

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF WELLS
RURAL ELECTRIC COMPANY****FEBRUARY 22, 1991**

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 February 22, 1991, 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, Vernon Scott and S.J. Smith. Jerry Parkin 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 January 25, 1991 will stand approved as written.

ADDITIONS TO THE AGENDA:

There were no additions to the agenda. It was noted that Bob Hope, Architect, will be here at 1:00 p.m.

WENDOVER LAND:

The permits for the well are being obtained. Building options and changes were discussed. Further discussion will continue at 1:00 p.m. with Bob Hope.

MICROWAVE CAPACITY:

An update was given by Dan on the meeting with Keller and Heckman. A draft on the contract between Western Communication and WREC is forthcoming.

MEMBER CONTACTS:

Member contacts made were reported.

MANAGER [[#146]]'S REPORT:

CFC update was given by Dan. Interest rates and investments made were reported.

Dan reported on the meeting with Co-Bank. Co-Bank suggested that we refinance some of our CFC debt. We are looking into this as another option. A discussion ensued.

Bob Vaughan, attorney, suggested a word addition (audited) to Policy 4-2, II. B. 2 (c): The remaining fifty percent (50%) shall be prorated and paid across-the-board to all other persons or entities who have unpaid capital credit accounts for capital contributed to and including the last full audited calendar year; [[#133]]. This addition would clarify which year the capital credits are retired. IT WAS ON MOTION BY

DARYL ERIKSEN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE WORD ADDITION, AUDITED, TO POLICY 4-2, II. B. 2 (c).

The application form for Visa cards for the board members were presented for signatures. It was noted that First Interstate Bank waived the card[[#146]]s annual fee.

NRECA[[#146]]S policy on military leave was presented to the board for review and consideration. Due to the length and complexity of the policy, it was referred to the Policy Committee for consideration.

Reports were given by those attending the NRECA Annual Meeting in New Orleans: Vernon Dalton, Larry Bradshaw, Robert Harris, Vernon Scott, Dan Kessler and Warren Linnell. A discussion ensued regarding the REA Program and subsidizing of investor owned utilities and municipals.

Bob Sticks, US Shoe Corporation, will be addressing the board next month on the pilot program that we are participating in through NRECA.

A new policy 7-11, Drug Free Workplace, was brought before the board for consideration. (EXHIBIT I) Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE POLICY 7-11.

NWPPA Annual Meeting is scheduled July 14-18 in Calgary, Canada.

Art Brothers, Beehive Telephone, has been taxiing his helicopter underneath our power line. The matter has been referred to Jim Copenhaver, attorney. A letter was sent to the airport authority in Wendover.

BPA has officially released their proposed rate increase of 4.9%. A discussion ensued.

Mountain West Audio has available, through satellite, music and telephone messages (about WREC while on hold) for our offices. This is offered through a monthly lease option-MUZAK Agreement. It would cost \$135.00 per month for the Wells office. A discussion ensued. More information was requested. Further consideration of the Agreement will be given during the March board meeting.

We have not heard back from NENDA on our donation proposal. A discussion ensued.

Vernon Dalton, Dan Kessler, and Paul Johnson completed the first of two interviews for KRJC radio Business of the Week promotion. A discussion ensued.

The Legislative Conference is scheduled for April 29th & 30th in Washington, DC.

A discussion ensued regarding the Barger case.

A donation request was received from the Carlin Open Door Senior Citizens Center. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO DONATE A \$100.00 POWER CREDIT.

A donation request was received from Nevada Elks Directory asking for support of the Safe Haven for Homes of Abused Children and the Hoop Shoot for Scholarship through ads in the Elks Officers and Directors Guide. A discussion ensued.

A donation request was received from the Elko County School District asking support of the Science Fair. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO DONATE A \$50.00 SAVINGS BOND FOR THE

SCIENCE FAIR.

A donation request was received from the Wells Sports Club requesting a prize for their Trap Shoot grand opening. Following a discussion, IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO DONATE A METER LAMP FOR THE TRAP SHOOT.

A donation request was received from the Wells Volunteer Fire Department for the Fireman **[#146]**'s Ball. Following a discussion, IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO DONATE A METER LAMP FOR THE FIREMAN **[#146]**'S BALL.

Reports were given on the BPA Customer Meeting in Burley, Idaho on February 21. A discussion ensued regarding the BPA rate increase and revenue financing for their capital needs. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO TABLE THE DECISION OF SUPPORTING BPA REVENUE FINANCING UNTIL FURTHER INFORMATION IS RECEIVED.

A recess was called at 11:00 a.m. The meeting was called back to order at 11:15 a.m.

Harry Copelan did not attend the scheduled meeting with Dan. He has not gotten back with Dan.

Dan and Paul attended a meeting with Enterprise For Education. Dan gave a report on the meeting. We are working with them on programs for our school presentations. A package or their product will be available at the next board meeting for review.

Jay Smith of Ernt & Young will attend the March board meeting to present the Audit Report for 1990.

BPA sent three originals of Amendatory Agreement No. 4 to Contract No. DE-MS79-81BP905071 for signature by Wells Rural Electric Company. The Amendment redefines the operating year as August 1 to July 31 (instead of the current July 1 to June 30). The Amendment will become effective July 31, 1991. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO SIGN THE AMENDATORY AGREEMENT NO. 4 TO CONTRACT NO. DE-MS79-81BP905071 AND BOARD RESOLUTION-AMENDATORY AGREEMENT NO. 4. (EXHIBIT II)

Dan reported on our wind energy testing program. A discussion ensued.

The Northern Nevada Utility Golf Tournament is scheduled for June 1 at the Ruby View Golf Course in Elko.

POWER SUPPLY

A new system peak of 55.70 MW was reached in December 1990. A discussion ensued.

A lunch recess was called at 12:00 noon. The meeting was called back to order at 1:00 p.m.

BOB HOPE:

The site grading has been completed.

Bob Hope brought before the board three construction options and updated construction costs for the

Wendover office/warehouse facility. Following a thorough and lengthy discussion, IT WAS ON MOTION BY WANDA BORDEN, SECONDED BY ROBERT HARRIS AND PASSED TO APPROVE OPTION 1 AS DESIGNED FOR THE OFFICE PORTION OF THE FACILITY. Further discussion ensued. IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY ROBERT HARRIS AND PASSED TO APPROVE OPTION 1 AS DESIGNED FOR THE WAREHOUSE PORTION OF THE FACILITY. (EXHIBIT III) Following a lengthy discussion, IT WAS ON MOTION BE VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE THE ORIGINAL LOCATION OF THE OFFICE/WAREHOUSE FACILITY.

A recess was called at 2:30 p.m. The meeting was called back to order at 2:45 p.m.

BOARD COMMITTEE REPORTS:

The board agreed, during Executive Session of the February 22, 1991 board meeting, to rotate the three members of the Directors/Manager Expense Committee. One new member per month, keeping a three member committee. Each month the senior member of the committee will act as chairperson. (EXHIBIT IV) IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY TO APPROVE ROTATING THE MEMBERS OF THE DIRECTORS/MANAGER EXPENSE COMMITTEE.

The Financial Advisory Committee and Policy Committee scheduled meetings to consider the 4th Quarter 1991 budget, review the audit report, review Policy 5-1, and review a military leave policy. A Financial Advisory Committee was scheduled for Monday, March 4th at 8:00 a.m. (key ratio/trend analysis) and Wednesday, March 13th at 9:00 a.m. (audit/budget). A Policy Committee Meeting was scheduled for Friday, March 15th at 8:00 a.m. (military leave), before the board meeting.

A discussion ensued regarding member use of the board room for meetings.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

First Interstate Bank has required new signature cards to be signed. They were presented to the board for signatures. Nevada Bank and Trust in Carlin has required a Signature Authorization form to be filled out and signed authorizing the use of facsimile signatures on checks.

COLLECTION & ACCOUNT AGING REPORT:

The write-off list was discussed as well as collection methods.

A discussion ensued regarding a paper subsidiary credit bureau. Also discussed was a member advisory committee for collections.

SAFETY MINUTES:

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

ENGINEERING & OPERATIONS REPORT:

Warren gave an update on a conceptual outage emergency backup procedure for Wells and Wendover using the 69kV line. A discussion ensued.

OUTAGE REPORT:

The Outage Report was discussed.

MEMBER SERVICES REPORT:

The Irrigation Workshop was very successful. Vernon Dalton complimented the Member Services Department on the workshop.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 32 NEW MEMBERSHIPS: 4-WELLS, NEVADA; 14-CARLIN, NEVADA; 11-WENDOVER, NEVADA; AND 3-WENDOVER, UTAH.

As there was no further business to come before the board, the meeting was adjourned at 3:40 p.m.

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