

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****MARCH 26, 1993**

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 March 26, 1993 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 R. 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 February 19, 1993 will stand approved as written.

ADDITIONS TO THE AGENDA:

Vernon Dalton introduced Lloyd Leatherberry the National Director from Ohio. He will sit in during the meeting.

It was noted that Rick Aoki and Dan Zuvonick of Ernst & Young will give the 1992 Financial Audit Report. Jeff Carr of PPC will address the board following the Audit Report.

It was also noted that Bob Vaughan will be attending the April board meeting.

AUDIT REPORT:

Rick Aoki and Dan Zuvonick of Ernst & Young gave the 1992 Financial Report. The Preliminary Audit Report was handed out for review and discussion. Following a thorough review, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE 1992 FINANCIAL AUDIT.

PUBLIC POWER COUNCIL (PPC):

Jeff Carr of the Public Power Council reported on PPC[[#146]]s involvement in the Northwest Region and the issues they address, monitor, and become active with: BPA rates; fish & wildlife; energy tax; conservation resource development; generation; cost and availability of power, etc.

WENDOVER LAND:

A letter from Bob Vaughan was discussed. It was noted that the Executive Director and staff have been replaced in the Utah Bureau of Response and Remediation. Frank Devine, City Councilman from Wendover, Utah, contacted us regarding the cleanup. Dan reported.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported. A complimentary letter was received from a member commending the utility for expediency and thoroughness in answering a concern.

MANAGER[[#146]]S REPORT:

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

Bonneville Power Administration[[#146]]s projected rate increase was discussed.

Dan reported on the General Transfer Agreement negotiations between Sierra Pacific Power and Bonneville Power Administration. Also discussed was the New Large Single Load issue.

The Nevada Rural Electric Association legislative reception of March 22 was very well received. Dan and Vernon Dalton reported.

A letter from Senator Dean Rhoads regarding the closing of the rural honor camps in Nevada was discussed.

We have been contacted by two separate natural gas generation developers. One has proposed a unit in the Carlin area and one has proposed a unit in Malin, Oregon. Both companies are dealing with Sierra Pacific and Bonneville Power Administration through the request for proposal process.

NWPPA Annual Meeting is scheduled for May 25-28 at Harveys Resort Hotel in Lake Tahoe, Nevada.

The Market Research Study results and Management Audit were discussed. Staff was commended for a job well done.

Dee Dixon Catering asked if the board would like to have lunch catered for their board meetings. Following a discussion, IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE MS. DIXON CATERING LUNCH DURING THE APRIL BOARD MEETING.

A lunch recess was called at 12:10 p.m. The meeting was called back to order at 1:20 p.m. (Lois Nannini did not attend the afternoon session.)

The Strategic Plan was discussed. The plan was acceptable to the board with the exception of Key Issue 5. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE AMENDED STRATEGIC PLAN AS DISCUSSED.

A discussion ensued regarding the Organizational Chart. Proposed changes to the chart were reviewed. Following a thorough discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE CHANGES TO THE ORGANIZATIONAL CHART.

NEVADA COOPERATIVE CREDIT UNION:

A letter from Glen Reese was received and reviewed. Mr. Reese gave an update on the credit union filing, etc. The approved agreement for capital advance between the Nevada Cooperative Credit Union and Wells Rural Electric was presented to the board for signatures. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE SIGNATURE OF THE DOCUMENTS AFTER ATTORNEY (BOB VAUGHAN) REVIEW AND APPROVAL.

Bob Vaughan, attorney, has requested board approval for attendance to the NWPPA Legal Seminar XXXIII with attendance stipulations as in the past. IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE MR. VAUGHAN[[#146]]S ATTENDANCE TO THE LEGAL SEMINAR.

POWER Engineers, Inc. has requested a fee increase a 3.5%. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY JERRY ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE FEE INCREASE.

BOARD COMMITTEE REPORTS:

Jerry Anderson reported on behalf of the Financial Advisory Committee. Upon committee recommendation, IT WAS ON MOTION BY JERRY ANDERSON, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE THE 4TH QUARTER BUDGET.

Daryl Eriksen reported on behalf of the Policy Committee. A discussion ensued regarding cumulative voting. IT WAS ON MOTION BY JERRY ANDERSON, SECONDED BY S.J. SMITH AND PASSED WITH A VOTE OF 9 FOR 1 AGAINST (FERRIS BROUGH) TO AMEND THE BYLAWS, ARTICLE II, SECTION 9, BY AMENDING THE TITLE CUMULATIVE VOTING TO VOTING AND AMENDING THIS SECTION BY ELIMINATION OF "OR TO ACCUMULATE HIS VOTES BY GIVING ONE CANDIDATE AS MANY VOTES AS THE NUMBER OF SUCH DIRECTORS TO BE ELECTED OR BY DISTRIBUTING SUCH VOTES ON THE SAME PRINCIPAL AMONG ANY NUBER OF CANDIDATES."

A new budget format was brought before the board for consideration. Dan and Clay reported. A manual will be put together and meetings scheduled to familiarize the board with the new process. There were no objections. A Financial Committee Meeting was scheduled for Thursday, April 22 at 9:00 a.m.

POWER SUPPLY:

A new system peak of 57.03 was set, which is up from 55.7 set in December 1991.

SAFETY MINUTES:

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

ELECTRICIAN REPORT:

Warren reported. A handout of activities and future plans were handed out to the board. Discussed was the possibility of hiring, temporary part-time, a third person to help with the electrician services department through the summer while increasing advertising.

HYDRO REPORT:

The Annual Forest Service Review was completed. Goals and operations were discussed for the forthcoming year.

MEMBER SERVICES REPORT:

All board members have joined ACRE as century club members.

Copies of a letter (for members, if they choose to sign) regarding the President[[#146]]s proposal to eliminate the federal subsidy for electric cooperatives through REA interest rates will be placed in all area offices. These letter will be sent on to Nevada[[#146]]s US representatives, senators and the President. The concern is only the cooperative electric utility subsidy is slated for reduction. Listed in the letter are subsidy comparisons between municipals, investor owned utilities (IOUs), and cooperatives.

A letter opposing the closing of the rural honor camps will be available for members to sign, if they choose, as well.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE 30 NEW MEMBERSHIPS: 3-WELLS, NV; 12-CARLIN, NV; 11-WENDOVER, NV; AND 4-WENDOVER, UT.

As there was no further business to come before the board, the meeting adjourned at 3:45 p.m.

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