

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****JULY 20, 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 July 20, 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 June 15, 1990 will stand approved as written.

ADDITIONS TO THE AGENDA:

It was requested that Bessie Winchell, chairman of the nominating Committee, be added to report on the Nominating Committee meeting of July 12. Also requested to be added to the agenda was Carol Huntley of Carlin regarding payment of her outstanding electric bill. There were no objections to these additions. (S.J. Smith came in at this time.)

NOMINATING COMMITTEE REPORT:

Bessie Winchell read the Nominating Committee meeting minutes. The committee unanimously approved the five nominations presented. (EXHIBIT I) IT WAS ON MOTION BY WANDA BORDEN, SECONDED BY FERRIS BROUGHT TO APPROVE THE NOMINATING COMMITTEE MINUTES AS READ. THE MOTION PASSED UNANIMOUSLY.

CAROL HUNTLEY:

Clay Fitch gave an update of Carol Huntley **[#146]**s accounts. (Mary Wright came in at this time.) Wanda Borden and Lois Nannini were excused due to a potential conflict of interest. Mrs. Huntley addressed the board requesting an extension of time in which to pay her outstanding electric bill. A discussion ensued. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY VERNON SCOTT TO HAVE ATTORNEY ROBERT O. VAUGHAN PREPARE A 6 MONTH PROMISSORY NOTE AT 12 PERCENT INTEREST PER ANNUM WITH MINIMUM MONTHLY PAYMENTS FOR THE FIRST 4 MONTHS OF \$100.00 TO \$150.00 AND THE REMAINING BALANCE DUE IN FULL AT THE END OF 6 MONTHS OR WHEN PROPERTY IS SOLD AND THE PROCEEDS ARE SUFFICIENT TO RETIRE THE NOTE. THE MOTION WAS PASSED UNANIMOUSLY.

WENDOVER LAND:

Correspondence from a land owner in Wendover was received. Concerns over the potential relocation of lines and power availability to a sign were addressed in the letter. Dan addressed the land owner[[#146]]s concerns [[#150]] the existing power lines would not be removed.

A phone call was made to Charles Philpott of REA regarding the approval of the Wendover building. A letter will be forthcoming stating that they do not approve of the current plans as submitted based on the percentage of investment we have in headquarters plant compared to total distribution plant. They will be requesting alternative plans. A discussion ensued. There were no objections to Dan responding to REA as discussed.

MEMBER CONTACTS:

Member contacts made were reported.

MANAGER[[#146]]S REPORT:

Interest rates and investments made were reported. Total interest earned through May 1990 was \$68,288.71.

A letter was received from Jim Copenhaver, Attorney, regarding some instructions prepared for Mt. Wheeler Power, which would equally apply to WREC, in the event of an accident resulting in injury, fatality or property damage. The letter was handed out for review. The instructions will be taken into consideration. (EXHIBIT II)

A discussion was heard regarding development of a natural disaster plan. The staff will prepare information on a system natural disaster plan. It will then be reviewed by board committee for their recommendations.

Due to conflicting schedules, it was requested that the scheduled August 17 meeting be changed to August 20, 21, or 22. IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY S.J. SMITH TO CHANGE THE SCHEDULED AUGUST 17 BOARD MEETING TO TUESDAY, AUGUST 21. THE MOTION PASSED UNANIMOUSLY.

Dan gave an update on the requested capacity increase by Newmont Gold Company. BPA met with Sierra Pacific Power Company. It was discussed that if an agreement could be reached between WREC & Sierra Pacific, WREC could access an additional 20-30MW of capacity from SPPCo[[#146]]s system. A meeting is scheduled with Newmont Gold Company to discuss their additional capacity needs.

Youth Energy Seminar participant will be giving a presentation at the August board meeting. The Nevada camp went very well this year.

The Annual Meeting is scheduled for September 22. Preparations are progressing well.

A recess was called at 10:15 a.m. The meeting was called back to order at 10:30 a.m.

A plaque and Certificate of Appreciation was received from the Nevada Department of Wildlife for our successful relocation of a Red Tail hawk nest.

FINANCIAL/ADMINISTRATIVE REPORT:

NRECA is transferring contributions made by WREC to the NRECA MINT Plan Trust. Two resolutions were presented to the board for consideration: Participation in the NRECA MINT Plan; Amendment to

Request to Participate. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY DARYL ERIKSEN, TO APPROVE THE RESOLUTIONS. THE MOTION PASSED UNANIMOUSLY. (EXHIBIT III)

SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY RAY CRAWFORD, TO APPROVE THE SAFETY MINUTES. THE MOTION CARRIED UNANIMOUSLY.

The Safety Accreditation inspection is scheduled for late August. Federated Insurance Co. has indicated that all is going well.

The Hot Line School is scheduled for August 28-30.

ENGINEERING & OPERATIONS REPORT:

In the approved Capital Budget for 1990, there was an under estimation for the upper boom portion of the insulated bucket truck. WREC specifications called for an overcenter articulating upper boom instead of non-articulating upper boom upon which the original estimate was based on. An augmentation to the budget will be necessary of approximately \$19,800.00. Following a thorough discussion, IT WAS ON MOTION BY VERNON SCOTT TO THE APPROVE AN AUGMENTATION TO THE 1990 CAPITAL BUDGET OF APPROXIMATELY \$19,800.00. THE MOTION WAS SECONDED BY MARY WRIGHT. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

A discussion ensued regarding the bucket truck that is being replaced.

MEMBER SERVICES REPORT:

At the August board meeting, the completed Diversification Study will be presented to the board for review and discussion.

Paul reported on the new Weatherization Program offered by Bonneville Power Administration from September 30, 1990 through June 30, 2001. Following discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY VERNON SCOTT, TO PARTICIPATE IN THE WEATHERIZATION PROGRAM OFFERED BY BONNEVILLE POWER ADMINISTRATION; APPROVE THE RESIDENTIAL WEATHERIZATION CONSERVATION ACQUISITION AGREEMENT CONTRACT NO. DE-MS79-90BP93033 RESOLUTION AND APPROVE THE GENERAL MANAGER AS SIGNATORY OF THE AFOREMENTIONED CONTRACT. THE MOTION PASSED UNANIMOUSLY WITH LOIS NANNINI ABSTAINING. (EXHIBIT IV)

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH, TO APPROVE 61 NEW MEMBERSHIPS: 9-WELLS, NEVADA; 15-CARLIN, NEVADA; 22-WENDOVER, NEVADA; AND 15-WENDOVER, UTAH. THE MOTION PASSED UNANIMOUSLY.

A graph showing net memberships will be available at the August meeting.

Larry Bradshaw reported on the 550.2 course he attended.

The letter received from Bob Vaughan, Attorney, regarding revision of Nevada statutes was discussed.

As there was no further business to come before the board, the meeting was adjourned at 11:20 a.m.

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