

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****September 10, 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 September 10, 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 attended part of the afternoon session.

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.

A Waiver of Notice is attached noting the change of time and place of the scheduled September board meeting.

APPROVAL OF MINUTES:

The minutes of the regular meeting of August 20, 1993 will stand approved as written.

ADDITIONS TO THE AGENDA:

Mr. Robert O. Vaughan, attorney, will address amending the Articles of Incorporation. The general manager appraisal form handouts will be given to the board. There were no objections to these additions.

BOARD OFFICER ELECTION:

The following board members were elected for the 1993/1994 term: D. Vernon Dalton, President[[#151]]unanimously; Vernon Scott, Vice President[[#151]]majority vote; and Larry Bradshaw, Secretary/Treasurer[[#151]]majority vote. Robert O. Vaughan and Dan Kessler counted the ballots.

WENDOVER LAND:

Dan reported. The information from Mr. Hill regarding the criteria for environmental testing of the property and on a reputable firm to do the testing has not been received. The corners of the building/warehouse are staked. A letter, from Mr. Hill, with recommendations is expected soon. The matter will be considered during the October board meeting.

ARTICLES OF INCORPORATION:

Mr. Vaughan addressed amending the Articles of Incorporation to bring them up to date; clarify and improve the language; add beneficial provisions; and take advantage of provisions of the 1991 Non-Profit Act passed by the Nevada State Legislature. A memorandum (EXHIBIT) regarding the amendment of the Articles and the restated Articles were handed out for review and discussion. Mr. Vaughan went through each Article with the board. A thorough and lengthy discussion ensued. Due to

some language changes, the revised restated Articles will be brought before the board for consideration during the October board meeting.

A lunch recess was called at 12:00 p.m. The meeting was called back to order at 1:20 p.m.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported.

MANAGER[[#146]]S REPORT:

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

Dan and Clay reported on the results of the Cost of Service Study and Rate Study. A thorough and lengthy discussion ensued. An 8.84% system-wide average retail increase was proposed. IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE AN 8.84% SYSTEM-WIDE AVERAGE RETAIL RATE INCREASE. Members in each rate class will be mailed information regarding the retail rate increase. (S.J. Smith came in at this time.)

The following donations were received for review and consideration:

The American Legion Post 32 of Carlin has asked assistance in upgrading their building. Following a discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE A \$500.00 DONATION.

The Wells Chamber of Commerce has asked for a donation to the Wells Business Scholarship Fund. This was received as information.

The City of Wells has requested funds for a new facility for the Fire Department. A discussion ensued[[#151]]more information was requested.

Dan reported on the NREA Annual Meeting, which was held at Wells Rural on August 25-27.

The newly formed economic development committee, called Leadership Forum on Community and Economic Development in Wells, has put together a Strategic Plan. Several committees have been formed. One of the committees, Senior Citizens Lifestyle Enhancement, will address elder care issues.

Voting delegates for NRECA, CFC, and NRTC were appointed. They are as follows: NRECA delegate [[#150]] Gerald Anderson with Daryl Eriksen as alternate; CFC [[#150]] Larry Bradshaw with Robert Harris as alternate; NRTC [[#150]] Robert Harris with Dan Kessler as alternate.

An ACRE auction will be held during the Region IX Meeting. Dan reported.

A letter was received from Bob Bergland, NRECA General Manager, asking for member system participation in a new national research and information program concerned with the effect of electric and magnetic fields (EMF) on human health. A formula was designed for an annual contribution over a five year period. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY GERALD ANDERSON AND PASSED WITH A MAJORITY VOTE TO APPROVE A DONATION OF \$1,2231.75 PER YEAR FOR FIVE YEARS.

Dan reported on the status of the General Transfer Agreement. The document is expected to be signed

during the September 14 meeting with Bonneville.

A follow-up on the article in the Elko Daily Free Press, which misrepresented WREC as a lender to the City of Carlin for property development, was given by Dan.

A letter is expected from Ernst & Young regarding capital credit allocation to Newmont. A discussion ensued.

Warren reported on the re-organization of the Operations and Electrician Departments to use existing personnel more effectively by downsizing the Electrician Department to the original staffing level, forming a technical services division and hiring (in-house) an apprentice lineman. Following a discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE STAFF **[[#146]]**'S RECOMMENDATION OF REORGANIZING THE OPERATIONS DEPARTMENT, FORMING A TECHNICAL SERVICES DIVISION, AND HIRING (IN-HOUSE) AN APPRENTICE LINEMAN. (S.J. Smith left the meeting.)

NEVADA COOPERATIVE CREDIT UNION:

A meeting has been scheduled for Friday, September 24, 1993 at 8:00 a.m. to interview general manager applicants.

A discussion ensued regarding ADA compliance of the WREC building on Lake Street. Three requests for bids were sent out: one from Twin Falls, two from Wells (Jack Anderson and Chris Dixon). One bid was received back. A letter, from POWER Engineers, of recommendation on the building remodeling was reviewed. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE CHRIS DIXON AS THE GENERAL CONTRACTOR ON A TIME AND MATERIALS BASIS, WITH A NOT TO EXCEED PRICE TO BE NEGOTIATED BY POWER ENGINEERS AND WELLS RURAL ELECTRIC COMPANY, AND AUTHORIZE VERNON DALTON TO SIGN THE CONTRACT IF AN AGREEMENT IS REACHED.

BOARD COMMITTEE REPORTS:

Gerald Anderson reported on behalf of the Financial Advisory Committee. Upon committee recommendation, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE THE 4TH QUARTER 1994 BUDGET WITH AUGMENTATIONS.

The Electrician Department **[[#146]]**'s profit or loss statement was handed out for review. Warren reported.

A Financial Advisory Committee meeting was scheduled for Wednesday, October 20 at 8:30 a.m. to review lines 12-23 of the new budget format. A Policy Committee meeting was scheduled to follow.

A Manager Appraisal Workshop has been scheduled with Martin Lowery of NRECA for September 29 at 8:00 a.m.

FINANCIAL/ADMINISTRATIVE REPORT:

Clay reported on the proposed changes, due to the rate increase, to Rule 5. Following a discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE PROPOSED CHANGES TO RULE 5.

A resolution to REA requesting the balance in reserve of the \$157,000.00 in Purpose 4 Headquarters be changed to balance in reserve for Budget Purpose 1 Distribution and can be used for projects approved in the 1992/1993 Construction Work Plan was brought before the board for approval. Clay reported. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE RESOLUTION. (EXHIBIT)

SAFETY MINUTES:

IT WAS ON MOTION BY VERNON SCOTT SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES.

NEW MEMBERSHIP:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 33 NEW MEMBERSHIPS: 7-WELLS, NV; 12-CARLIN, NV; 6-WENDOVER, NV; AND 8-WENDOVER, UT.

As there was no further business to come before the board, the meeting was adjourned at 4:15 p.m.

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