

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

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

APPROVAL OF MINUTES:

The minutes of May 25, 1990 will stand approved as written.

ADDITIONS TO THE AGENDA:

Paul Hovan, Manager of Electrical Engineering for Newmont Mining Company, asked to address the board. There were no objections. It was requested that a donation request be added. There were no objections.

PAUL HOVAN, NEWMONT MINING COMPANY:

Mr. Hovan addressed Newmont Mining Company's accomplishments and future project forecasts. Several issues of importance to Newmont and WREC addressed were: increases in the power contract in order to meet Newmont's electrical needs through 1994 by a projected 32MW, scheduling loads so that Newmont doesn't trigger Bonneville Power Administration's new resource rate; possibility of eliminating the Transfer Trip Agreement with Sierra Pacific Power Company; maintaining low rates and adequate service reliability; establish guidelines to control cost of new projects; need for a possible minimum payment agreement in order to ensure construction of a transmission line from the Northwest; 100% return of advanced funding on future project costs by amending the Third Amendment to the Agreement; and, amend the line extension contract to 100% return of advanced funding for the Crusher Project from a 70% return.

Mr. Hovan stated that their future forecasts predict that Newmont Mining Company will unofficially be operating in the Carlin area for another 25 years. He expressed his appreciation for the good relationship between WREC and Newmont Mining Company and stressed the need for this relationship to continue in the future. A question and answer period followed. Discussions were heard on the following: gold price fluctuation impact; state mining taxes; exploration of new mining areas; and Newmont's dewatering project. (Mr. Hovan attend the remainder of the morning session of the board meeting.)

POWER ACQUISITION MEETING, BPA:

Vernon Dalton, Dan Kessler, and Warren Linnell attended a meeting with Bonneville Power

Administration and POWER Engineers to discuss capacity increases on the WREC system due to potential load increases. Discussed during the meeting was building a transmission line, owned and operated by BPA, to serve the load increases: Newmont Mining Company has stated that a letter outlining a possible additional 32MW of capacity over the next four to five years is forthcoming; Riley Chemical request for 2MW; possible Air Force Base Reactivation-5MW; Shilo Inn-350KW; Possible Thousand Springs Project; etc. Also discussed was the BPA/Idaho Power upgrade or reconstruction of the 138kV transmission line; and BPA/SPPCo. **[[#146]]**s meeting in July to discuss increased capacity in Carlin.

It was the consensus of those attending that the meeting went very well and BPA is very aware of our future power needs.

WENDOVER LAND:

A copy of the letter send to Charles Philpott, REA Engineer, regarding our 740G compliance was handed out to the board for review and discussion. Mr. Philpott has not contacted us regarding their decision at this time. In addition, approval of the Borrower **[[#146]]**s Environmental Report is expected very soon.

NEW 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 board review.

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

CRC interest rates/investments made were reported. Total interest earned through April 1990 was \$44,263.69.

A dividend check (\$293.10) for our ten shares in General Pacific Inc. was received: one half to be paid May 31,1990 and one half November 30, 1990.

A response to Ernst & Young **[[#146]]**s financial audit has been sent to REA.

The March Form 7 was handed out and reviewed.

A letter was received from Vaughan, Hull, Copenhaver & Zingale, Ltd. regarding a cost of living fee increase of 3.98%. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY VERNON SCOTT, AND PASSED UNANIMOUSLY TO APPROVE THE 3.98% FEE INCREASE.

Copies of the NRECA Annual Meeting Survey will be sent to each board member.

NRECA **[[#146]]**s Region IX meeting will be held in Coeur d **[[#146]]** Alene, Idaho September 24-27.

Oregon Trails Cooperative, a new cooperative, has asked for all cooperatives in the western area to send linemen to help with a line raising to build a transmission line. We have agreed to send a couple of linemen up to help. Oregon Trails is covering all on-sight costs.

The Elko Amateur Radio Club would like to place two repeaters, UHF & VHF, on our communications site at Mary **[[#146]]**s Mountain. The club provides vital emergency service during times of disaster, etc. They would pay for the power consumed. Following a discussion, IT WAS ON MOTION BY WANDA BORDEN TO APPROVE THE ELKO AMATEUR CLUB PLACING TWO REPEATERS ON OUR COMMUNIACTION SITE ON MARY **[[#146]]**S MOUNTAIN. THE MOTION WAS SECONDED BY

JERRY PARKIN AND PASSED UNANIMOUSLY.

The Two Man Best Ball tournament in Wells has requested a donation for \$100.00 to support this tournament. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN TO DONATE \$100.00 TO THE TWO MAN BEST BALL TOURNAMENT IN WELLS. THE MOTION WAS SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY.

A donation request was received from the Tooele County Livestock Show. There was no action taken.

A donation request was received from Diana Gierhart on behalf of the 509th Composite Group 45th reunion. The 509th Composite Group participated on the historic mission of the Enola Gay and the bombing of Japan during World War II. They are requesting corporate sponsors in celebration of world peace. More information was requested-table until later in the meeting.

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

A donation request was received from the Carlin Volunteer Fire Department for their July 4th fireworks fund. IT WAS ON MOTION BY WANDA BORDEN TO DONATE \$250.00 TO THE CARLIN VOLUNTEER FIRE DEPARTMENT FOR FIREWORKS. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

An opinion from Robert O. Vaughan, Attorney, has not been received regarding the microwave capacity study.

NEWMONT MINING COMPANY:

A discussion ensued regarding amending the Third Amendment of the Agreement with Newmont to allow 100% return of advanced funding for all future projects; amending the Crusher Substation and Line Extension Contract by allowing 100% return of the advanced funding instead of 70% and amending Rule 9 eliminating the equity retention provisions thus allowing all customers the opportunity to recover 100% of the advanced funding. Following a thorough discussion, IT WAS ON MOTION BY S.J. SMITH TO AMEND THE THIRD AMENDMENT OF THE AGREEMENT OF THE NEWMONT CONTRACT TO ALLOW 100% RETURN OF ADVANCED FUNDING FOR ALL FUTURE PROJECTS AND AMEND RULE NO. 9 TO ELIMINATE THE EQUITY RETENTION PROVISIONS ALLOWING ALL CUSTOMERS THE OPPORTUNITY TO RECOVER 100% OF ADVANCED FUNDING. THE MOTION WAS SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY. Following further discussion, IT WAS ON MOTION BY LOIS NANNINI TO AMEND THE CRUSHER SUBSTATION AND LINE EXTENSION CONTRACT FOR NEWMONT MINING COMPANY TO ELIMINATE THE EQUITY RETENTION PORTION AND ALLOW 100% RETURN OF ADVANCED FUNDS. THE MOTION WAS SECONDED BY DARYL ERIKSEN. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY WITH ONE IN OPPOSITION.

DONATION/509TH COMPOSITE GROUP:

Further discussion ensued regarding a donation to the 509th Composite Group 45th reunion. IT WAS ON MOTION BY RAY CRAWFORD TO DONATE \$300.00 TO THE 509TH COMPOSITE GROUP FOR THE MONUMENT FUND. THE MOTION WAS SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY.

BOARD COMMITTEE REPORTS:

Warren reported on the proposed changes to Policy 7-2 to include provisions for commercial driver[[#146]]s license. The addition is as follows:

P.6. Each employee shall possess a valid driver[[#146]]s license that will enable them to perform duties of their respective job as described in the company[[#146]]s position description. Failure of an employee to have or maintain the appropriate valid driver[[#146]]s license may result in the termination of that employee.

IT WAS ON MOTION BY VERNON SCOTT TO ADD THE PROVISION P.6 STATED ABOVE TO POLICY 7-2. THE MOTION WAS SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY.

FINANCIAL/ADMINISTRATIVE REPORTS:

Signatures are required for the Corporate Resolution and lease agreement for the new copier we are leasing through Valley Bank. IT WAS ON MOTION BY RAY CRAWFORD TO SIGN THE CORPORATE RESOLUTION AND NEW LEASE AGREEMENT TO LEASE THE CANNON COPIER. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

Clay reported on the changes in federal law affecting deferred compensation which affects the 401k Savings Plan offered by NRECA. Also made available through these changes-employees may choose to use the 401k Savings Plan as collateral and borrow funds from NRECA. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE AUTHORIZATION OF THE ADOPTION OF THE SELECTRE PENSION PLAN RESOLUTION AND AGREEMENT. THE MOTION WAS SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY. (EXHIBIT I)

COLLECTION & AGING ACCOUNT REPORT:

The Collection & Account Aging Report was reviewed.

SAFETY MINUTES:

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

ENGINEERING & OPERATIONS REPORT:

Warren reported on the Alternatives Regarding Phase II of the GIS Project study. The study included two alternative budget breakdowns for consideration. Due to the savings involved by completing the digitizing and data base development for GIS Phase II in-house, it was recommended to modify the Organizational Chart by adding another Engineering Technician position. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT TO MODIFY THE ORGANIZATION CHART BY ADDING ANOTHER ENGINEERING TECHNICIAN POSITION AND AUGMENT THE BUDGET TO REFLECT THE ADDITION OF THAT POSITION. THE MOTION WAS SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 37 NEW MEMBERSHIPS: 10-WELLS, NEVADA; 13-CARLIN, NEVADA; 9-WENDOVER, NEVADA; AND 5-WENDOVER, UTAH. THE MOTION WAS SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY.

As there was no further business to come before the board, the meeting adjourned at 1:40 p.m.

mPDF error: