

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****December 15, 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 December 15, 1995 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, S. J. Smith, Vernon Scott 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 was Diane Griswold, Executive Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of November 17, 1995 will stand approved as written.

ADDITIONS TO THE AGENDA:

Dave Piper, General Manger; Paul Vickery, Senior Economist; and pat Reiton, Director of Government Relations of the Pacific Northwest Generating Cooperative are scheduled to give a presentation at 9:15 am. Larry King, Account Executive of BPA will also be giving a presentation. Don Angell, Engineering Consultant will give a recap of the PNGC/BPA presentations.

PACIFIC NORTHWEST GENERATING COOPERATIVE:

Dave Piper, General Manger, began the presentation with a handout. Mr. Piper addressed the new "pooling" organization and what it plans to offer its customers and how and why it came about. Pat Reiton, Director of Governmental Relations, addressed the legislative issues such as fish & wildlife costs, BPA refinancing their debt, and the need to operate politically. Paul Vickery, Senior Economist, discussed their proposed 1996 budget as well as the economics of meeting customers[[#146]] needs. Mr. Piper followed up with a summary of the presentation and asked for our involvement in the new organization by becoming full members.

Several financial and Member Services reports were brought before the board. The retirement of capital credits in the amount of \$455,634.00 was brought before the board for consideration. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE REFUND OF CAPITAL CREDITS IN THE AMOUNT OF \$455,634.00.

Clay gave a report of the SIIS modification rate and class codes. A handout was given to the board. It was the consensus of the board for staff to look further into the possibility for becoming self-insured and any other avenues possible for workers[[#146]] compensation insurance. A more in-depth report will be completed.

The Wage & Salary Plan[[#146]]s updated tables were presented for consideration. The clerical table

increases 3.6% with the managerial/technical increasing 3.9%. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE WAGE & SALARY INCREASE.

Clay gave the annual Member Services Report addressing the Account Managers program, ACRE, Annual Meeting, ITP-the draft plan, and WREC history, as well as other programs they are involved with.

Dan and Clay reported on the proposed updated panel survey and a commercial and industrial survey. Questionnaires would be reviewed more thoroughly by each board member and sent back to staff with comments as soon as possible. Following a lengthy discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE COMPLETING BOTH SURVEYS IN THE AMOUNT OF \$12,900.00.

The 1995 write-off list of bad debt was given to the board for review. Clay reported. A thorough discussion ensued. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE WRITE-OFF LIST OF \$23,088.28.

BONNEVILLE POWER ADMINISTRATION:

Larry King, Account Executive, addressed BPA[**146**]'s full-requirement and partial-requirement for members, our existing Power Sales Contract, proposed new contracts and stated that BPA would work with us to identify our needs, present & future. A thorough discussion ensued.

STUDIES UPDATE (PRESENT/FUTURE):

The cost of service request for proposal was discussed. Five firms have been thoroughly researched for their abilities to complete our cost of service study. A request for proposal will be sent to each firm for their bid.

MANAGER[**146**]'S REPORT:

A discussion was held on the move by Eureka County Commissions to secede from Mt. Wheeler Power, Inc. and form a municipal power utility. Dan reported. Mr. Wheeler will fight the secession. Nevada Rural Electric Association members want to keep cooperative power serving this area.

Investments made and interests earned were reviewed.

The Wendover office building is progressing well. The expected move date is January 9, 1996. The grand opening was discussed. It was decided to wait until the spring to schedule it. The January board meeting is scheduled there on January 17 at 1:00 pm.

The policy for take-over/sell-out prevention will be presented during the January board meeting. Dan reported.

A letter was received from Glenn English, CEO for NRECA, regarding a 10% refund of the donation funds used in fighting the sale of PMA[**146**]'s. Dan reported. The sale of PMA[**146**]'s failed this time, but will be brought before Congress again. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO LEAVE THE REFUND AMOUNT WITH NRECA TO BE USED IN THE FUTURE.

A fax received from Bob Vaughan regarding a resolution for board consideration was read. RESOLVED,

that application be made to the Nevada Public Service Commission to obtain the right to serve the area of the University of Nevada Ranch in Eureka County, Nevada, and that the officers of the company are authorized to approve and execute the application. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE RESOLUTION.

A meeting was held with representatives of Rubber Recycling, Inc. (formerly Tire Oil). Dan reported. They are looking for backing to bring this company to Wells. The request was received as information.

POWER SUPPLY:

Warren reported on the UNR/McNabb project.

The amendment to the Jiggs/Lee 1983 agreement was discussed.

Warren presented the 1996 Engineering and Operations budget. A discussion was held. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO APPROVE THE \$19, 118.12 CAPITAL BUDGET PRESENTED.

Don Angell, Engineering consultant, gave his analysis of the presentations given by PNGC and BPA. A thorough and lengthy discussion ensued.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 63 NEW MEMBERSHIPS: 7-WELLS, 19-CARLIN, 22-WENDOVER, NV AND 15[[#150]]WENDOVER, UT.

OTHER BUSINESS:

Vernon Dalton reported on the proposed merger. The obstacles facing the merger were discussed.

The following board members requested permission to attend the Directors Conference in February: Lois Nannini, Jerry Anderson, Vernon Dalton, Jerry Parkin, Orlin Kidner and S. J. Smith. There were no objections.

As there was no further business to come before the board, the meeting adjourned at 4:00 pm.

D. Vernon Dalton, President Mary A. Wright, Secretary

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