

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****September 21, 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 September 21, 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, Robert Harris, Lois Nannini, Jerry Parkin, Vernon Scott and S.J. Smith.

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 August 21, 1990 will stand approved as written.

**ADDITIONS TO THE AGENDA:**

There were no objections to the additions of the Election Committee Report, holding board officer elections, and discussion of a board retreat.

**ELECTION COMMITTEE REPORT:**

Vernon Dalton read the Election Committee Report. IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE ELECTION COMMITTEE REPORT AS READ. THE MOTION WAS SECONDED AND PASSED UNANIMOUSLY. (EXHIBIT I)

Vote count: Robert Harris-661, Mary Wright-449, Vernon Dalton-491, Lois Nannini-747, and Ray Crawford-502. Elected were: Lois Nannini, Robert Harris, Ray Crawford and Vernon Dalton. Dalton congratulated those elected and welcomed Robert Harris to the board.

**BOARD OFFICERS:**

Dalton explained the voting procedures for board officer election. Vote count for office of president (Dalton abstained from voting): Vernon Dalton-10. Vote count for office of Vice President: Daryl Eriksen-6, Ray Crawford-2, Ferris Brough-1, and Vernon Scott-2 **[[#150]]** Eriksen elected to office. Vote count for office of Secretary/Treasurer (three ballots were taken-final count): Larry Bradshaw-7 and Lois Nannini-4 **[[#150]]** Bradshaw elected to office. IT WAS ON MOTION BY WANDA BORDEN TO ELECT LOIS NANNINI AS ACTING SECRETARY. THE MOTION WAS SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY.

Dalton explained the functions of the Executive Committee. Board members were asked to indicate which committees they would like to serve on. The Executive Committee will make the final selection. (Smith left the meeting at this time.)

New ACRE Century Club pins were handed out to the board.

### WENDOVER LAND:

A letter was sent to Charles Philpott, REA, regarding the updated REA Form 740G: copies were handed out to the board for review.

The letter sent to Steve Perry, Stateline, regarding the trailer removal from the Wendover property was reviewed. Dalton read the letter received back from Perry. A discussion ensued.

An update was given on the construction proceedings of the Wendover building. REA, at this time, will not approve the construction of the building. Options for construction funding given by Philpott were reported and discussed. Kessler noted that REA had approved all previous transactions related to this project. Alternate financing from CFC or other private lenders is also being considered. A thorough discussion ensued. Management asked for direction for proceeding. It was the consensus of the board to proceed as previously planned.

Maintenance of the old building on Lake Street was discussed. Sidewalk needs to be repaired.

### MEMBER CONTACTS:

Contacts made were reported. Limitation of the terms of board officers was thoroughly discussed. (Smith came in during this discussion.)

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

Interest earned and investments made were reported.

Those attending the BPA Programs In Perspective meeting in Burley, Idaho reported. A thorough discussion ensued regarding possible increased wholesale rates, generation resources, environmental/wildlife issues, and BPA[[#146]]s financial objectives and revenues.

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

An update was given on the Barger Pump Failures law suit. It was noted that expert testimony will be given stating that WREC has very little liability in the cause to the damage of the pumps. Federated Insurance Company has authorized Bob Vaughan, attorney, to represent them with this claim.

A discussion ensued regarding amending the Newmont Agreement whereas Newmont is now able to recoup 100% advanced funding for all future projects. An amendment is not necessary allowing Newmont to recoup 100% advance funding, a letter to Newmont stating WREC[[#146]]s intention will be sent.

A discussion ensued on the 1990 Employee/Director Christmas Banquet. IT WAS ON MOTION BY VERNON SCOTT TO HOLD THE EMPLOYEE/DIRECTOR CHRISTMAS BANQUET IN WENDOVER. THE MOTION WAS SECONDED BY LOIS NANNINI. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

A donation request was received from Public Power Council. They are asking support (\$0.10 per meter) for biological research involving endangered species. IT WAS ON MOTION BY JERRY PARKIN TO DONATE 10 CENTS PER METER (\$370.00) TO PPC. THE MOTION WAS SECONDED BY ROBERT HARRIS. Further discussion ensued. MOTION PASSED UNANIMOUSLY.

A donation request was received from Northern Nevada Community College Foundation asking support of their Annual Fund Raiser Dinner/Dance to be held October 13 at the Elko Convention Center. IT WAS ON MOTION BY LARRY BRADSHAW TO PURCHASE 10 TICKETS AT \$35.00/TICKET FOR NNCC ANNUAL FUND RAISER. THE MOTION WAS SECONDED BY DARYL ERIKSEN. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

The directors have accidental death benefits, no life insurance. SelectRELife is offering group term life, accidental death, and dismemberment insurance. The cost to insure the board with SelectRELife is comparable to the same costs we are now paying for just accidental death benefits. A discussion ensued. IT WAS ON MOTION BY WANDA BORDEN TO CHANGE POLICIES TO SELECTRELIFE. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

The underground tanks have been removed at the Service Center. Due to EPA regulations and test results received on hydro carbon ppm, the ground where the tanks were situated has to be excavated and volatized to acceptable ppm readings.

#### ADDED SERVICES/DIVERSIFICATOIN REPORT:

Dan reported. Bob Vaughan [146]'s letter stating his opinions was handed out for review and discussion. A thorough and lengthy discussion ensued. Issues addressed regarding hiring an electrician were anti-trust litigation and other potential liabilities.

A recess for lunch was called 12:15 p.m. The meeting was called back to order at 1:15 p.m. (Wanda Borden did not attend afternoon session.)

Discussion continued on the Added Services/Diversification Report. IT WAS ON MOTION BY FERRIS BROUGH TO REVISE WELLS RURAL ELECTRIC COMPANY RULES, IN THE APPROPRIATE PLACE OR PLACES, AS PROPOSED BY BOB VAUGHAN. THE MOTION WAS SECONDED BY JERRY PARKIN. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY. (EXHIBIT II)

IT WAS ON MOTION BY DARYL ERIKSEN TO APPROVE THE HIRING OF A QUALIFIED, LICENSED ELECTRICIAN AND A FULL-TIME CLERK AS PER SCENARIO #3 OF THE ELECTRICIAN [146]'S REPORT. THE MOTION WAS SECONDED BY ROBERT HARRIS. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY.

Discussion ensued regarding the sale of excess microwave capacity. WREC qualifies for private carrier status. Authorization to approach those interested in leasing channels (availability, costs, etc.) was requested. There were no objections. To keep private carrier status, each potential customer or set of channels cost needs to be negotiated separately.

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE ADDING THE POSITIONS OF ELECTRICIAN, ELECTRICIAN CLERK, AND ANOTHER MEMBER SERVICES REPRESENTATIVE TO WREC [146]'S TABLE OF ORGANIZATION. THE MOTION WAS SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY.

A recess was called at 2:15 p.m. The meeting was called back to order at 2:25 p.m.

#### BOARD COMMITTEE REPORTS:

Vernon Scott reported on the Financial Advisory Committee meeting held September 19. Following discussion, IT WAS ON MOTOIN BY VERNON SCOTT TO APPROVE THE DIRECTOR [146]'S

EXPENSE BUDGET. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE THE 2<sup>ND</sup> QUARTER 1991 BUDGET. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

SAFETY MINUTES:

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

BOARD RETREAT:

It was suggested that a two day seminar on efficiency of operations be combined with a tour of the BPA facilities in Portland, Oregon. Following a discussion, IT WAS ON MOTION BY S.J. SMITH TO APPROVE ATTENDING A TWO DAY SEMINAR, EFFICIENCY OF OPERATIONS, AND TOURING THE BPA FACILITIES IN PORTLAND, OREGON THE WEEK OF JANUARY 7. THE MOTION WAS SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY.

It was noted that the staff retreat is scheduled for October 3-4 to update the Strategic Plan.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT TO APPROVE 50 NEW MEMBERSHIPS: 9-WELLS, NEVADA; 13-CARLIN, NEVADA; 14-WENDOVER, NEVADA; AND 14-WENDOVER, UTAH. THE MOTION WAS SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY.

IT WAS ON MOTION BY FERRIS BROUGH TO SEND A LETTER OF APPRECIATION TO MARY WRIGHT. THE MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

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

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