

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****SEPTEMBER 18, 1992**

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 September 18, 1992 at 9:00 a.m. The meeting was presided over by President D. Vernon Dalton.

Directors present were Gerald Anderson, Larry Bradshaw, Ferris Brough, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Lois Nannini, Jerry Parkin, Vernon Scott, S.J. Smith, and Mary A. Wright.

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 August 21, 1992 will stand approved as written.

**ADDITIONS TO THE AGENDA:**

It was requested that the director election process be added to the agenda for discussion. There were no objections. IT was noted that Joe Rogers, Snake River Area Power Manger and Gerry Leone, District Manager of Idaho Falls area for Bonneville Power Administration will address the board at 11:15 a.m.

**ELECTION COMMITTEE REPORT/BOARD OFFICER ELECTIONS:**

The Election Committee report was given by Vernon Dalton. (EXHIBIT) IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE ELECTION COMMITTEE REPORT. The incumbent directors were re-elected: Ferris Brough, Daryl Eriksen, Jerry Parkin, and Vernon Scott.

An election for board offices was held with Dan Kessler and Paul Johnson counting the votes: President **[[#150]]** Vernon Dalton; Vice President **[[#150]]** Vernon Scott; and Secretary/Treasurer **[[#150]]** Larry Bradshaw.

**WENDOVER LAND:**

A letter from attorney Bob Vaughan was reviewed and discussed.

Petrolane has chosen to exercise their renewal option on their lease with WREC Petrolane has offered to pay \$250.00 per month for rent as per fair market value. There were no objection to amend the contract raising the rent from \$400.00 per month to \$525.00 per month.

**MEMBER CONTACTS:**

Member contacts made and follow-ups were reported. A discussion ensued regarding WREC**[[#146]]**s service standards and reliability.

MANAGER[[#146]]S REPORT:

CFC interest rates, investments made, and interest earned were reported.

A discussion was held on the law suits by PNGC and PPC brought against several federal agencies regarding the Endangered Species Act. Further discussion ensued regarding memberships in Northwest organizations.

A report was given on the BPA Geothermal Feasibility Study. It was noted that Carlin High School may abandon their injection well. A discussion ensued.

The agreement was given on the BPA Geothermal Feasibility Study. It was noted that the Carlin High School may abandon their injection well. A discussion ensued.

The agreement between the City of Wells and WREC regarding WREC reinjecting geothermal water back into the City[[#146]]s water system was discussed. A meeting with the City is scheduled for September 21.

Voting delegates and alternates for Region IX and NRECA Annual Meetings were appointed. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE DARYL ERIKSEN AS THE NRECA VOTING DELEGATE WITH LARRY BRADSHAW AS ALTERNATE.

IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE LARRY BRADSHAW AS THE CFC VOTING DELEGATE WITH JERRY PARKIN AS ALTERNATE.

IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE ROBERT HARRIS AS THE NRTC VOTING DELEGATE WITH DAN KESSLER AS ALTERNATE.

IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE LARRY BRADSHAW AS THE VOTING DELEGATE TO ELECT A NEVADA REPRESENTATIVE TO THE NRECA BOARD OF DIRECTORS.

Donation requests were reviewed and discussed. IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY VERNON SCOTT, AMENDED AND PASSED UNANIMOUSLY TO APPROVE PURCHASING TICKETS FOR TWO TABLES OF EIGHT FOR THE NORTHERN NEVADA COMMUNITY COLLEGE DINNER/DANCE FUNDRAISER.

IT WAS ON MOTION BY S.J. SMITH, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE RECEIVING THE NEVADA CATTLEWOMEN[[#146]]S DONATION REQUESTING FUNDS FOR THEIR BREAKFAST DURING THE CATTELMEN[[#146]]S CONVENTION AT THE NUGGET IN SPARKS, NEVADA AS INFORMATION.

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE A DONATION TO THE WENDOVER AUXILIARY UNIT #40 OF \$100.00 FOR NEEDY FAMILIES AND \$182.00 TO SPONSOR A REPRESENTATIVE TO UTAH GIRLS STATE.

A lengthy discussion ensued regarding the two City of Wells lots for sale adjacent to the WREC Building

on 5<sup>th</sup> Street. Lois Nannini excused herself for this discussion. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY ANDERSON, AMENDED AND PASSED UNANIMOUSLY TO APPROVE INSTRUCTING THE REALTOR TO ACCEPT THE SELLER[[#146]]S OFFER AND SIGN THE NECESSARY DOCUMENTS FOR THE TWO CITY LOTS ON 5<sup>TH</sup> STREET THIS AFTERNOON.

A recess was called at 10:45 a.m. The meeting was called back to order at 11:05 a.m.

Lois joined the meeting.

The letter in response to the REA audit was reviewed.

A letter regarding a nepotism policy from attorney Bob Vaughan was reviewed. It will be brought before the Policy Committee for review and consideration.

Those attending the Newmont Gold Mine Tour reported.

It was noted that the general manger[[#146]]s evaluation is scheduled during the October board meeting. An appraisal form, etc. will be sent to the directors with the October agenda. It was requested that the appraisal form be filled out prior to the meeting.

An update was given on WREC[[#146]]s 33<sup>rd</sup> Annual Meeting preparations.

#### BONNEVILLE POWER ADMINISTRATION:

Joe Rogers and Gerry Leone of Bonneville Power Administration were introduced to the board. An overview of BPA meeting our capacity needs was given. Addressed were the SWIP project and time frame of the project, Sierra Pacific Power Company[[#146]]s proposal which could serve our short-term needs of 20 megawatts, resource alternatives (i.e., geothermal, gas fired G & T and wind) and import limitations. A discussion ensued. Also addressed was the New Large Single Load issue. It was stated that by the end of the year BPA will have a final determination for our load requirements.

A lunch recess was called at 12:00 p.m. The meeting was called back to order at 1:25 p.m. (Jerry Anderson and Jerry Parkin could not attend the afternoon session.)

A graphics presentation was given on CFC[[#146]]s Key Ratio Trend Analysis (KRTA). A copy of the KRTA and Borrowers Statistical Profile were handed out. A discussion ensued.

#### COOPERATIVE CREDIT UNION:

Dan reported on the status of filing for the charter. The Secretary of State office was contacted and the Nevada Credit Union Charter had not been applied for. A discussion ensued. It was requested that the Nevada Credit Union League Board President be contacted. A meeting is to be set up with Mr. Reese in Las Vegas on September 24.

#### BOARD COMMITTEE REPORTS:

The Executive Committee is to meet following the board meeting for committee selections.

Mary Wright reported, on behalf of the Financial Advisory Committee, on the 2<sup>nd</sup> Quarter 1993 budget. Upon recommendation of the committee, IT WAS ON MOTION BY MARY WRIGHT, SECONDED

BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE 2<sup>ND</sup> QUARTER 1993 BUDGET AS PRESENTED.

Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE HIRING THE TEMPORARY POSITION OF ELECTRICIAN[[#146]]S HELPER/APPRENTICE ELECTRICIAN TO FULL-TIME AND ADD THE POSITION OF APPRENTICE ELECTRICIAN TO THE ORGANIZATIONAL CHART.

A Policy Committee meeting was scheduled for the morning of the October 16 board meeting at 8:00.

ELECTRICIAN[[#146]]S REPORT:

Profit & Loss Statements for the periods of 2<sup>nd</sup> quarter 1992, 2<sup>nd</sup> quarter 1993 with a proposed budget for the periods of 3<sup>rd</sup> quarter 1992, 4<sup>th</sup> quarter 1992, 1<sup>st</sup> quarter 1993 and 2<sup>nd</sup> quarter 1993 were handed out, as well as a balance sheet for the period ending June 30, 1992. Warren reported. A discussion ensued.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

Dan and Clay reported on the changes to REA loan package. A new Ten Year Financial Forecast and accompanying documents were presented to the board for consideration. A discussion ensued. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE TEN YEAR FINANCIAL FORECAST, DATED SEPTEMBER 18, 1992.

IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE RESOLUTION REQUESTING CONCURRENT FINANCING FOR A LOAN PACKAGE TOTAL OF \$1.8 MILLION.

There were no objections to the board president signing REA Form 740c.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 34 NEW MEMBERSHIPS: 2-WELLS, NEVADA; 15-CARLIN, NEVADA; 12-WENDOVER, NEVADA; AND 5-WENDOVER, UTAH.

ELECTION PROCESS:

A discussion was held on accumulative voting.

As there was no further business to come before the board, the meeting was adjourned at 4:10 p.m.

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