

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****FEBRUARY 19, 1993**

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 19, 1993 at 9:00 a.m. The meeting was presided over by President D. Vernon Dalton.

Directors present were Gerald Anderson, Larry Bradshaw, Ferris Brough, D. Vernon Dalton, Daryl Eriksen, Lois Nannini, Vernon Scott, S.J. Smith, and Mary A. Wright. Robert Harris and Jerry Parkin were not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. 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 15, 1993 will stand approved as written.

ADDITIONS TO THE AGENDA:

Jerry Parkin had back surgery and could not make the meeting. Robert Harris asked to be excused due to a scheduling conflict.

Debbie Smith, Executive Director of NENDA, will address the board about 9:05 a.m.

NENDA:

Debbie Smith asked for the board's continued support through membership dues. Ms. Smith reported on the redesign of NENDA's marketing folder (costs, etc.) and the direction they are taking for this year. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE SUPPORTING NENDA, THROUGH MEMBERSHIP DUES, FOR \$3,000.00. A discussion ensued regarding a donation for their marketing folder. No action was taken.

WENDOVER LAND:

A letter, from Robert O. Vaughan, attorney, was reviewed and discussed.

It has been rumored that WREC is moving to Nevada to build. The rumor is unfounded. At this time, there is no plan to move or rebuild on another piece of property. WREC is still pursuing environmental remediation.

REPORT ON MEMBER CONTACTS:

A complimentary letter was received regarding estimating bills due to the heavy snowfall and meter readers being unable to read meters in valley locations. A discussion ensued regarding estimated

readings.

The market research phone survey was discussed. All is going well.

MANAGER[[#146]]S REPORT:

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

Dan reported on the meeting he had with Max Jones, Vice President of Sierra Pacific Power Co. regarding the General Transfer Agreement amendment and capacity availability.

Clay reported on the criteria used for leasing vehicles.

Following the Management Audit, the board will prepare their Strategic Plan.

Northwest Public Power Association invited Representative Barbara Vucanovich to give the welcome speech during their Annual Meeting. She is unable to make that meeting. They are going to ask if Governor Robert J. Miller could give the welcome speech.

Vernon Dalton is the welcome speaker for the NRECA Director[[#146]]s Conference. This will be held in Las Vegas on March 27-31.

We have contacted three insurance agencies for quotes on health benefits (same package as we have not). Dan reported.

Dan was asked to write an article on Total Quality Management for the Northwest Public Power Association[[#146]]s Bulletin.

Dan reported on the Franchise Agreement between the City of Wendover and Wells Rural Electric.

A BPA Customer Service meeting is scheduled in the Fall River service territory on April 14 & 15.

The Quality Advisory Team 4 has started a slogan contest for our REQUIP program Dan reported.

Letters were sent to Governor Miller, Senator Raggio, and Senator Rhoads objecting to the closing of rural honor camps. A request, in the amount of \$5,000.00 from the City of Wells, asking for an offset of costs of the Citizens Committee going to the Legislature to object to the Governor[[#146]]s proposal to close the rural honor camps, was received. Following a discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY MARY A. WRIGHT AND PASSED UNANIMOUSLY TO RECEIVE THE REQUEST AS INFORMATION.

Nevada Rural Electric Association has increased their dues. Dan reported.

The Legislative Conference is scheduled for May 3-5. The NREA breakfast is scheduled for Monday, May 3 at 7:00-8:30 a.m. in the Bryce Room of the Hyatt Regency on Capitol Hill. Vernon Dalton, Larry Bradshaw, Mary Wright and S.J. Smith would like to attend.

The Clinton Administration has attacked REA. A delegation from Nevada is being formed to voice their support of the REA program. Vernon Dalton reported.

A donation request was received from the Elko County Science Fair Committee asking for support of the Science Fair. Following a discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED

BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE A \$100.00 DONATION FOR THE ELKO COUNTY SCIENCE FAIR.

Robert Vaughan, attorney, has requested a 3.61 percent increase in fees. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE THE 3.61 PERCENT INCREASE IN FEES.

Reports were given from those attending the NRECA Annual Meeting in Dallas, Texas on February 11-17. A discussion ensued on the virtues of being a cooperative and the media[[#146]]s focus on electric utilities and the REA program. Also discussed were various policies that need to be looked at (A policy meeting will be set to further discuss these.)

Vernon Dalton commended Dan and employees for their TQM presentation given during the Director[[#146]]s Update in Dallas.

IT WAS ON MOTION BY S.J. SMITH AND SECONDED BY VERNON DALTON TO RECONSIDER THE CITY OF WELLS REQUEST FOR SUPPORT IN OBJECTING TO GOVERNOR MILLER[[#146]]S PROPOSAL TO CLOSE THE RURAL HONOR CAMPS IN NEVADA. MOTION FAILED.

The financial audit, by Ernst & Young, will be completed today. Jay Smith of Ernst & Young is retiring and Ron Aoki will be giving the audit report to the board in March.

During the March board meeting, reports will be given on the Market Research Study and the Management Audit.

Two letters were received from PNGC. The first letter asked WREC to rejoin as an affiliate member this year (\$2,000.00). The second letter reprimanded those cooperatives who didn't elect to pay their fair share of the fish costs in the litigation that is ongoing. The letter states that unless those systems agree to come up with the required funds by April 14 PNGC will drop their litigation.

A discussion ensued regarding the affiliate membership. It was noted that PNGC has an excellent member information program. Following discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE JOINING PNGC AS AN AFFILIATE MEMBER FOR \$2,000.00.

Dan received a call from a gentleman proposing to build a 100 megawatt gas fired turbine at Maggie Creek Ranch. He was told that WREC is an all requirements customer of Bonneville Power Administration and to contact them. Dan reported.

Approval of the capital credit allocation (\$280,913.00) was requested. Dan reported. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE CAPITAL CREDIT ALLOCATION.

NEVADA COOPERATIVE CREDIT UNION:

Vernon Dalton reported. The credit union is organized. The charter has been sent to the Secretary of State. Once the charter has been filed, the board can proceed with business plan, etc. A discussion ensued regarding the WREC building on Lake Street. The credit union will lease the building from WREC. Once the building is brought up to the American Disabilities Act Requirements, the building will work well for credit union needs. The City of Wells has to complete some maintenance on the building as well. It was stressed that the credit union is not a subsidiary of Wells Rural Electric Company.

BOARD COMMITTEE REPORTS:

A Financial Advisory Committee meeting was scheduled for Thursday, March 11 at 9:00 a.m. with the Policy Committee to meet immediately after.

POWER SUPPLY:

A system peak of 55.62 megawatts was reported.

FINANCIAL/ADMINISTRATIVE REPORT:

The financial audit is going well.

SAFETY MINUTES:

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

ELECTRICIAN REPORT:

We are in the final stages of obtaining our Utah contractor **[[#146]]**s license.

HYDRO REPORT:

The final requirement for licensing has been met. The water control and monitoring system will be installed.

MEMBER SERVICES REPORT:

It was requested that three display racks, one for each area office, (\$2,500.00) be added to the GPA budget line. The racks are for brochures and pamphlets. IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE \$2,500.00 ADDITION.

ACRE memberships are going well **[[#151]]**63 people have paid or committed to join.

S.J. Smith complimented Tommi Reynolds and the BPA people involved with the Energy Smart Design program for the energy efficiency realized in the Wells Clinic.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE 33 NEW MEMBERSHIPS: 2-WELLS, NV; 5-CARLIN, NV; 15-WENDOVER, NV; AND 11-WENDOVER, UT.

A concern regarding Article III, Section 2, paragraph 9 of the Bylaws was voiced. It was requested that this be taken under consideration during the Policy Meeting.

The Nevada Rural Electric Association legislative reception has been scheduled for Monday, March 22 at the Carson Nugget, Carson City, from 4:30 p.m. to 7:30 p.m. The NREA board meeting is scheduled the morning of the 22nd.

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

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