

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****AUGUST 19, 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 August 19, 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, Lois Nannini, Jerry Parkin, Vernon Scott, S.J. Smith, and Mary A. Wright.

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 July 15, 1994 will stand approved as written.

ADDITIONS TO THE AGENDA:

There were no additions to the agenda. It was noted that Mr. Bob Hope, architect, Youth Energy Seminar students, and Mr. Bob Vaughan, attorney, will be addressing the board.

WENDOVER LAND:

The Executive Secretary of the Utah Solid and Hazardous Waste Control Board upheld the appointed presiding officer[[#146]]s recommendation in our hearing: the action be dismissed without prejudice. The proceedings have been dropped. Dan reported.

Mr. Bob Hope, architect, brought copies of the preliminary construction plans, which REA has approved. He addressed building materials, time of construction, heating, landscaping, and cost estimates. Bill Petty of Petty and Associates is still working on the mechanical plans. As soon as the mechanical plans are completed the electrical plans will be drawn. The estimated completion time of the mechanical and electrical plans is about two weeks. Following a through discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE PLANS AND SEND OUT FOR CONSTRUCTION BIDS.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported.

MANAGER[[#146]]S REPORT:

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

Pacific Northwest Generating Cooperative[[#146]]s, PNGC, strategic planning efforts were discussed. At

this time, we are not going to get involved with their planning efforts.

Dan and clay met with Walt Pollack of Bonneville Power Administration to discuss tiered rates, defining tier 2 options, pooling and WREC[[#146]]s tier 1 allocation. Dan reported on our objections to tier 2 and our proposal to BPA regarding our power needs.

Clay reported on the stance the Co-op Coalition is taking regarding tiered rates, low density discount, and unbundling of services. Also addressed was WREC[[#146]]s responding to BPA[[#146]]s business plan. Clay was commended for the excellent job he has done on behalf of WREC and the Co-op Coalition.

Dan reported on the status of the Consolidated Agreement negotiations. A meeting was held last week with John Turkenberg and Paul Hovan of Newmont. It was an excellent negotiation session. Issues such as minimums and termination were settled and we are still negotiating in the assurance areas for default, as well as continuity of service issues.

Cost estimates for the WREC history were received from Rick Steber. Thelma Dahl has agreed to work with him in compiling the history. The cost estimates are \$6.83 per copy for 2500 copies or \$5.74 per copy for 4000 copies. The prices include the books, 5[[#189]] X 8[[#189]] inches, 48 or 64 pages (same price either way), research done by Thelma Dahl and Rick Steber, writing, layout and design, and delivery of the finished product. Following a discussion, IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY JERRY PARKIN AND UNANIMOUSLY APPROVED TO ACCEPT RICK STEBER[[#146]]S PROPOSAL AND PURCHASE 4000 COPIES OF THE COMPLETED HISTORY.

Gerald Anderson, Vernon Scott and Mary Wright will receive their director[[#146]]s certificate during the Region IX Meeting. Lonnie Abbott and Lynn Brodsho will be receiving their supervisory[[#146]]s certificate.

The letter sent to Senator Dina Titus from Dan on behalf of the Nevada Rural Electric Association and WREC was reviewed. Addressed was procurement of renewable energy resources and integrated resources planning. It was pointed out that Nevada cooperatives already participate in resource planning and conservation activities through their wholesale power suppliers. A response was received from Senator Titus[[#146]]s office. Rural cooperatives will be excluded from this legislation.

Meetings with Joel McMannis of NRECA and the two water districts in Wendover, Nevada and Utah and the communities of Wells and Carlin will be scheduled in October to discuss possible water and waste water needs.

David Nolan, project director of the National Cooperative Bank was contacted regarding their "Coming Home" program for the elderly. Meetings will be scheduled sometime between mid-August to mid-September to discuss the three communities and rural area needs.

NREA[[#146]]s Annual Meeting is scheduled for November 2-4 in Mesquite, Nevada. The course, "New Policy Makers Guide to New Technical Issues," will be offered.

Warren went to Carson City to represent WREC during a meeting on retail wheeling. Nevada Power and SPPCO were calling for a very cautious approach to retail wheeling. The PSC recommended going slowly and watching California and Michigan, who have retail wheeling laws, to see how it goes.

Four donation requests were received:

Nevada Cattlewomen to support their conference in Winnemucca. Following a discussion, IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY MARY WRIGHT AND PASSED

UNANIMOUSLY TO APPROVE A \$50.00 DONATION.

Nevada Land Action Association requested a \$50.00 donation for base membership dues. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE A \$50.00 DONATION.

A request was received from Lawson Swett of Wendover asking for a \$350.00 donation for the electrical work on the scoreboard for the baseball field. Following a discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE \$350.00 DONATION.

Requests were received from Teche Electric Cooperative asking for support in the fight of a hostile takeover. Also a request was received from the Georgia Relief Fund asking for support to help the flood victims of Georgia area. Following a discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO RECEIVE THESE REQUESTS AS INFORMATION.

The ballot for director elections was handed out for review and approval. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE BALLOTS AND BIOGRAPHIES. It was noted that the biography written in Spanish on S.J. Smith had an error on the year he came to Wells.

It was requested that the September board meeting be held at Marys River Ranch north of Deeth. Along the way is the land exchange the BLM has been involved in. They are asking for the relocation of our power line. Following a discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE SEPTEMBER 17 BOARD MEETING BE HELD AT MARYS RIVER RANCH.

Voting delegates for NRECA and CFC to represent WREC at the Region IX Meeting and the NRECA Annual Meeting were selected. The NRECA voting delegate selected was Vernon Scott with Gerald Anderson serving as alternate. The CFC voting delegate selected was Robert Harris with Ferris Brough serving as alternate.

IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE VERNON DALTON PURCHASING A 4H BEEF DURING THE ELKO COUNTY FAIR.

NEVADA COOPERATIVE CREDIT UNION:

Vernon Dalton reported on auditor [146]'s report. A discussion ensued regarding a letter of agreement between the credit union and Wells Rural Electric. The credit union is asking for an agreement of up to \$5,800.00 a month for two years to cover expenses. The amount will be paid back to WREC with interest. The credit union board does not anticipate the entire monthly amount of \$5,800.00 for the two year term. They believe it will decrease over the twenty-four month period. Following a thorough and lengthy discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE LETTER AGREEMENT IN THE AMOUNT NOT TO EXCEED \$5,800.00 PER MONTH FOR TWO YEARS. Vernon Dalton, Daryl Eriksen, Lois Nannini and S.J. Smith abstained from voting.

BOARD COMMITTEE REPORTS:

The Financial Advisory Committee scheduled a meeting for Wednesday, September 14, at 9:00 a.m.

They also scheduled a meeting for Tuesday, October 4, at 9:00 a.m.

YOUTH ENERGY SEMINARS:

Students attending the Nevada Rural Electric Association and Utah Rural Electric Association youth camps gave reports. They were: Beau McDonald (NREA), picked to return as a counselor; Jami Lundy (UREA); Sara Bush (UREA) returned as a director; Mandy Lundy (NREA); and Erin Neff (will return as a director).

POWER SUPPLY REPORT:

A new system peak of 67.57 MW was reached.

COLLECTION AND ACCOUNT AGING REPORT:

Clay reported the impact of cycle billing on the graph.

SAFETY MINUTES:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES.

ENGINEERING/OPERATIONS REPORT:

The curb and gutter project around the Carlin office was discussed. Work will proceed as planned.

DESIGN & CONSTRUCTION REPORT:

Warren gave a break down of money saved by using WREC crews as opposed to hiring contractors.

ELECTRICIAN REPORT:

Warren reported on expenses and income for the month of June. A complete break down will be given each month.

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

MEMBER SERVICES REPORT:

The Annual Meeting is scheduled for September 17. Preparations are progressing well. MacAvoy Lane as Mark Twain is the key note speaker.

The Account Manager Strategy program is working well. Several customers have been contacted.

ROBERT O. VAUGHAN:

The Utah Public Service Commission suggested President Dalton sign a petition of application for our CFC line of credit. Following a discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE APPLICATION AND AGREEMENT FOR THE LINE OF CREDIT AND FOR APPLICATION TO THE UTAH PUBLIC SERVICE COMMISSION FOR APPROVAL, IF NECESSARY.

A discussion ensued regarding the Nevada Cooperative Credit Union and WREC[**146**]'s involvement

through loans, board members, etc. Mr. Vaughan[[#146]]s opinion is not to make the two businesses one entity or a subsidiary. It was asked if a "contribution" of WREC staff time to the credit union would pose a problem. Mr. Vaughan stated that anyone could contribute to a non-profit organization.

Mr. Vaughan stated that he felt WREC acquired the best representation we could, through Mr. Robert Hill, on the Wendover land environmental issues. Mr. Hill obtained WREC[[#146]]s dismissal and the time for appeal is long past. Reviewed was Mr. Hill[[#146]]s letter on May 3, 1994.

Mr. Vaughan gave an update on the WPPSS suit.

The Next Dollar Foundation was discussed. Names and addresses for eleven directors to serve on the Foundation board are needed: two from Wendover, Nevada; two from Wendover, Utah; two from Wells; two from Carlin; and two from the rural areas, with one director at large. The Foundation board will be appointed by the WREC board of directors. A packet containing the draft Articles, draft Bylaws, draft proposed policies; memo dated July 8 from Mr. Vaughan, and a letter dated June 14 from Mr. Vaughan will be sent out to all directors with the minutes.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE 56 NEW MEMBERSHIPS: 11-WENDOVER, UT; 20-WENDOVER, NV; 18-CARLIN, NV; AND 7-WELLS, NV.

Mr. Dalton wished all incumbent directors well with the upcoming election.

As there was no further business to come before the board, the meeting adjourned at 2:35 p.m.

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