

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF WELLS
RURAL ELECTRIC COMPANY****APRIL 10, 1991**

The special 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 April 10, at 9:00 a.m. 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, Vernon Scott and S.J. Smith. Wanda Borden, Lois Nannini and Jerry Parkin were 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 March 15, 1991 will stand approved as written.

ADDITIONS TO THE AGENDA:

An introduction of Joe Gustafson, electrician, was added with no objections. It was noted that Bob Stix could not attend the REQUIP presentation he and Greg Boudreaux of NRECA are to give this afternoon. Mr. Boudreaux will give the presentation following the board meeting.

JOE GUSTAFSON:

Dan introduced Joe Gustafson to the board. Joe gave a short biography.

WENDOVER LAND:

Two wells have been drilled. The seventy degree water can be used for the hybrid heating system. Application is being made to the state of Utah to re-inject the water into the second well.

MICROWAVE CAPACITY:

The contract received from Keller & Heckman is being reviewed by Bob Vaughan. Dan addressed a few changes that will need to be made. A discussion ensued.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported. A billing problem was addressed and has been corrected.

MANAGER[[#146]]S REPORT:

CFC Update was addressed as well as investments made and interest earned through February 1991.

Dan and Paul met with Kelly Lucy and Dennis Parker of NENDA. NENDA has accepted our offer of Paul working with them on a limited basis. It was noted there is legislation being proposed to eliminate the Nevada Economic Development Authority. The impact of this proposed legislation were discussed.

The City of Wells has requested that WREC consider allowing employees to participate in the Emergency Medical Technician program. The ambulance service is in danger of being eliminated due to lack of numbers of people to man the ambulance. A lengthy discussion ensued.

A letter was sent to Petrolane requesting their future plans regarding leasing our property and building for their office. Their response back stated they are interested in leasing for their office. Their response back stated they are interested in leasing for another five years and requested WREC consider leasing them office space in our new office building to lease to Petrolane. It was suggested that Bob Vaughan draw up a lease policy addressing possible future leasing of our property.

Dan gave an update on the capacity needs of the Carlin area and BPA/SPPCo/Idaho Power dealings.

BPA briefs were addressed.

Dan and Vernon Dalton are attending the Legislative Conference in Washington, DC.

Dan and Vernon Dalton reported on the NREA Meeting/Legislative Luncheon. Senator Virgil Ghetto volunteered to introduce resolution in opposition to the REA Means Test. A discussion ensued.

Dan spoke with Norm Jacox, NWPPA, regarding our dues to them. Mr. Jacox stated WREC has been paying a disproportionate amount in dues. He will propose to his board a moratorium on WREC dues for two to three years. He will be speaking with Vernon Dalton and Dan during the Legislative Conference. NWPPA is also interested in adding three new director seats with one seat representing Nevada. This will be presented at NWPPA **[#146]**'s Annual Meeting.

Ever employee signed the EMPLOYEE NOTICE AND STATEMENT OF DRUG-FREE WORKPLACE, which is page 3 of policy 7-11.

Clay reported on Muzak (in-house music system) and the upgrade of the phone system in the Wells, Wendover and Carlin. The costs for the upgrade of the phone system have not been received. More information will be available during the May board meeting.

A revised Expense Form was presented to the board for review and consideration. There were no objections.

A recess was called at 10:10 a.m. The meeting was called back to order at 10:35 a.m.

COOPERATIVE CREDIT UNIONS:

Vernon Dalton reported on the information received from Consumer Cooperative Alliance Association regarding cooperative credit unions. A thorough and lengthy discussion ensued. It was requested that management contact people knowledgeable in credit unions to speak to the board. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO INVESTIGATE FURTHER COOPERATIVE CREDIT UNIONS AND AT SUCH TIME THAT IT IS NECESSARY TO SET UP A SPECIAL BOARD MEETING TO DISCUSS THE FINDINGS.

POWER SUPPLY:

The Power Supply report form was discussed. A lengthy discussion ensued regarding trends and the most effective way to present them to the board.

BOARD COMMITTEE REPORTS:

The Scholarship Committee set a date for interviewing students[[#151]]Thursday, May 9, 1991 beginning in Wendover at 9:00 a.m., then on to Wells and Carlin.

FINANCIAL/ADMINISTRATIVE REPORT:

Capital credit checks were not sent out by April 7. They will be sent out the first of the week. The news release in the Elko Daily Free Press was discussed. Clay reported on upgraded computer program for capital credits.

Farm Credit Leasing (Co-Bank) was the only one of three leasing companies that offered a lease for the new bucket truck. Clay reported. Following discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE LEASE AGREEMENT #DL-80236 FROM FARM CREDIT LEASING.

NRECA RS&I Participation cards were handed out to board members and explained by Clay.

COLLECTION AND ACCOUNT AGING REPORT:

Dan reported on our procedures for collection of deposits and delinquent accounts. A thorough discussion ensued.

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

SAFETY MINUTES:

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

ENGINEERING AND OPERATIONS REPORT:

Five copies of each agreement "Contract Documents for Newmont Pit Dewatering Project Erection and Materials" and "Contract Documents for Newmont Mill 2/5 Trailings 25kV Project Erection and Materials" and two board resolutions (EXHIBIT I) "Newmont Pt Dewatering Project" and Newmont Mill 2/5 Trailings 25kV Project" were presented to the board for approval. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE STATED DOCUMENTS.

HYDRO REPORT:

A discussion ensued regarding the Hydro.

MEMBER SERVICES REPORT:

Paul reported on the Heat Pump Workshop of April 4. The workshop was very successful with evaluations coming back very high.

There are 53 memberships in ACRE to date.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 20 NEW MEMBERSHIPS: 4-WELLS, NEVADA; 8-CARLIN, NEVADA; 6-WENDOVER, NEVADA; AND 2-WENDOVER, UTAH.

Vernon Dalton complemented staff on a thorough and informative agenda.

Donations:

Correspondence was received from Bob Vaughan regarding the opinion on civic and charitable contributions. (EXHIBIT II) A discussion ensued. Several donation requests were received. Dan brought these requests before the board for consideration.

IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO RECEIVE THE DONATION REQUEST FROM SAVE THE SALT FOUNDATION AS INFORMATION.

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO RECEIVE THE DONATION REQUEST FROM THE NEVADA ENVIRONMENTAL EDUCATION NETWORK AS INFORMATION.

IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO SUPPORT THE PRO-ELECTRICITY MARKETING AND ADVERTISING PROGRAM.

IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY TO PLEDGE \$10,000.00 OVER A FIVE YEAR PERIOD TO THE WELLS CIVIC IMPROVEMENT CORPORATION TO SUPPORT CONSTRUCTION OF A NEW COMMUNITY MEDICAL CENTER. (S.J. Smith excused himself due to a possible conflict of interest.)

IT WAS ON MOTION BY S.J. SMITH, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE A \$500.00 DONATION TO THE WELLS CHAMBER OF COMMERCE TO SUPPORT THE PONY EXPRESS RACE.

A discussion ensued regarding the request from the Wells Senior Citizens asking for support of their lunch program by attendance to lunch (\$1.25) once a week or month, etc., at the center. It was decided that this should be done on a personal level.

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS TO DONATE 5% OF OUR ALLOCATED CAPITAL CREDITS FROM CFC BACK TO CFC FOR THEIR INTEGRITY FUND.

IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE A \$200.00 DONATION TO THE WELLS COMMUNITY SCHOLARSHIP PROGRAM.

As there was no further business to come before the board, the meeting was adjourned at 2:10 p.m.

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