

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****JULY 23, 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 July 23, 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, and Mary A. Wright. S.J. Smith was 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 June 11, 1993 will stand approved as written.

ADDITIONS TO THE AGENDA:

It was noted that Carrie Fitch, Chairperson for the Nominating Committee, will give the Nominating Committee Report.

A moment of silence was given Lloyd Nelson, Moon Lake Director, and Jay York, Past President of NRECA, both passed away.

There was no objection to adding Special Board Meeting to the agenda.

NOMINATING COMMITTEE REPORT:

Carrie Fitch gave the Nominating Report. The incumbents were the only nominees, therefore an election will not be held. IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE NOMINATING COMMITTEE REPORT.
(EXHIBIT)

WENDOVER LAND:

Dan reported on the informal hearing in Salt Lake City, Utah with the Division of Remediation, representatives from Union Pacific Railroad, Stateline Properties, Shell Oil Company and our attorney Robert Hill, Dan and Warren. It was noted that the Department of Remediation has not identified all of the previous landowners in the two and a half years this issue has been pending. Attorney Hill was asked to summarize the meeting, give recommendations on proceeding and project a time line of the remediation. The letter from Hill, with the above requested information, was read. A lengthy discussion was held. Robert Hill and Bob Vaughan will be asked to attend the August board meeting.

A board member was contacted regarding land and building a facility for WREC to lease. A discussion

ensued.

MEMBER CONTACTS:

Member contacts were made and follow-ups reported. A letter was received thanking the line crew and WREC for rescuing their kitten from a tree.

MANAGER[[#146]]S REPORT:

CFC interest rates, investments made and earnings were reported.

Vernon Dalton reported on the NRECA summer board meeting. Addressed were the RS&I moratorium on retirement, land purchased for the new headquarters facility, general manager search, etc. Also addressed were the funds contributed to the NRECA Government Relations/Energy and Environment Department (an additional twenty percent of our NRECA dues) to hire an environmental specialist. The funds were not needed. Following a discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBOT HARRIS AND PASSED UNANIMOUSLY TO AUTHORIZE THE MANAGER TO REQUEST A REFUND OF OUR CONTRIBUTION.

BPA[[#146]]s wholesale rate increase of 15.7 percent to preference customers was discussed. The cost of service and rate studies are being completed to determine the impact this increase will have on our retail rates.

The March, April and May Form 7s were handed out for review.

Dan reported the New Large Single Load issue [[#150]] a favorable determination has been made by Bonneville Power Administration. Praxair has been determined as a separate facility. Also approved was our ability to normalize future loads, which will not trigger the new resource rate. The dewatering process was not determined to be separate from the milling and leaching processes.

Dan reported on the General Transfer Agreements between WREC and BPA and SPPCO and BPA. Negotiations are going well.

Dan reported on the draft contract with Newmont. It incorporates all previous amendments, extends the expiration date, and terminates costs to recover unfounded depreciation expenses by assigning their accrued and future capital credits.

The amendment of the Bylaws and Policy 1-3 in relation to the voting procedure for election of directors to accommodate and provide for counting of the ballots by an electronic device and to further clarify the elimination of cumulative voting was brought before the board for consideration. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE CHANGES TO ARTICLE II, SECTION 9 -VOTING; ARTICLE III, SECTION 10 [[#150]]NOMINATING AND ELECTION OF DIRECTORS, SUBSECTION 5; ARTICLE III, SECTION 10 [[#150]]NOMINATING AND ELECTION OF DIRECTORS, SUBSECTION 7(D); POLICY 1-3, SUBPARAGRAPH III [[#150]]A-1; POLICY 1-3, SUBPARAGRAPH III [[#150]]A-1-1; POLICY 1-3 SUBPARAGRAPH III [[#150]]A-1-7(D); AND POLICY 1-3 SUBPARAGRAPH IV [[#150]]A-9(A); POLICY 1-3 SUBPARAGRAPH V-B-3;AND POLICY 1-3, SUBPARAGRAPH VI-A. (EXHIBIT)

A letter was reviewed from the NCB Development Corporation regarding a six year national demonstration program (Coming Home Program). This program, funded by the Robert Wood Johnson Foundation, will demonstrate key attributes and success factors of the development of systems of care

that coordinate and link the health, social and personal care services and housing needs of the rural elderly. Following discussion, there were no objections to looking into this program further.

IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE VERNON DALTON PURCHASING A 4H BEEF AT THE ELKO COUNTY FAIR THIS YEAR.

Dan reported on the 10th Youth Energy Seminar held at Boreal Ridge. Some students will be attending the August board meeting with a presentation.

There were no objections to changing the September board meeting from the 17th to Friday, September 10.

The Region IX meeting is scheduled for October 12-14, 1993. It will be held at John Ascuaga[[#146]]s Nugget in Sparks.

The approved and final copy of Management Audit was handed out to the board. Dan reported and handed out comments from staff for board consideration. The board will review the document and consider staff[[#146]]s comments.

It was requested that staff review the possibility of offering our customers a discount for on-time payment. A discussion ensued.

NEVADA COOPERATIVE CREDIT UNION:

The letter received from Glen Reese was reviewed. A discussion ensued regarding the stated field of membership. Banks have filed lawsuits against credit unions regarding their field of memberships. Mr. Glen Walquist[[#146]]s, State of Nevada, concern is a total open field of membership statement that allows the employees of member/owners of WREC as members. This statement does not meet Mr. Walquist[[#146]]s concept of a "close common bond." There are no objections to changing the field of membership definition to specify living within the WREC service territory and/or a member of WREC.

Page 3 of the Articles of Incorporation requires new signatures of the members who signed the original one, with a current date. The Secretary of State now requires that the date on papers to be filed with them must be within six months of the date of filing.

A lunch recess was called at 11:50 a.m. The meeting was called back to order at 1:00 p.m. (Lois Nannini did not attend afternoon session.)

BOARD COMMITTEE REPORTS:

A Financial Advisory/Policy Committee meeting was scheduled for Wednesday, July 28, 1993 at 9:00 a.m. An employee meeting is scheduled for the July 28 at 1:00 p.m. as well. Lunch will be served at noon [[#150]]the board was invited.

Mary Wright and Gerald Anderson reported on the board courses they attended.

A special board meeting was called by President Dalton for Wednesday, August 4, 1993 at 9:00 a.m. Rob Church from NRECA will be attending.

FINANCIAL/ADMINISTRATIVE REPORT:

Clay reported on the SIIS meeting he attended. He briefed the board on the legislative changes affecting the SIIS.

Clay reported on the PPC meeting. Issues addressed were BPA tiered rates and unbundling of BPA **[[#146]]**s services. It is PPC **[[#146]]**s perception that BPA will have tiered rates in 1995. A discussion ensued.

SAFETY MINUTES:

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

Safety accreditation was discussed.

DESIGN & CONSTRUCTION REPORT:

Warren reported on the ADA requirements and estimated costs for upgrading the building on Lake Street. A discussion ensued.

Due to the Americans With Disabilities Act (ADA) requirements and estimated costs (over \$100,000) involved, a discussion ensued regarding a second tenant occupying the building with the credit union. A second occupant in the building is cost prohibitive (an additional \$30,000 to comply with ADA standards). IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO SEND A LETTER TO THE PUBLIC HEALTH NURSE, GIVING NOTICE TO VACATE THE BUILDING DUE TO NECESSARY RENOVATIONS OF THE BUILDING.

There were no objections to obtaining a second architect **[[#146]]**s opinion for the building renovation.

Our offer of \$8,000 for the property adjacent to the WREC building on Lake Street was rejected. Dan reported. A counter offer has been made.

ENGINEERING/OPERATIONS REPORT:

Warren reported on informal request by the BLM to relocate a one mile section on the Marys River line. The formal request has not been received, but is expected. A discussion ensued.

Three resolutions regarding construction contracts were brought before the board for approval: The Hadley Substation project in the amount of \$152,105.00 **[[#151]]**bid granted to Western Line Builders. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE HADLEY SUBSTATION PROJECT RESOLUTION. The Schroeder Mountain Transmission Line/Substation project in the amount of \$1,303,062.00 **[[#151]]**bid granted to Anderson & Wood Construction. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SCHROEDER MOUNTAIN TRANSMISSION LINE/SUBSTATION PROJECT RESOLUTION. The Quarry Substation Expansion project in the amount of \$2,090,084.00 **[[#151]]**bid granted to Anderson & Wood Construction. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE THE QUARRY SUBSTATION EXPANSION PROJECT RESOLUTION.

The 1994/1995 Construction Work Plan (\$23,697.00) was brought before the board for approval. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS AND PASSED

UNANIMOUSLY TO APPROVE THE 1994/1995 CONSTRUCTION WORK PLAN.

ELECTRICIAN SERVICES REPORT:

Still analyzing the addition of a third person to the department.

Al Webb passed his test for the Utah Contractor[[#146]]s license.

MEMBER SERVICES REPORT:

NENEDA approached us regarding the REA Economic Development Section 12 Loan Deferment program in order to help the City of Carlin finance studies for property development. We have not officially been approached by the City of Carlin. This program would allow WREC to defer part of the REA payment and loan the money back to an entity for economic development reasons. It would be a good investment in that the funds are placed into the REA Cushion Credit Account which earns 5 percent interest and defers the debt service of the loan, which includes the principle and interest. WREC will be able to charge any amount of interest. There were no objection to looking into this further.

The Christmas party arrangements were discussed.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 41 NEW MEMBERSHIPS: 8-WELLS, NV; 16-CARLIN, NV; 9-WENDOVER, UT; 8-WENDOVER, NV.

As there was no further business to come before the board, the meeting adjourned at 2:30 p.m.

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