

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****November 28, 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 November 28, 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; and Paul Johnson, Manager of Member Services. Also present was Diane Griswold, Executive Secretary. Warren Linnell, Manager, Engineering & Operations was not present.

APPROVAL OF MINUTES:

The minutes of the regular meeting of October 19, 1990 will stand approved as written.

ADDITIONS TO THE AGENDA:

There were no objection to adding Rick Defer of Nevada Communications (An update on Nevada Communications requesting three channels on our microwave system was given.) and discussion on the board retreat.

RICK DEFER, NEVADA COMMUNICATIONS:

Rick Defer gave a presentation on Nevada Communications. Mr. Defer provided us with a proposal to market the excess channels on our microwave system and stated that they needed three channels immediately.

A discussion ensued regarding Nevada Communications[[#146]] proposal.

A proposal had been submitted by Western Communications to market the excess channels on our microwave system. A discussion ensued.

The board endorses management to continue negotiations of marketing the excess channels.

WENDOVER LAND:

We were advised by REA that the Wendover building project has been approved. A letter is forthcoming.

A resolution authorizing the use of general funds will be presented to the board during the December meeting.

Authorization has been received from REA to bid out the site preparation work and construction. REA Form 257 (Bob Hope is preparing this form) will be sent to REA for approval. Construction cannot commence until December 8 (The date of the Finding of No Significant Impact (FONSI) compliance has expired).

REA has requested that REA Form 369 be signed. No objections were given.

A study was prepared and presented to the board regarding comparing the use of REA, CFC, or Co-Bank funds for financing this project. Management recommended the use of Co-Bank funds which would save the company approximately \$40,000.00. The application forms were presented to the board for consideration. IT WAS ON MOTION BY DARYL ERIKSEN AND SECONDED BY RAY CRAWFORD TO APPROVE THE CO-BANK APPLICATION FOR TERM AND A LINE OF CREDIT IN THE AMOUNT OF \$1,500,000.00 AND COOMPANYING CERTIFICATES AND RESOLUTION. Further discussion ensued. THE MOTION PASSED UNANIMOUSLY. (EXHIBIT I)

MEMBER CONTACTS:

Member contacts made were reported and discussed.

A discussion ensued regarding our ratchet demand charge to large power customers over 50KVA.

A recess was called at 10:00 a.m. The meeting was called back to order at 10:15 a.m.

MANAGER[[#146]]S REPORT:

Investments made and CFC rates were reported.

New policy manuals were handed out to the board.

The updated Wage & Salary Plan was presented to the board for review and discussion. Following discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE UPDATED WAGE & SALARY PLAN.

The City of Wells has signed the new lease on the WREC building on Lake Street. Following discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO ACCEPT THE NEW LEASE WITH THE CITY OF WELLS. A letter has been received from the City stating that the sidewalk and steps would e replaced next year. It was noted that the trim around the building needs painting as well.

A resolution thanking Overton Power District #5 for hosting the NREA Annual meeting this year was presented to the board for signature. IT WAS ON MOTION BY WANDA BORDEN, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE THE RESOLUTION.

Reports were given by those attending the NREA Annual Meeting. Dan was congratulated for his election to the office of president of NREA.

A letter was sent to Donna R. Searcy, Secretary of the Federal Communications Commission opposing the passage of GEN Docket No. 90-134. Following discussion, IT WAS ON MOTION BY WANDA BORDEN, SECONDED BY VERNON SCOTT, AND PASSED UNANIMOUSLY TO APPROVE A RESOLUTION OPPOSING GEN DOCKET NO. 90-134. (EXHIBIT II) It was asked that a copy of the resolution and letter be sent to our Congressional delegation.

The United Telecommunications Council, of which we have been a member, sent an invoice in the amount of \$2,492.00 for membership dues. Last year dues were \$377.00. Following discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY TO SEND UTC A LETTER STATING WE WILL NOT PARTICIPATE IN MEMBERSHIP.

We have passed NRECA[[#146]]s Safety Accreditation. A letter of congratulations was read.

The NRECA Annual Meeting is scheduled for February 1-6 in New Orleans at the Sheraton New Orleans.

A letter was received from AHP Gold Seal congratulating us n the exceptional score received on Phase I of the Gold Seal Assessment Program. A discussion ensued regarding continuing Phase II of the program. It was the consensus not to continue with Phase II.

A resolution for deferred compensation will be presented to the board during the December meeting.

An EXECUTIVE SESSION was called to discuss the Barger issue.

IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO DONATE \$100.00 TO EACH COMMUNITY (CARLIN, WELLS, WENDOVER) FOR NEEDY FAMILIES DURING THE HOLIDAYS. Following discussion, IT WAS ON MOTION BY WANDA BORDEN, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO PLACE THIS DONATION ON THE STANDARD DONATION LIST.

More information was received on last month[[#146]]s donation request from the Nevada Concert Ensemble.

An addition to Policy 7-2 III T. Hiring Practices was brought before the board for consideration. Following discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO ADOPT THE ADDITION T. HIRING PRACTICES TO POLICY 7-2. (EXHIBIT III) Further discussion ensued regarding hiring practices. It was noted that at this time we do not have a nepotism policy.

A discussion ensued regarding the planned Board Retreat to Portland, Oregon BPA facilities January 12-16, 1991. Following discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO LEASE A BUS FROM SUN VALLEY STAGES FOR \$2,800.99.

A letter was received from Bob Vaughan requesting approval to attend the Legal Seminar XXX in New Orleans. He had missed the seminar previously approved in Coeur d[[#146]]Alene due to family illness. There were no objections.

A letter was sent to president Bush, Admiral James Watkins, Secretary of the Department of Energy, Senators Reid and Bryan, and Congressman Vucanovich and Bilbrey. The letter requested their assistance in eliminating proposals made by the Office of Management and Budget (OMB). A discussion ensued.

A discussion ensued regarding a military leave policy. This matter was referred to the Policy Committee.

There were no objections to the manager donating to the Christmas Lighting Contests in the three communities.

BOARD COMMITTEE REPORT:

Dan and Daryl reported on the Member Relations/Area Development Committee meeting. The committee met with mayor Yan and City Manager Mike Cosgrove of Wells to discuss a number of economic development possibilities for Wells. A meeting was set up by Mayor Yan with NENDA board

of directors, executive director, and Wells, Wendover, and Carlin mayors and councilmen.

Safety and Financial Advisory Committees scheduled meetings on December 6 with the Financial Advisory to meet at 8:30 a.m. and the Safety Committee to follow about 11:00 p.m.

FINANCIAL/ADMINISTRATIVE REPORT:

REA Form 268 was presented to the board for signatures. There were no objections to the general manager and president signing the required document.

SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES AS PRESENTED.

A discussion was held on Newmont Gold Company[[#146]]s dewatering project. Also discussed was Newmont requesting a demonstration of our high voltage safety trailer.

MEMBER SERVICES REPORT:

The Trash-A-Thon went well this year. The new school programs were addressed.

The meeting recessed for lunch at 12:00 p.m. The meeting was called back to order at 1:30 p.m.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE 43 NEW MEMBERSHIPS: 8 WELLS, NEVADA; 8 CARLIN, NEVADA; 13 WENDOVER, NEVADA; AND 14 WENDOVER, UTAH.

STRATEGIC PLAN:

Dan reported on the staff[[#146]]s updated Strategic Plan. Key issues and strategies were addressed.

As there was no further business to come before the board, the meeting adjourned at 1:50 p.m.

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