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**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY**

June 27, 1997

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 Friday, June 27, 1997 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, and Mary Wright. Gerald Anderson, Robert Harris and S. J. Smith were not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager of Finance/Administration; and Jim Su[[#146]]euga, Manager of Customer Services. Also present was Amanda Bourne, Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of May 16, 1997 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

EXECUTIVE SESSION:

An executive session was called. Following the session, President Dalton stated he will complete a report on the Grassroots Program and mail it out to the board before the next meeting.

MANAGER[[#146]]S REPORT:

The Bonneville Power Administration Network Transmission (NT) contract was brought before the board for consideration and signature. Also brought before the board was Amendatory Agreement 9 to the Power Sales Agreement. Don Angell reported. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE NT CONTRACT AND THE AMENDATORY AGREEMENT 9 TO THE POWER SALES CONTRACT AS PRESENTED.

A handout from Mr. Carl Buskuhl of BPA was given to the board. Dan and Don reported. BPA[[#146]]s pre-subscription and the futures market is tied together. IT was asked of the board to consent to Mr. Buskuhl giving a presentation on electrical futures, how the futures market works and how it can affect Wells Rural. A presentation has been scheduled for July 8, 1997 at 8:30 am (about 3 [[#189]] hours). The board members were invited to attend.

Election Committee members need to be selected for the September board election. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE ASKING THE NOMINATING COMMITTEE MEMBERS (ELAINE SWANSON, MARLENE BROUGH, CHERIE AIAZZI, AND MARIE JOHNSTON) TO SERVE ON THE

ELECTION COMMITTEE.

Robert (Bob) Thornal, mechanic is retiring November 30th. Seven applications were received for that position. Interviews are being conducted by Warren Linnell and Mike Cromie. The hired applicant will work with Bob for about five months before he retires.

The Customer Service Specialist position was filled in-house. Thad Ballard will assume his new duties on July 14th. This opens the Purchasing Agent position. It will also be listed in-house first.

Tommi Reynolds and Don Angell reported on the pilot turtle metering program. A handout was given to the board. Addressed was an overview of the pilot program, the history (four phases), current situation with cost breakdowns, and future plans. Phase I has been completed. It was recommended the board approve moving Phase II, which is to install turtle meters and receivers to serve the entire Jiggs/Lee system for under \$45,000.00. Total cost savings of meter readings and benefits are \$43.00 per meter per year for a total benefit of \$12,685.00. The pay-back for the Jiggs/Lee system is less than 3.5 years. Following a thorough discussion, IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO PROCEED WITH PHASE II.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE 58 NEW MEMBERSHIPS: 9 - WELLS, NV; 14 - CARLIN, NV; 19 - WENDOVER, NV; AND 16 - WENDOVER, UT.

The following informational items were brought to the boards attention.

Studies Update:

The Strategic Plan is ongoing. Staff and board will meet in August to revise and evaluate the new format.

The Integrated Resource Plan is also ongoing.

Manager[[#146]]s Report:

The Nominating Committee will meet on July 11, 1997 to approve all nominations received.

A memo from Don Angell regarding Citizens Utility telephone rates between Elko and Wells was discussed. A proposed letter to the Public Service Commission supporting the filed tariff was also discussed and any comments the board would like to make regarding this issue needs to be sent before July 29th. (EXHIBIT)

A discussion was heard on the Senate Finance Committee[[#146]]s Amendment to SB8515. Vernon Dalton reported. The bill stated that cooperatives must have 85% of their revenue come from electrical sales to consumers. The proposed amendment would drop the 85% stipulation. Senator Bryan was supportive of the amendment. None of the amendments presented were passed.

ACRE memberships are due.

WREC is hosting NREA[[#146](#)]'s Annual Meeting this year. The meeting is scheduled for Wednesday, July 23rd (golf); Thursday, July 24th at 9:00 am is the Retail Wheeling Forum, with cocktails (5:00pm) and barbecue following at 6:00pm. The ACRE Auction will follow dinner. Friday morning (7:00 to 8:30) is the ACRE breakfast at the 4-Way. The Retail Wheeling Forum continues from 9:00 to 10:45 am. The Business Session begins at 11:00am and will end about 2:00pm. A resolution appointing a voting delegate to elect the Nevada delegate to NRECA board needs to be signed. IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPOINT DAN KESSLER AS THE DELEGATE AND APPROVE THE RESOLUTION.

Dan is attending the Nevada Legislative session to discuss the markup of AB366 Public Service Commission bill with NREA[[#146](#)]'s legislative attorney Jim Wadhams. Dan reported.

Power Supply:

Don Angell gave an update on power supply issues. Newmont is requesting an additional 20 MW[[#146](#)]s to serve a bio-leach project and to relocate their tailings. A letter was sent to BPA requesting an additional 20 MW transfer into the Maggie Creek delivery point. Newmont wants to become a transmission receiver not a user. This does not necessitate a contractual change at this time. A thorough discussion ensued.

WREC is utilizing the 69 kV line to transfer 4 MW of power from Wells to Wendover. The reasoning behind this is to get the operating people used to the additional load. It has been working very well. This will help us in the short term with high voltage.

Other Business:

Mary reported on giving the scholarship recipient Quinton Neff a certificate during the Spring Creek graduation ceremony.

As there was no further business to come before the board, the meeting adjourned at 10:55 am.

D. Vernon Dalton, President Lois Nannini, Secretary/Treasurer

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