

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****January 20, 1995**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wells, Nevada in the boardroom of the Wells office and called to order January 20, 1995 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, Ferris T. Brough, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Orlin Kidner, Lois Nannini, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright.

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

APPROVAL OF MINUTES:

The minutes of the regular meeting of December 16, 1994 will stand approved as written.

AGENDA ADDITIONS:

It was noted that NENDA is scheduled for 11:30 am.

WENDOVER LAND:

The paperwork, Deed and Sale Contract, have been signed with Mr. Richard Dixon and filed with the County of Tooele, Utah. Mr. Dixon bought the Wendover, Utah property for \$100,000.00 down and \$50,000.00 to be paid in annual installments of \$10,000.00 for five years. The total sale of the property is \$150,000.00.

A letter was received from Stateline[[#146]]s Assistant General manager, Steve Perry requesting the return of their share, \$3,250.00, for the environmental study completed on the Wendover, Utah property. Dan reported. It is our attorneys opinion that WREC is not obligated to pay their portion back. Following a discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ROBERT HARRIS AND PASSED WITH EIGHT FOR AND ONE AGAINST (FERRIS BROUGH) TO DECLINE THEIR REQUEST OF RETURNING THEIR SHARE FOR \$3,250.00. Mr. Brough voted against due to possible public relations concerns. A letter will be sent to Mr. Perry outlining the reasoning for this decision.

Sire preparation bids were opened January 17. The low bid was from Sheldons from Wendover in the amounts of \$15,128.00 or \$12,505.00 if they can keep the fill dirt. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE \$12,505.00 PROPOSAL.

Mr. Dixon has offered a portion of the Wendover, Utah property rent free, for pole storage, etc. until our facilities are completed in Wendover, Nevada.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported. Discussed were the good comments received on sending out Christmas cards. The Endangered Species Coalition, started by Mr. Bob Bergland former NRECA General manager. He and Mr. Vernon Dalton were commended for their excellent and effective work with this Coalition.

A discussion was held regarding the appointment of the vacant seat on the WREC board. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE S.J. SMITH. It was noted that Mr. Smith was a certified director.

MANAGER[[#146]]S REPORT:

Dan briefly touched on CFC Briefs (with Economic Update), NRECA Briefs (with Legislative Update), RE Briefs and CoBank Briefs stated in the agenda. CFC interest rates, investments made, and interest earned were reported. The Member Services department was commended on the efforts made to get legislative issues out to our consumers through the Ruralite Magazine and member newsletters.

It was noted that BPA raised their rates in October 1993. They are looking to raise rates again in October 1995. A discussion ensued.

Vernon Dalton is a candidate for the NRECA board office of Secretary/Treasurer.

Robert Vaughan, attorney, sent out letters to the board with the Next Dollar Foundation[[#146]]s Articles of Incorporation and Bylaws attached. After review and discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO AMEND ARTICLE 14, ON PAGE 7, 1ST PARAGRAPH, TO REQUIRE A 2/3 VOTE, INSTEAD OF A SIMPLE MAJORITY, TO AMEND THE ARTICLES OF INCORPORATION.

IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO AMEND THE BYLAWS BY REQUIRING ALL DEPOSITS BE MADE TO THE NEVADA COOPERATIVE CREDIT UNION.

IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO AMEND THE BYLAWS, ARTICLE 9 ON PAGE 11, BY REQUIRING A 2/3 VOTE, INSTEAD OF A SIMPLE MAJORITY, TO AMEND THE BYLAWS.

The following names were recommended for appointment to the Next Dollar Foundation[[#146]]s board of trustees:

DISTRICT I (WELLS): Terry Lundy and Dan Kessler, with Elaine Swanson as alternate. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE NOMINATIONS.

DISTRICT II (CARLIN): Beth Brown and Howard Wright, with Ellen Meshefski as alternate. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE NOMINATIONS.

DISTRICT III (WEST WENDOVER): Viola Trojan and Bert Charboneau, with Dianne Parkin as alternate. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE NOMINATIONS.

DISTRICT IV (EAST WENDOVER): Marie Johnston and Bruce Knowlton, with Glenn Wadsworth as alternate. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY MARY WRIGHT AND

PASSED UNANIMOUSLY TO APPROVE THE ABOVE NOMINATIONS.

DISTRICT V (AT LARGE): Joanne Dalton and Audrey Spratling. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE NOMINATIONS.

DISTRICT VI (AT LARGE): Clay Fitch. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE NOMINATION.

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE, AS AMENDED, THE ARTICLES OF INCORPORATION AND BYLAWS FOR THE NEXT DOLLAR FOUNDATION.

NRTC requires a voting delegate and alternate for their Annual Meeting held during the NRECA Annual Meeting. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE S.J. SMITH AS VOTING DELEGATE, WITH DAN KESSLER AS ALTERNATE.

Dan reported on the Wood Quality Control Committee and his involvement.

Nevada Rural Electric Association[[#146]]s stand on retail wheeling was reported by Dan. They are requesting an interim study be accomplished before the state of Nevada adopts any legislation on retail wheeling. Dan also reported on NREA[[#146]]s support of legislation: A split of the southern Nevada utilities from the Colorado River Commission board because the board has been dominated by water interests rather than utility interest by amending the law which has the southern cooperatives taking their power from the Colorado River Commission.

Two Scope of Work proposals from Rob Church of NRECA was given to the board for review and consideration. Dan reported. The two proposals are Water/Wastewater and Propane Supply. Our consultant Don Angell has also reviewed these proposals. A thorough and lengthy discussion ensued. (EXHIBITS) Following a thorough discussion, IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY LOIS NANNINI AND UNANIMOUSLY APPROVED THE WATER/WASTEWATER SCOPE OF WORK PROPOSAL FOR \$36,150.00. There were no objections to Dan looking further into the propane supply possibility.

Dan reported on a draft of the revised Wage & Salary Plan. A handout was given to the board for review and discussion. The final Wage & Salary Plan will be brought before the board for consideration.

Ernst & Young of Salt Lake City, our financial auditors, has requested a fee increase of 10.7%, with a not to exceed figure of \$18,500.00. Dan reported. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE FEE INCREASE AND THAT IT BE PUT OUT TO BID FOR NEXT YEAR[[#146]]S AUDIT.

A meeting is scheduled with Larry King, Account Executive for BPA to discuss the possibility of a Special Provision contract which could exempt WREC from BPA[[#146]]s rate case. Dan reported.

The Consolidated Agreement with Newmont Gold Mining Company has been signed. Dan reported on the "Letter of Credit" negotiations.

A donation request was received from Angela Fuentes asking for support for her participation in the Miss Junior Nevada Pageant. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS,

SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE A \$100.00 DONATION. Also reported was a donation request received from the Wells Chariot Club to support their annual invitational. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE A \$200.00 DONATION.

NENDA:

Debbie Smith, Executive Director; Ursela Slindlinger, Community Development Specialists; Don McDonald, board member; Yvonne Stuart, board member; and Lee Woolsey, board member were present to hand out their brochures, explain where NENDA is going in advertising, planning, etc. Dan commended Debbie on an excellent presentation. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE \$3,000.00 MEMBERSHIP FEE.

NEVADA COOPERATIVE CREDIT UNION:

Vernon Dalton reported. There are about 76 members signed up in Wendover. Their meetings went well and were well supported. The Carlin office is scheduled to open on February 13, 1995. The Member Services department was commended for the excellent work done in promoting, advertising, etc. of the credit union.

BOARD COMMITTEE REPORTS:

Warren reported on the two GPA items the board requested. At this time, no purchase will be made.

POWER SUPPLY REPORTS:

A new system peak of 83.03 megawatts was reached.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

A discussion of tier and ratio was held.

SAFETY MINUTES:

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

ENGINEERING/OPERATIONS REPORT:

Warren reported on the line extension request for the UNR Gund Ranch. A sample line extension contract was sent to them.

ELECTRICIAN REPORT:

Warren reported on the status of the Electrician department. A discussion ensued regarding our electricians bidding the electrical work for the Wendover office building.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 52 NEW MEMBERSHIPS: 13-WELLS, 16-CARLIN, 12-

WENDOVER, NV AND 11[[#150]]WENDOVER, UT.

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

D. Vernon Dalton, President Lois Nannini, Secretary

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