

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****April 20, 2001**

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, April 20, 2001 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Jerry Parkin, Paul Neff, Vernon Scott, Howard Wright and Mary A. Wright. Robert Harris was absent.

Staff members present were Clay R. Fitch, Chief Executive Officer. Also present was Amanda Moffitt, Executive Secretary. Robert Cobb of Bolinger, Segars, Gilbert And Moss, LLP., Jeff Cromie, Coordinator of Information Systems, and Don Angell, Consultant gave presentations.

ACTION ITEMS:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of March 19, 2001 were approved as written.

ADDITIONS TO AGENDA:

There were no objections to add the following:

- Lorinda Wines 100th birthday
- WREC/BPA Lease Agreement
- Conservation and Renewable Discount Program
- Wind Generation

SAFETY FIRST VERSE:

Frost, ice and snow on steps, walkways etc. increase the chances of falling **[[#150]]** be careful!

President Dalton reported on retired director, Lorinda Wines 100th birthday party. He reported presenting her with a crystal lamp, on behalf of Wells Rural Electric. There were no objections to reimburse President Dalton \$70.00 for the lamp. Mary Wright also reported.

ACTION ITEM REPORT:

Request for Technology Infrastructure Upgrade **[[#150]]** Jeff Cromie, Coordinator of Information Systems and Clay discussed the advantages/need for an infrastructure upgrade. Jeff explained the upgrade would consist of installing three T1 **[[#146]]**s (one in each office), which would provide uninterrupted service between offices, via the internet. Following a discussion, the board requested additional information on the projected savings of the upgrade.

Auditors Report **[[#150]]** Robert Cobb of Bolinger, Segars, Gilbert and Moss, LLP. was present to report on the 2000 audit and to answer questions. Following a thorough review and discussion, IT WAS ON

MOTION BY PAUL NEFF, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE 2000 AUDIT AS PRESENTED.

Satellite Internet **[[#150]]** Information was presented to the board describing the economics for Wells Rural to provide its members with satellite internet systems. The board reviewed 5 possible Term Option Plans, which could be offered to potential members. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN AND SECONDED BY MARY WRIGHT TO ACCEPT THE CONTRACT WITH NRTC TO BEGIN SELLING SATELLITE SYSTEMS AND OFFERING THE CUSTOMER THEIR CHOICE OF TERM OPTIONS.

Following further discussion, Daryl Eriksen withdrew the previous motion. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE ACCEPTING THE CONTRACT WITH NATIONAL RURAL TC TO SELL SATELLITE DISH SYSTEMS WITH THE TERM OPTION OF 13 MONTHS OR 24 MONTHS.

A lunch recess was called at 12:30 pm. The meeting was called back to order at 1:30 pm.

Lease Agreement, Contract Number DE-MS79-84BP91698 **[[#150]]** The board discussed extending the lease agreement with Bonneville Power Admin. on the Tacoma/Wendover line until September 30, 2021. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO SIGN THE AMENDMENT TO THE LEASE AGREEMENT. (Attachment A)

Conservation and Renewable (C & R) Discount **[[#150]]** Clay reported a number of cooperatives formed a group to study wind power. The group is headed by the Washington Statewide and is looking at options to work with Bonneville Power Admin. to see if there is a way to generate wind power. The group is asking for a \$10,000 contribution of C & R funds, to which they would use to match with a grant. The funds would be used to research the possibilities of wind generation in our territory. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE MAKING A \$10,000 CONTRIBUTION FROM THE CONSERVATION AND RENEWABLE DISCOUNT PROGRAM FOR THE STUDY OF WIND GENERATION.

Rule 9 **[[#150]]** The revisions to Rule 9 were reviewed and discussed. Following a thorough discussion, IT WAS ON MOTION BY HOWARD WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE REVISIONS TO RULE 9, WITH THE EXCEPTION OF FINANCING. (Attachment B) Additional information concerning financing of line extensions will be presented at the May board meeting.

Vehicle Allowance Policy **[[#150]]** The board reviewed the proposed changes to Policy 7-2; P-5 Company Vehicles. Following a discussion it was the consensus of the board to change P-8 to read as follows: Failure of a Line Working Foreman, Lineman, Apprentice Lineman, Mechanic and Warehouseman to have or maintain a valid CDL may result in demotion or termination. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE PROPOSED CHANGES TO POLICY 7-2, P-5, P-8. (Attachment C)

PURPA Qualifying Generation Facilities **[[#150]]** Clay discussed with the board the need of a rate schedule for small qualifying generation facilities. Following a discussion of a members small hydro plant, IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE QUALIFYING FACILITY RATE SCHEDULE. (Attachment D)

Net Metering **[[#150]]** Clay reported on a possible net metering option for consumers who generate power. It was proposed to charge the consumer a higher facility charge to continue to use WREC **[[#146]]**'s services and the power generated by the consumer would be metered to and from the generated source or WREC. WREC would agree to purchase the power at our avoided costs or at the same rate as Bonneville Power Admin. The board also discussed whether or not to offer the C & R discount to the member generating power. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO ACCEPT THE NET METERING OPTION, AND TO PASS THE CONSERVATION AND RENEWABLE DISCOUNT ONTO THE MEMBER PROVIDED THE MEMBER QUALIFIES AND IS WILLING TO SHARE DATA AND INFORMATION REGARDING THE GENERATION FACILITIES.

Strategic Plan 1 and 10 **[[#150]]** IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE STRATEGY 1 AND STRATEGY 10 AS PRESENTED.

BPA Network Integration Transmission Contract **[[#150]]** IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE SERVICE AGREEMENT FOR NETWORK INTEGRATION TRANSMISSION SERVICE AS PRESENTED.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE 47 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 6; CARLIN **[[#150]]** 6; WENDOVER, NV **[[#150]]** 23 AND WENDOVER, UT **[[#150]]** 12.

Request for Technology Infrastructure Upgrade (cont**[[#146]]**d) **[[#150]]** Jeff Cromie was brought back into the meeting and presented the board with savings as a result of the infrastructure upgrade. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY HOWARD WRIGHT AND PASSED UNANIMOUSLY TO MAKE AN AUGMENTATION TO THE BUDGET FOR \$36,433.20 TO PURCHASE/LEASE THE NECESSARY EQUIPMENT FOR THE INFRASTRUCTURE UPGRADE.

INFORMATIONAL ITEMS:

DEPARTMENT OR OTHER REPORTS

The following reports were included as information in the agenda:

- Strategic Plan
- Outage
- Finance and Administration
- Member Services
- Office Services
- Operations
- Marketing and Diversified Services

The Scholarship Committee agreed to hold interviews for the 35 students on Tuesday, April 24th.

Committee members will travel to each outer office for the interviews.

Clay reported on the Ruralite board meeting.

POWER SUPPLY - Don Angell reported on the following topics: BPA Rate Case, Newmont Issues, Wendover Power Factor, Nevada Issues, Federal Restructuring, and California Issues.

BOARD REPORTS

There were no reports made.

CEO[[#146]]S REPORT:

The following reports were included in the agenda:

- CEO Activities
- Key Accounts
- Future Board Meetings

OTHER BUSINESS

President Dalton asked the board for topics to discuss with the Nevada state representatives at the Legislative Conference. It was agreed to request that the California Interpretive Center be located in Wells. It was also suggested to mention that WREC uses Bonneville Power Admin. and they are an issue with the board.

Director Mary Wright asked for the boards[[#146]] permission to attend the NWPPA Annual Meeting in May, there were no objections.

EXECUTIVE SESSION

There was an executive session held.

As there was no further information to discuss, the meeting was adjourned at 4:50 pm.

D. Vernon Dalton, President

Lois Nannini, Secretary/Treasurer

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