

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****JUNE 11, 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 June 11, 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, 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 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 May 21, 1993 will stand approved as written.

ADDITIONS TO THE AGENDA:

There were no additions to the agenda.

WENDOVER LAND:

Dan contacted Bryan Whitaker of the State of Utah, Department of Environmental Quality. Mr. Whitaker stated that a pre-hearing conference is tentatively scheduled for July 22, 1993, probably in Salt Lake City. Another tank owner has been identified and will be notified. The owner was not identified.

A letter from Gloria Dinner of Dinner & Associates in Salt Lake City was read. They have eleven acres, with evidence of geothermal water, in Wendover, Utah for sale. A discussion ensued.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported. Bob Harris presented a WREC scholarship to Angie Aiazzi of Carlin.

MANAGER[[#146]]S REPORT:

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

Mr. Robert Barrier, President of Barrier Associates, on behalf of Bonneville Power Administration, interviewed Dan asking how we would like to see BPA conduct their operations and what we would like to see the organization become in the future. A discussion ensued.

The Nominating Committee met on June 9. Dan reported. Carrie Fitch was elected Chairperson. The election process was reviewed. The proposed nominee packet was handed out and approved. Tuesday, July 13 at 10:00 a.m. was set to review and approve nominations. All news releases and opening nominations to determine eligibility were approved. Voting procedures were discussed. The committee

suggested changing the format of counting ballots to a format used by the City of Carlin in which ballots are fed into a machine and counted automatically. A discussion ensued.

An update was given on the New Large Single Load issue and the General Transfer Agreement between SPPCO and BPA. Praxair is separate. WREC can use its normalization of the mill facility. Determination on how much of the dewatering load goes with the mill facility and the leaching process needs to figured. Pacific Corp wants to participate with SPPCO in the Altures to Reno tap. Dan reported. This would meet our and SPPCO's long-term needs. SPPCO is interested in splitting the Carlin trend customers. BPA is negotiating on this. BPA is also looking at a short-term (4 year) sale out of Valmy. A meeting with BPA is scheduled June 29.

An update was given on the two Cipolini lots. An offer of \$8,000.00 was made. A discussion ensued.

Dan reported on the Carlin Fish Pond project. Steve Feasel, Carlin Science teacher, stated he would like to come before the board in September or October with a presentation.

A donation of \$85.00 was requested from Lillian Leo of Wendover for her to attend the Miss Teen of America Scholarship and Recognition Pageant. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO DONATE \$85.00.

The information requested on the Northern Nevada Community College summer school program for K-6 students in Wendover was reported. A discussion ensued. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO CONTACT AN ELKO COUNTY SCHOOL BOARD MEMBER TO ASK WHY THE SCHOOL DISTRICT IS NOT FUNDING THIS EFFORT. Paul Billings was contacted. It was stated that the School District could not fund this project due to budget constraints. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO DONATE \$500.00.

A donation request was received from Amy Priest, Wells High School student, for support in her campaign in running for a National Office for the Future Business Leaders of America. A discussion ensued. There were no objections to referring this request to the manager.

CFC has requested a 5 percent donation (\$1,717.30) of our CFC capital credit allocation back to the CFC Integrity Fund. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO DONATE 5 PERCENT OF OUR CFC CAPITAL CREDIT ALLOCATION TO THE CFC INTEGRITY FUND.

NEVADA COOPERATIVE CREDIT UNION:

The Agreement and Promissory note was signed and sent back to Glen Reese. We are awaiting an update from Mr. Reese. The manager's position is being advertised. All applications are to be sent to Glen Reese.

Further discussion ensued on the lots adjacent to the WREC building on Lake Street.

BOARD COMMITTEE REPORTS:

Larry Bradshaw reported on behalf of the Financial Advisory Committee. Upon committee recommendation, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE THE FIRST QUARTER 1994 BUDGET AS PRESENTED.

A discussion ensued regarding donations. There were no objections to the manager determining which donations are to come before the board for approval.

Daryl Eriksen reported on the NWPPA Annual Meeting.

A Financial Advisory Committee meeting was scheduled for Wednesday, July 28 at 9:00 a.m.

Reports on the Hydro tour were given.

The Electrician[[#146]]s Report was given by Warren Linnell. An electrician[[#146]]s helper has been added for the summer. Advertising and marketing ahs been increased to generate more business. In the next couple of months, we will be looking closely at the human resources within the Electrician and Operation departments to see where the addition of the third person in the Electrician department will be most effective.

FINANCIAL/ADMINISTRATIVE REPORT:

Clay reported on the meeting with Jeff Arnold from POWER Engineers regarding our Cost of Service and Rate studies. Also addressed was the difference between accrual and cash accounting.

We are also looking at restructuring the Newmont Gold Company[[#146]]s capital credit rotation.

A report was given on our inventory status. It has dropped about \$400,000.00 due in part to QIT 3.

COLLECTION/ACCOUNT AGING REPORT:

One member has been disconnected for nonpayment. Dan reported.

SAFETY MINUTES:

A safety meeting was not held the month of May.

ENGINEERING/OPERATIONS REPORT:

The Hadley Substation will be constructed for a water treatment plant at Newmont.

A resolution for the Hadley Substation, approving Construction Work Plan amendments and Borrower[[#146]]s Environmental Report (BER), was brought before the board for approval. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE RESOLUTION. (EXHIBIT)

A Short Circuit/Sectionalizing Study need to be done prior to and in conjunction with the 1994/1995 Construction Work Plan. The study will be accomplished by POWER Engineers, Inc. in the amount of \$37,925.00. Warren reported. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SHORT CIRCUIT/SECTIONALIZING STUDY.

Rocky Brown, an Apprentice Lineman in Wendover, took his final practical Journeyman test on May 27. Rocky has been promoted to Journeyman Lineman effective June 1, 1993. With his promotion, there are no lineman in the Apprentice Program. A study is being done on the feasibility of an Apprentice Program at WREC.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE 23 NEW MEMBERS: 6-WELLS, NV; 8-CARLIN, NV; 5-WENDOVER, NV; 4-WENDOVER, UT.

As there was no further business to come before the board, the meeting was adjourned at 11:45 a.m.

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