

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF WELLS
RURAL ELECTRIC COMPANY****SEPTEMBER 16, 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 September 16, 1991, at 8:30 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, Jerry Parkin, Vernon Scott, S.J. Smith, and Mary A. Wright. Lois Nannini 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 August 16, 1991 will stand approved as written.

ADDITIONS TO THE AGENDA:

It was noted that the Quality Advisory Team and Quality Improvement Team #1 will give their presentations during the Manager **[[#146]]**s Report. Bob Vaughan will be attending the meeting at 11:00 a.m. to discuss the Wendover land situation. It was asked that the Wendover Land discussion be moved to that time. There were no objections.

ELECTION COMMITTEE REPORT:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE THE ELECTION COMMITTEE REPORT. The following directors were elected Mary Wright, S.J. Smith, and Larry Bradshaw. (EXHIBIT I)

IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO SEND WANDA BORDEN A RESOLUTION OF APPRECIATION FOR SERVING ON THE BOARD OF DIRECTORS FOR TWELVE YEARS. (EXHIBIT II)

ELECTION OF BOARD OFFICERS:

An election for board officers was held with the vote count as follows:

- President: D. Vernon Dalton **[[#150]]** 6
- Daryl Eriksen **[[#150]]** 1
- Abstention **[[#150]]** 1
- Vice President: Daryl Eriksen **[[#150]]** 5
- Larry Bradshaw **[[#150]]** 1
- Ray Crawford **[[#150]]** 1
- Vernon Scott **[[#150]]** 1

- Secretary/Treasurer: Larry Bradshaw **[[#150]]** 5
- Vernon Scott **[[#150]]** 1
- Mary A. Wright **[[#150]]**2

Elected were D. Vernon Dalton, President; Daryl Eriksen, Vice President; and Larry Bradshaw, Secretary/Treasurer.

A discussion ensued regarding rotation of board officers.

MICROWAVE CAPACITY:

Two letters were received from Roger Finn of Western Communication. Dan reported. (Ray Crawford and Jerry Parkin came in at this time.) A discussion ensued regarding the draft contract for the leasing of our microwave capacity and Western Communication **[[#146]]**s counter proposal. Following a thorough discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE GENERAL MANAGER CONTACTING KELLER & HECHMAN FOR FINALIZING THE CONTRACT LANGUAGE REGARDING THE MINIMUM PAYMENT AND TIME FRAME OF LEASING THE CHANNELS, REQUIRING AN ANNUAL REPORT FROM WESTERN COMMUNICATIONS, WITH QUARTERLY UPDATES FROM THE GENERAL MANAGER, AND GIVING THE GENERAL MANAGER THE AUTHORITY TO PROCEED WITH NEGOTIATION OF THE LEASE CONTRACT AFTER THESE STIPULATIONS HAVE BEEN MET.

Dan introduced Al Webb, Electrician and Debbie Kikumoto, Electrician Services Clerk to the board.

REPORTS ON MEMBER CONTACTS:

Reports on member contacts made and follow-ups were given. Dan reported on a consumer **[[#146]]**s deposit check that was fraudulently cashed.

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

CFC interest rates, investments made and interest earned were reported.

Dan reported on the meeting with Bonneville Power Administration, Newmont Gold Company, and Wells Rural Electric Company. Addressed was the New Large Single Load requirement issue. It was noted that each process defined cannot exceed 9.99 megawatts in growth per year. A discussion ensued.

Dan reported on the meetings between Sierra Pacific Power Company any Bonneville Power Administration regarding the feasibility of a transmission line and our request of an additional twenty megawatts. A report from POWER Engineers is expected in October or November of this year.

Mark Glaess, General Manager of Oregon Rural Electric Cooperative Association, accepted the position of General Manager of the Minnesota Statewide. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE SENDING MR. GLAESS A RESOLUTION OF APPRECIATION. (EXHIBIT III)

Information has been received from Bob Philpott, Postmaster in Wells, regarding a number of sites being considered for Bar Coding. We are trying to attract one of these sites to the Wells area.

Warren handed out a summary report of electrician services regarding expenses, revenues and deficits for the periods of January through June 1991, July through August 1991, and future projections. A

discussion ensued. It was noted that Bob Richardson has passed the Nevada Contractors Licensing test. Ray Bleak has just completed the test and he feels confident he has also passed. This will give us two qualifiers on the license.

Quality Advisory Team/Quality Improvement Team #1 Presentations:

Dan gave an update of the REQUIP program. Introduced were members of each team. They are as follows: QAT members **[[#150]]**Thad Ballard, Adela Morrison, Lynn Brodsho, Tom Bostock, Mike Cromie, Bill Collins (not present) and Don McDonald; QIT #1 members **[[#150]]**Lee Woolsey, Jolyne Smith, Bob Richardson (not present), Clint Mills, Cheryl Melville, and Estella Durazo. The QAT addressed setting up their goals and the procedures implemented to attain those goals. GIT #1 addressed their project of service addresses.

A recess was called at 10:50 a.m. The meeting was called back to order at 11:05 a.m.

WENDOVER LAND:

Bob Vaughan, attorney, was present. A thorough and lengthy discussion ensued. A MOTION WAS MADE BY RAY CRAWFORD, SECONDED BY JERRY PARKIN AND UNANIMOUSLY PASSED TO OBTAIN FOR THE CONSIDERATION BY THE BOARD: A COST ESTIMATE AND PROPOSAL, INCLUDING THE SCOPE OF THE PROPOSED INVESTIGATION, FOR A PRE-CONSTRUCTION ENVIRONMENTAL EXAMINATION OF THE PROPERTY TO BE USED FOR THE HEADQUARTERS SITE AND RELATED USES IN WENDOVER, UTAH; A DETERMINATION OF THE AVAILABILITY OF ENVIRONMENTAL FIRMS CAPABLE OF ANY REMEDIATION FOUND TO BE NEEDED, AND THE EXTENT TO WHICH THEIR SERVICES ARE GUARANTEED; AND ADVICE OF THE RIGHTS AND THE ADVISABILITY OF REQUIRING THIRD PARTIES TO MAKE CONTRIBUTIONS TO ANY COSTS OF REMEDIATION. It was the consensus of the board to authorize Robert Hill, attorney, to work with political personnel in getting help to remedy this situation.

A lunch recess was called at 12:20 p.m. The meeting was called back to order at 1:20 p.m.

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

A draft of our marketing plan will be available at the end of this month.

It was noted that the general manager**[[#146]]**s evaluation is next month.

A letter was received from Jim Copenhaver, attorney, stating that an order was obtained from District Court dismissing the Paul Barger claim.

The Workers Compensation Fund credited WREC with a dividend of \$427.19 for our safety record in 1990.

Two requests for donation were received. No action was taken.

NRECA sent a board resolution for consideration regarding the SelectRE Pension Plan. The resolution states that the plan is being re-adopted for compliance reasons and that all future Adoption Agreements submitted for compliance requirements only may be signed by the manager, without the need for board approval. Changes to the plan provisions will still require specific board approval and signature. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SELECTRE PENSION PLAN RESOLUTION. (EXHIBIT IV)

It was noted the NRECA[[#146]]s RS& I department has scheduled, during the Region IX Meeting on Tuesday, October 8, and opportunity to meet with their field service staff and managers to discuss three issues of importance: medical rates, RS& I program moratorium, and the Homestead Funds.

COOPERATIVE CREDIT UNION:

Glenn Reese of Nevada Credit Union League has a draft of a sample survey forth-coming. It was the consensus of the board to authorize the general manager to review the survey and upon his endorsement, send it out to the members.

BOARD COMMITTEE REPORTS:

Vernon Scott reported on behalf of the Financial Advisory Committee. Upon recommendation of that committee, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY TO APPROVE THE 2ND QUARTER 1992 BUDGET AS PRESENTED.

A graphics presentation on CFC[[#146]]s Key Ratio Trend Analysis for Nevada and Quarry-Crusher Transformer Loading was given by Dan. A discussion ensued.

The Executive Committee will meet immediately following this meeting to select board committees.

FINANCIAL/ADMINISTRATIVE REPORT:

The office staff is researching capital credit accounts. Clay reported.

COLLECTION & ACCOUNT AGING REPORT:

The Collection & Account Aging Report was reviewed and discussed.

SAFETY MINUTES:

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

ENGINEERING/OPERATIONS REPORT:

A line extension contract for the Peppermill Casino expansion was presented to the president for signature.

Four copies of contract documents for the West Wendover Substation expansion were presented to the president for signature and a board resolution for consideration. IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE BOARD RESOLUTION FOR THE WEST WENDOVER SUBSTATION EXPANSION.
(EXHIBIT V)

ELECTRICIAN SERVICES REPORT:

The Electrician Services Report was reviewed and discussed.

MEMBER SERVICES REPORT:

A board resolution allowing participation in Bonneville Power Administration[[#146]]s Energy Saving

program was presented to the board for consideration. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE BOARD RESOLUTION ENERGY SAVINGS PLAN INDUSTRIAL CONSERVATION AGREEMENT CONTRACT NO. DE-MS79-91BP93328. (EXHIBIT VI)

Dan reported on our Account Manager Strategy/Service Excellence program.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE 41 NEW MEMBERSHIPS: 11-WELLS, NEVADA; 15-CARLIN, NEVADA; 9-WENDOVER, NEVADA; AND 6-WENDOVER, UTAH.

As there was no further business to come before the board, the meeting adjourned at 3:00 p.m.

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