

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****DECEMBER 21, 1990**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wendover, Nevada in the Campbell room at the Stateline Hotel and called to order December 21, 1990, at 9:00 a.m. (MST). The meeting was presided over by President D. Vernon Dalton.

Directors present were Larry Bradshaw, Ferris Brough, Ray Crawford, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Lois Nannini, Jerry Parkin, Vernon Scott and S.J. Smith. Wanda Borden was not present.

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

APPROVAL OF MINUTES:

The minutes of the regular meeting of November 28, 1990 will stand approved as written.

ADDITIONS TO THE AGENDA:

There were no additions to the agenda. Bob Hope, architect, will be arriving about noon.

WENDOVER LAND:

Dave Shelton Construction Company from Wendover, Utah was the successful bidder for the site preparation. His bid came in at \$56,060.00. There were four other bidders with bids ranging from \$73,000.00-\$77,000.00. A change order will be necessary for a road that is necessary. The estimated cost of the change order will be approximately \$5,000.00-\$6,000.00.

MICROWAVE CAPACITY:

Bob Vaughan and Dan have enlisted the help of Keller & Heckman in drafting a contract between WREC and Western Communications. Dan reported.

MEMBER CONTACTS:

Member contacts made were reported. Dan reported on an accident occurring in which a person was killed while craning steel on to a flatbed truck. The person (Union Pacific Railroad) on the truck was killed when he touched the steel as it came into contact with our overhead line. Warren Linnell, Ray Bleak and Bob Richardson immediately responded. We have contacted our attorney and Federated Insurance Company. Dan and Jim Copenhaver were appointed as spokesmen for the company.

MANAGER [146]'S REPORT:

Investments made and CFC interest rates were reported.

Dan reported on the Barger claim.

A summarization of the MINT plan was given.

The board retreat scheduled January 12-16 was discussed. All members attending the retreat are to meet at Lois Nannini[[#146]]s house in Wells January 12 at 5:45 a.m.

Dan reported on the recent IBEW union negotiations. A one year agreement was reached. Signatures of the general manager and board president are needed for the contract. (S.J. Smith came in at this time.) Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE CONTRACT.

BPA Briefs: A report was given by Dan.

Dan reported on the meeting between SPPCo./BPA/WREC held November 29 in Reno. A discussion ensued regarding the construction of a transmission line (Idaho Power[[#146]]s Southwest Intertie Project). The line would start at Mid-Point, Idaho, down through Wells, Carlin and on to Valmy.

Tom Blankenship would like to attend the January board meeting to present information on the Columbia Basin Accord and the Salmon Summit, as well as give an update on the prospective construction of the transmission line.

Certification for the 1991 NRTC voting delegate and alternate is required. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO RETAIN THE SAME VOTING DELEGATE-LARRY BRADSHAW AND ALTERNATE RAY CRAWFORD.

A check was received from NENDA for the balance in the Task Force Account.

Comparative reports were handed out to the board for reviewing high & low flags received on the Borrower[[#146]]s Statistical Report.

A recess was called at 10:40 a.m. The meeting was called back to order at 11:00 a.m.

BOARD COMMITTEE REPORTS:

Ray reported on the Financial Advisory Committee meeting held December 6. Upon recommendation of the committee, IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE GPA BUDGET WITH AUGMENTATIONS TO INCLUDE THE PURCHASE OF A WATER (UNDERGROUND) PUMP AND A SERIES 2400 LTS LIFT TRUCK INDICATOR.

Following discussion, IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE GPA BUDGET AS PRESENTED.

IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE 1991 3RD QUARTER BUDGET AS PRESENTED.

Larry reported on the Safety Committee meeting held December 6. Dan reported on the lost time accident of a lineman (Clint Mills). The outrigger on the truck came down on his foot. Clint was off of work about 5 days. As of December 6, 1990 we had accumulated 3308 (12.7 yrs., 954,000 hours) of accident free days with no lost time. Following a discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE \$100.00 EMPLOYEE SAFETY AWARD (EMPLOYEES MUST ORDER OUT OF THE APPROVED

CATALOGS AND PAY THE BALANCE OF ANYTHING OVER THE \$100.00).

Vernon Dalton reported on the Safety Accreditation program through NRECA and Ruralite Services.

Dan reported on insurance bids sent out. Out of three bids sent out, one (Federal Insurance Co.) was received back. Letters were received back from Reliance Insurance and McMuellen Agency stating they were not interested. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE FEDERATED INSURANCE COMPANY BID.

More information regarding a policy on military leave was requested.

FINANCIAL SERVICES REPORT:

Forms for electronic check signing need signatures-Vernon Dalton and Larry Bradshaw.

Corporate certificate from Co-Bank requires signatures-there were no objections.

A resolution for the benefit plan, NRECA Section 125 Cafeteria Plan, and Claim Payment Funding Agreement were presented to the board for consideration. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE RESOLUTION AND CLAIM PAYMENT FUNDING AGREEMENT. (EXHIBIT I)

Presented to the board for review and consideration were Deferred Compensation Program resolutions. IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE RESOLUTIONS. (EXHIBIT II) IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE DEFERRED COMPENSATION PROGRAM JOINDER AGREEMENT. (EXHIBIT III) IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE THE DEFERRED COMPENSATION RESOLUTION. (EXHIBIT IV)

COLLECTION/ACCOUNT AGING REPORT:

A discussion ensued regarding the Collection/Account Aging report.

SAFETY MINUTES:

IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES.

ENGINEERING/OPERATIONS REPORT:

In lieu of an amendment to the basic original Newmont contracts, a draft form Line Extension Agreement between WREC and Newmont with deletions shown as stricken and additions shown as underscored was presented to the board for review and consideration. Upon Bob Vaughan[[#146]]s recommendation that if the agreement is agreeable with the board, they approve the agreement in substantially this form and authorize Vernon Dalton to execute it with any changes approved by the manager and counsel, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE AND SIGN THE LINE EXTENSION AGREEMENT. (EXHIBIT V)

MEMBER SERVICES REPORT:

The company Christmas party is scheduled to begin at 7:00 p.m. in the Cabaret Room of the Silversmith. Awards and presentations will be given. Dinner is to follow at 8:30 a.m. in the Swan Room.

Vernon Dalton read a letter from Jack Heaston, General Manager of Harney Electric, regarding the ACRE presentation at the NREA Annual Meeting and the importance of ACRE memberships. Mr. Heaston had enclosed memberships for Harney Electric[[#146]]s Nevada board members. It was noted the Mt. Wheeler had joined 9 members of the board, staff and management.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 32 NEW MEMBERSHIPS: 4-WELLS, NEVADA; 10-CARLIN, NEVADA; 12-WENDOVER, NEVADA; AND 6-WENDOVER, UTAH.

As there was no further business to come before the board, the meeting adjourned at 12:00 noon.

mPDF error: