

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****JULY 15, 1994**

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 15, 1994 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, Jerry Parkin, Vernon Scott, S.J. Smith, and Mary A. Wright. Lois Nannini was not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay Fitch, Manager, Finance/Administration; and Warren Linnell, Manager, Engineering/Operations. Also present were Don McDonald and Tommi Reynolds, Member Services Representatives and Diane Griswold, Executive Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of June 17, 1994 will stand approved as written.

ADDITIONS TO THE AGENDA:

It was noted that the Nominating Committee Chairperson, Joanne Dalton will give the committee **[[#146]]**s report. Bob Marchio and Bill Baker of the Bureau of Land Management asked to address the board at 10:00 a.m. There were no objections.

WENDOVER LAND:

We have not heard back from REA regarding the submittal of the 740G. Compliance with BPA **[[#146]]**s Energy Smart program has held up the final drawings of the building. Mr. Hope disagrees with a few minor changes. No major setback is foreseen. Mr. Hope will be attending the August board meeting. Mr. Hope **[[#146]]**s estimate for completion of construction is November of December of this year.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported. A discussion ensued regarding Health Care Services (mail service prescription drug program) offered for directors and employees through NRECA.

NOMINATING COMMITTEE:

Joanne Dalton, Chairperson, gave the Nominating Committee report. (EXHIBIT) Four nominations were presented to the board: S.J. Smith, Mary Wright, Larry Bradshaw and Orlin Kidner. IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE NOMINATING COMMITTEE **[[#146]]**S REPORT.

A number of applications were received for the Manager of Member Services position. Dan reported. Following careful consideration, it was decided to "empower" Don McDonald and Tommi Reynolds,

Member Services Representatives, to co-manage the department instead of hiring a manager for the department. This restructuring will be studied until a decision is made to keep both of them as co-managers, promote one over the other, or hire someone to manage that department. This follows the reorganization plan for WREC, reaching for optimum efficiency within our organization. A discussion ensued.

MANAGER[[#146]]S REPORT:

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

A Legislative Update page will be added to WREC[[#146]]s issues of the Ruralite Magazine. Regional, state and federal legislation and issues affecting electric cooperatives will be addressed. Listed at the bottom of the page will be legislator addresses and phone numbers.

Nevada Rural Electric Association is sponsoring a workshop on economic development during their Annual Meeting program November 3-5 to be held in Mesquite, Nevada. This course is offered through NRECA at all regional meetings with the exception of Region IX.

Rick Steber and Mary Branscomb has been contacted concerning the writing of WREC[[#146]]s history. Several people have pledged their help in compiling information. (Robert Harris came in at this time.)

Sierra Pacific Power Company and Washington Water Power are merging into Resources West Energy Corporation. This will create more competition for Bonneville Power Administration in our area. Washington Water Power has hydro resources that will allow Sierra Pacific access. A discussion ensued on the importance of communicating to our members the advantages of cooperative ownership and the continuance of quality service.

The Director[[#146]]s Update seminars are scheduled at Bally[[#146]]s in Las Vegas on September 13-15, at the Radisson in Minneapolis November 15-17, and at Opryland Hotel in Nashville December 12-14.

The keynote speaker for the Annual Meeting is McAvoy Lane impersonating Mark Twain. The Annual Meeting will be held Saturday, September 17.

The Consolidated Agreement with Newmont is underway. The final draft has been proposed, with a few changes in language and one concession that the prevailing party would not suffer any court costs in litigation with Bonneville Power. Bob Vaughan has reviewed the contract and will attend the August board meeting.

The Elko County Commissions approved the Wells Justice Court leasing space in the Wells Professional Center building. Ads will be sent out on the two remaining office spaces available for lease. Lettering for the Wells Professional Center building was discussed. There was no objection to Dan making the decision on the lettering.

We have been contacted and asked to serve a customer in Pine Valley. The consumer is in our service territory, but near Sierra Pacific[[#146]]s line. Sierra is very willing to work with us. We are reviewing the situation on how to serve those needs. Sierra will be serving the people in Beowawe that contacted us for service. A letter from Sierra stating they will serve their needs has been sent on to REA Administrator Wally Beyer.

IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO ASK THE PEOPLE SERVING ON THE NOMINATING COMMITTEE TO

SERVE ON THE ELECTION COMMITTEE: JOANNE DALTON, MARIE JOHNSTON, BESSIE WINCHELL AND MARLENE BROUGH.

The Account Manager Team has been working with Newmont concerning the installation of a waste heat generator. They have plans to meet with over sixty commercial accounts to discuss available programs through WREC and introduce them to the Account Manager Team strategy.

Three donation requests were received: Leafé Eriksen of Wells asked for support of expenses to attend the Miss Teen USA pageant scheduled August 6 in Rock Island, Illinois. (Daryl Eriksen left the board room for this discussion.) Following a discussion, IT WAS ON MOTION BY JERRY ANDERSON, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO DONATE \$150.00 TO MISS ERIKSEN.

The Wells Utility Golf Tournament committee asked for support. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE DONATING A METER LAMP TO THE WELLS UTILITY GOLF TOURNAMENT.

Will Johnson of Carlin has requested a donation for the new medical facility in Carlin. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO DONATE \$1000.00 TO THE CARLIN MEDICAL FACILITY.

BUREAU OF LAND MANAGEMENT:

Bob Marchio and Bill Baker of the Bureau of Land Management addressed the board, asking them to reconsider relocating one and a half miles WREC[[#146]]s single phase overhead power line to enhance their Marys River wildlife habitat viewing area. (In April 1993 a letter was received from the BLM requesting the donation of the line relocation.) The approximate cost of moving the line is \$15,000.00. Mr. Baker explained their plans for the area. Mr. Marchio stated, "I am a realty specialist under Bill in the Wells Rural resource area and my job is to run the rights-of-way grants for your power lines and whatnot. We have had a pretty good relationship with WREC over years and it seems to me that our best bet is to maintain a stable business relationship from here on in. That we want to be at the point where, you know what to expect from us and we know what to expect from you has worked real well in the past and I hope to see that continue. The national deficit is proposed to come in at \$220 billion again this year. That[[#146]]s a \$2.31 from each and every person in the nation per day, which is about 10 cents an hour. Your contribution probably isn't going to affect the United States in any way, really. You know, it[[#146]]s kind of an aesthetic thing. It[[#146]]s just how we work together in our local community to make things happen. In our business, we can pretty much do our jobs and just enforce the regulations and not worry too much about what we are doing. We can just kind of go down the line and do what[[#146]]s expected of us. And that gets old. Another power line, another road, after awhile it kind of all becomes the same action. It[[#146]]s not a whole lot of learning that occurs when once you[[#146]]ve done my job for awhile, it becomes pretty routine. But, it[[#146]]s actions like the Marys River, where we are trying to do a project, trying to do some good for the local community that is interesting to us. That[[#146]]s where we[[#146]]re at. We live here too. We are trying to improve Elko. It is something that we could use a little support on. It seems to me that we could all work together or we can just kind of hide behind our jobs. It seems to me that it is good for the community to encourage a more holistic approach to solve their problems. I don't expect that, whether you approve or disapprove our request, that that will really have much affect on business relationship. We got a good one and it[[#146]]s going to continue, but it just, it helps us to do something that[[#146]]s good rather than the same. That[[#146]]s all I wanted to say is we like the support interesting where it has a benefit to the people, and this is the only way we can do it. We[[#146]]ve got limited budgets. We can only do so much, but we try to pick and choose the things that are important and Marys River was an acquisition of 47,000

acres. It was large program, it[[#146]]s probably the biggest thing that the BLM has done in the Elko history, so far, and we are going to make a run at going the rest of the way to set up something that[[#146]]s of value. Something to compete with Lamoille Canyon, something on the other end of the range land, end of things."

Mr. Dalton told them that the board of directors of Wells Rural Electric has always shown a very definite interest I projects and that the board has to take a look at our membership and do what[[#146]]s in their best interest as well. Mr. Dalton stated that the board appreciates the working relationship with the BLM and the staff and board has always tried, in every way, to work in a manner to take care of both parties and intends to continue to do so. It was stated that the BLM was not in a big hurry for this project. It was decided to wait and to look into this project further.

NEVADA COOPERATIVE CREDIT UNION:

There was not an update at this time as the NCCU board is following this meeting.

BOARD COMMITTEE REPORTS:

Financial Advisory Committee is scheduled to meet July 21 at 9:00 a.m.

Jerry Anderson reported on his attendance to the board 1002.2 and 1003.2 courses.

Jerry Parkin reported on his attendance to the board 2000.3 course.

Daryl Eriksen reported on his attendance to the NWPPA Annual Meeting.

POWER SUPPLY REPORT:

A new system peak of 67.41 was reached.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

Clay gave an update on the Co-op Coalition[[#146]]s position. The coalition is dealing mostly with low density discount. It is felt that the low density discount was placed into law to help rural cooperatives to compete with investor owned utilities. Three principles were addressed: leave low density discount alone until the 1995 rate case; leave the methodology alone; get BPA to look at the changes as being cumulative to cooperatives not competitive. Still do not have a BPA stand as to tiered rates and unbundling of services, etc.

SAFETY MINUTES:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES. A discussion ensued on work safety rules and regulations.

ELECTRICIAN REPORT:

A handout of the May 1994 revenue and expenses was given to the board. Warren reported that a margin of \$2,500.00 was made in May with a projected similar margin for June. Frank Arcobello, journeyman electrician, was hired on a temporary basis to ascertain how two electricians will affect the margins of this department.

OUTAGE REPORT:

The outage in Wendover was due to high winds affecting the Raft River system.

NREA YOUTH ENERGY SEMINAR:

Dan reported on the Nevada Rural Electric Association Youth Energy Seminar held at Boreal Ridge June 22-24. The ten year reunion was well attended. Students from both seminars (NREA & UREA) will attend the August board meeting.

Ned Wilson has retired as manager of Utah Rural Electric Association. A discussion ensued.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE 41 NEW MEMBERSHIPS: 5-WELLS, NV; 18-CARLIN, NV; 9-WENDOVER, NV; AND 9-WENDOVER, UT.

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

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