16-WENDOVER, NEVADA: AND 13-WENDOVER, UTAH. THE MOTION WAS SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY.

Vernon Dalton[[#146](#)]s signature was needed for the previously approved Mint Plan. There were no objections.

As there was no further business to come before the board, the meeting was adjourned.

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