

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****JUNE 19, 1992**

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 June 19, 1992 at 9:00 a.m. The meeting was presided over by President D. Vernon Dalton.

Directors present were Gerald Anderson, Larry Bradshaw, Ferris Brough, Ray Crawford, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Lois Nannini, Jerry Parkin, Vernon Scott, S.J. Smith, and Mary A. Wright.

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 May 15, 1992 will stand approved as written.

ADDITIONS TO THE AGENDA:

It was noted that WREC and Nevada Cooperative Credit Union board members, as well as the incorporators of the new credit union, will have their pictures taken at 1:00 p.m.

WENDOVER LAND:

A response to our letter, from Harry Patterson of the Union Pacific Railroad regarding the status of the cleanup of the property adjacent to ours, has not been received. If no response is received within a week, Bob Vaughan, attorney, will send a follow-up letter.

MEMBER CONTACTS:

Member contacts made were reported.

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

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

The hotel site for the Region IX Meeting has been changed from The Queen Mary to the Disney Land Hotel.

Dan reported on PNGC serving notice of intent to sue to BPA, the National Marine Fishery Service, and other federal agencies that they must correct their violations of the Endangered Species Act concerning Snake River salmon. PNGC is asking WREC to participate by becoming affiliate members of their organization. A discussion ensued. A representative from PNGC will be asked to address the board during their July board meeting.

The proposed BPA rate increase was discussed. A cost of service study is being prepared.

The BPA Programs in Perspective meeting is scheduled for July 14, 1992 at the Burley Inn in Burley, Idaho.

Vernon Dalton sent letters to Mt. Wheeler Power, Overton Power, and Valley Electric asking for their support in ACRE.

The Power Supply Agreement, combining four agreements into one, between WREC and Newmont Gold was presented for the President[[#146]]s signature.

CFC asked us to participate in their Integrity Fund as we have in the past. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE CONTRIBUTING 5% (\$1,509.00) OF OUR PATRONAGE CAPITAL RETURN FROM CFC TO THEIR INTEGRITY FUND.

A request from the Wendover Alumni Association was brought back before the board. More information was received and discussed regarding their use of the funds. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE DONATING \$100.00 TO THE WENDOVER ALUMNI ASSOCIATION.

A discussion ensued regarding Dru Thiercoff[[#146]]s request for support of a Development Capital Fund during May board meeting. Mr. Thiercoff had publicly announced our support of this effort, which was not correct. It was the consensus of the board to send a rebuttal stating that we were misrepresented in supporting this effort.

Dan reported on the Account Manager Strategy.

A response from BPA on our request regarding the New Large Single Load has not been received. A letter was sent to BPA requesting a response. Dan reported. Alternatives for our long-term capacity needs were discussed. A meeting with BPA has been scheduled for June 30, 1992.

Robert J. Gallucci was hired as Ruralite[[#146]]s President/General Manager. Dan reported.

An update was given to the board regarding the REA loan package.

A report was given by Paul Johnson concerning economic development. It was the consensus of the board that we continue exploring economic development plans as presented.

A letter was received from Bob Vaughan, attorney, requesting attendance to Legal Seminar XXXII in Sun Valley, Idaho. Mr. Vaughan will donate his time if we will apy his expenses. He also requested that Mr. Goicoechea attend as a representative for WREC and pay his own expenses. Following a discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE BOB VAUGHAN[[#146]]S ATTENDANCE TO THE LEGAL SEMINAR XXXII WITH BOB GOICOECHEA ATTENDING AS A REPRESENTATIVE OF WREC. MR. GOICOECHEA WILL PAY HIS EXPENSES AND WREC WILL PAY FOR MR. VAUGHAN[[#146]]S EXPENSES.

Palmetto Electric Cooperative developed a program, Operation Round-up, which receives voluntary contributions from co-op consumers whose monthly utility bills are rounded up to the next dollar. The funds are used for charitable purposes only. A discussion ensued.

A recess was called at 10:35 a.m. The meeting was called back to order at 10:50 a.m.

Bud Calton is retiring from Wells Rural after thirty years on July 1, 1992. Bud will train his replacement, Clint Mills, two days a week, four hours a day.

COOPERATIVE CREDIT UNION:

Vernon Dalton reported on the training session held last week. The members of the board are: Vernon Dalton, President; S.J. Smith, Vice President; Lois Nannini, 1st Vice President, Daryl Eriksen, 2nd Vice President and Mary A. Wright, Secretary/Treasurer. Lois Nannini, Marie Johnston (Wendover) and Diane Griswold were selected for the Supervisory Committee. Daryl Eriksen, Marilyn Sherrill (Wendover) and Mary A. Wright were selected for the Credit Committee. The operational date of September 1 is being targeted. A discussion ensued.

BOARD COMMITTEE REPORTS:

Mary Wright reported for the Financial Advisory Committee. Upon committee recommendation, IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE 1ST QUARTER 1993 BUDGET.

Mary reported for the Policy Committee. No action was taken on the proposed title changes.

Dan reported on behalf of the Nominating Committee. The minutes were reviewed and approved (EXHIBIT). The Nominating Committee recommended that the board consider changing the word August to July in Policy 1-3, section III A, paragraph 5. This accurately indicates the month which the committee submits the nominations to the board. IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE CHANGE TO POLICY 1-3 AS STATED ABOVE.

SAFETY MINUTES:

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

ENGINEERING/OPERATIONS REPORT:

Allen Hess, Journeyman Lineman, was hired to replace Clint Mills on the Wells crew. Clint replaces Bud Calton as Supervisor of Purchasing, Job Training and Safety. Tom Smith from the Wendover crew will move to the Wells crew to replace Bruce Widmer who resigned last month. A discussion ensued regarding the Apprenticeship program.

A resolution, Quarry Substation Line Reroute Project, was brought before the board for consideration. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE RESOLUTION. (EXHIBIT)

ELECTRICIAN REPORT:

Warren Linnell reported.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE 37 NEW MEMBERSHIPS: 5-WELLS, NEVADA; 11-CARLIN, NEVADA; 14-WENDOVER, UTAH AND 7-WENDOVER, UTAH.

An Executive Session was called.

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

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