

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****July 19, 1991**

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 July 19, 1991, at 9:00 a.m. The meeting was presided over by President D. Vernon Dalton.

Directors present were Wanda Borden, Larry Bradshaw, Ferris Brough, Ray Crawford, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Lois Nannini, Jerry Parkin, Vernon Scott and S.J. Smith.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay Fitch, Manager, Finance/Administration; Warren Linnell, Manager, Engineering/Operations; and Paul Johnson, Manager of Member Services. Also present was Diane Griswold, Executive Secretary.

**APPROVAL OF MINUTES:**

The minutes of the regular meeting of June 14, 1991 will stand approved as written.

**ADDITIONS TO THE AGENDA:**

There were no additions to the agenda.

**BOX STIX/REQUIP:**

Bob Stix, retired Vice President of US Shoe Corporation and a consultant for NRECA, addressed the board in regards to his involvement with NRECA and the REQUIP Program. Mr. Stix has worked with our Quality Improvement Teams and Quality Advisory Team. He gave his view on how the teams are doing in meeting their goals. A question and answer period followed.

**NOMINATING COMMITTEE REPORT**

Ethel Scott, Chairperson for the Nominating Committee, gave the Nominating Committee Report. Six nominations were presented and approved by the committee: Mike Hollibaugh, Gerald Anderson, Mary Wright, Barbara Perry, Dr. S.J. Smith, and Larry Bradshaw. (EXHIBIT I) IT WAS ON MOTION BY RAY CRAWFORD, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE NOMINATING COMMITTEE REPORT.

It was noted that ballots will be sent out following the August board meeting.

**WENDOVER LAND:**

A letter was received from attorney Robert Hill of Ray, Quinney & Nebekar. The letter was read and discussed. A thorough and lengthy discussion ensued regarding hiring a consultant per Mr. Hill's recommendation. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY RAY CRAWFORD AND PASSED UNANIMOUSLY TO TABLE ANY DECISION ON THE WENDOVER LAND SITUATION UNTIL FURTHER INFORMATION IS RECEIVED.

A recess was called at 10:20 a.m. The meeting was called back to order at 10:35 a.m.

#### COOPERATIVE CREDIT UNION:

Glenn Reese, President of the Nevada Credit Union League, addressed the board regarding the steps required to set up a credit union. A question and answer period with a lengthy discussion ensued. Following the discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO PROCEED WITH THE SURVEY AS SOON AS POSSIBLE.

A lunch recess was called at 12:10 p.m. The meeting was called back to order at 1:20 p.m.

#### MICROWAVE CAPACITY:

No information has been received on the proposed contract with Western Communications.

A discussion ensued regarding the allocation of the radio spectrum not assigned to Federal agencies. The reallocation will not affect Wells Rural Electric. Dan gave an update on the proposed FCC rule which is aimed at increasing competition and lower pricing in the Interstate Special Access Market. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO AUTHORIZE THE GENERAL MANAGER TO FILE OUR COMMENTS PER THE RECOMMENDATION OF KELLER & HECKMAN.

#### REPORT ON MEMBER CONTACTS:

Member contacts made were reported.

#### MANAGER[~~#146~~]'S REPORT:

Vernon Dalton reported on the NRECA board meeting in June. Addressed was the moratorium on the RS&I insurance. NRECA suggested that we should start budgeting for the moratorium lifting in 1993. Vernon also reported on the restoring of REA funds to NRECA. Also addressed was the importance of supporting the ACRE program.

Dan reported on the meeting with BPA, SPPCo., and POWER Engineers. There is an indication that construction of a power line is a very good possibility.

BPA wholesale rate increase to us in 2.36%. Dan reported. Handed out for board review was an analysis of a five year financial forecast. Management recommends not increasing retail rates for the next two year period. A discussion ensued. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY WANDA BORDEN AND PASSED UNANIMOUSLY TO MAINTAIN OUR EQUITY LEVEL AS CLOSE TO 40% AS POSSIBLE, NOT TO EXCEED 45%; A 2.0% TIER; AND KEEP CAPITAL CREDITS ON A 12.5 YEAR ROTATION.

Joe Gustafson, electrician, resigned. Al Webb has been hired for that position. Warren reported.

Dan reported on the upcoming NREA Annual Meeting. A NREA bylaw change was approved at their last board meeting. The board was expanded from three to five members. Dan is serving as President of NREA and his term expires this year. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO REAPPOINT DAN AS OUR DELEGATE TO THE NREA BOARD OF DIRECTORS.

The May Form 7 was reviewed and discussed. Clay gave an update on idle services.

An update was given on the Nevada legislature. AB655 passed. Also passed was the use of emergency funds to build the Wells Medical Center. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO SEND MIKE NANNINI A RESOLUTION OF APPRECIATION.

The Region IX Meeting is scheduled for October 7-10 in Salt Lake City.

Bob Bergland is to be the key speaker at our Annual Meeting. A discussion ensued on expanding the Health Fair portion of the Annual Meeting. Following a discussion regarding Annual Meeting prizes, IT WAS ON MOTION BY WANDA BORDEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE INCREASING THE ANNUAL MEETING BUDGET \$1000.00.

The director/employee picnic is scheduled August 16, at 4:00 p.m.

A donation request was received from the Elko Little League All Star Softball Team. Three girls from Carlin are on the team and need support to attend a tournament in New Mexico. There were no objections to Dan taking care of this.

A recess was called at 3:00 p.m. The meeting was called back to order at 3:15 p.m.

#### FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

A Pledge of Security from the Nevada State Industrial Insurance System was presented to the board for their adoption. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE PLEDGE OF SECURITY FROM NEVADA STATE INDUSTRIAL INSURANCE SYSTEM.

A report was given to the board on the Maintenance Renewal & Replacement Certificate. This year WREC does comply with the mortgage requirements concerning this certificate. IT WAS ON MOTION BY WANDA BORDEN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO SIGN THE CFC MAINTENANCE RENEWAL & REPLACEMENT CERTIFICATE.

A Certification of Corporate resolution authorizing opening of securities account to Bateman, Eichler, Hill Richards (Kemper Corporation) was presented to the board for their approval. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE OPENING AN ACCOUNT WITH BATEMAN, EICHLER, HILL RICHARDS.

A proposal to expand the company **[#146]**'s telephone system to provide an intercom system throughout our entire operation was presented to the board. The cost of the expansion was \$9901.00. Following a discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE \$9901.00 INCREASE TO THE GENERAL PLANT ACQUISITION BUDGET TO UPGRADE OUR TELEPHONE SYSTEM.

#### COLLECTION & ACCOUNT AGING REPORT:

The Collection & Account Aging Report was reviewed and discussed.

#### SAFETY MINUTES:

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

ENGINEERING & OPERATIONS REPORT:

A board resolution "Approval of the Carlin Warehouse Addition" was brought before the board for approval. (EXHIBIT III) Warren reported. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE BOARD RESOLUTION "APPROVAL OF THE CARLIN WAREHOUSE ADDITION."

Daryl Eriksen reported on the NWPPA Annual Meeting. Daryl was approved to serve on the board.

OUTAGE REPORT:

The Outage Report was reviewed and discussed.

MEMBER SERVICES REPORT:

Newmont is going to participate in BPA[[#146]]s Energy Savings Plan. A discussion ensued.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 37 NEW MEMBERSHIPS: 7-WELLS, NEVADA; 10-CARLIN, NEVADA; 11-WENDOVER, NEVADA; AND 9 WENDOVER, UTAH.

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

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