

**HTML contains invalid UTF-8 character(s)****THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****AUGUST 20, 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 August 20, 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; Warren Linnell, Manager, Engineering/Operations; and Paul Johnson, Manager of Member Services. Also present was Diane Griswold, Executive Secretary.

Attorneys Robert P. Hill and Robert O. Vaughan were present.

**APPROVAL OF MINUTES:**

The minutes of the regular meeting of July 23, 1993 will stand approved as written.

The minutes of the special meeting of August 4, 1993 will stand approved as written.

**ADDITIONS TO THE AGENDA:**

It was noted that the Youth Energy Seminar participant will give a presentation at 1:00 p.m. Bob Vaughan will address the restatement of the Articles of Incorporation. There were no additions to the agenda.

**WENDOVER LAND:**

Attorney Robert P. Hill and Robert O. Vaughan addressed the Wendover remediation situation. Robert Hill reported on the pre-hearing held in Salt Lake City and gave an overview of the status of the Wendover situation. Several issues were addressed: Wells Rural Electric is not responsible for the investigation or clean up because Well Rural never owned or operated any tanks at this property; determination for responsibility of the clean up due to the number of previous station owners/managers over the last thirty years and the time involved in the determination for responsibility of the clean up due to the number of previous station owners/managers over the last thirty years and the time involved in the determination for clean up; identification of site and facilities; no testing has been done to identify the exact location of the leakage; amount of time involved with this type of remediation; hearing process; ground water contaminant determination; soil stability testing; liability; and financing options and detriments. A thorough and lengthy discussion ensued.

Also discussed was testing the actual building site for contamination and obtaining an environmental assessment (required by banking institutions for lending) from a reputable environmental testing firm. There were no objections to having Mr. Hill set the criteria for testing and putting WREC in contact with a reputable environmental testing firm.

It was suggested that the September board meeting be held in Wendover so the property could be reviewed by the board. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE HOLDING THE SEPTEMBER 10 BOARD MEETING IN WENDOVER IN THE SILVER ROOM AT THE SILVERSMITH AT 9:00 A.M. MDT AND LOOK AT THE PROPERTY AFTER THE MEETING. A chuck wagon dinner is available, for those wanting to attend, following the board meeting and property review.

#### ROBERT O. VAUGHAN:

Mr. Vaughan addressed the restatement of the Articles of Incorporation. It will consolidate previous amendments (seven) into one document. Due to legislative changes in Nevada statutes, Mr. Vaughan has reviewed the Articles and recommended amending the Articles and filing restated Articles. A handout on the proposed amendment was given out for review and consideration. (Bob Harris came into the meeting at this time.) Mr. Vaughan reported. A discussion ensued. During discussion a verbiage changed was made (word broaden). The board will take Mr. Vaughan[[#146]]s recommendations under consideration and have their comments back to him by September 6, 1993. The amended Articles will be presented to the board for their review and consideration during the September 10 board meeting. There were no objections to the time schedule presented.

A discussion ensued regarding the consolidation of all the project contracts with Newmont into one document. The draft will be available for consideration during the September board meeting. Discussed was capital credits and unfounded depreciation liability.

A lunch recess was called at 12:40 p.m. The meeting was called back to order at 1:30 p.m.

#### YOUTH ENERGY SEMINAR PARTICIPANTS:

The following students gave a presentation on the Youth Camps attended this year (Nevada Rural Electric Association and Utah Rural Electric Association): Leife Eriksen-Wells High-NREA; Amy Priest-Wells High-NREA; Sara Bush-Wells High-UREA; Jamie Gorton-Wendover High-NREA; Angelica Gallegos-Carlin High-NREA; and Desiree Paananen-Carlin High-NREA.

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

An article in the Elko Daily Free Press, in regard to the City of Carlin looking for help in funding studies for property development, misrepresented WREC as a lender. WREC is looking into the REA Economic Development Section 12 Loan Deferment program for possible assistance to the City of Carlin. A discussion ensued.

BPA is moving toward tiered rates. Clay is a member of a Public Power Council committee. The committee is studying tiered rates to make recommendations to BPA regarding tiered rates. A summary of Tiered Rates was handed out to the board for review and discussion. Dan reported.

The cost of service study is expected to be completed at the end of this month. A draft report will be sent to the board September 3. A Financial Advisory Committee was scheduled for September 8, 1993 at 9:00 in the board room to review and consider the completed cost of service and rate studies.

A letter received from the National Cooperative Bank (NCB) outlining the criteria for the development of the Coming Home program[[#151]]elder care in rural area. David Nolan of NCB has offered to speak to the board. Dan reported.

A Total Quality Management manual is being prepared by staff.

Region IX Meeting is October 12-14 with pre-meeting training scheduled the 10-12.

Dan has been asked to speak on Total Quality Management October 8 at the Elko convention Center for the Small Business Development Center and Elko Chamber of Commerce.

Dan gave an update on the status of the General Transfer Agreements between BPA and SPPCO and BPA and WREC. Verbal agreements have been made between the parties. A discussion ensued.

The NREA Annual Meeting is scheduled for August 25-27 in Wells. Dan reported.

There were no objections to Larry Bradshaw being the representative to elect the NRECA Nevada delegate.

The Silver Sage Senior Citizens has requested support for the annual golf tournament. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE A \$200.00 DONATION.

An Economic Development Committee has been formed by eleven people from Wells. Dan reported.

Burger King asked that WREC join them in a safety coloring book for children. Dan reported.

Dan reported on the Cipolini property on 5<sup>th</sup> Street. Mr. Cipolini will accept \$9,750.00 for the two lots on 5<sup>th</sup> Street. Following a discussion, IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE PURCHASING THE TWO LOTS ON FIFTH STREET FOR \$9,750.00.

Dan was commended for the work done on the GTA agreements and Cipolini property.

#### NEVADA COOPERATIVE CREDIT UNION:

Vernon Dalton reported on the board meeting held Wednesday, August 18. Ten applicants were selected for interviews. Glen Reese has been contacted.

A second opinion, by POWER Engineers[**#146**] architectural arm out of Boise, Idaho on the cost of upgrading the building on Lake Street, was received. They have estimated the upgrading of the building to be \$88,362.00. Warren reported. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO HIRE POWER ENGINEERS TO OVERSEE THE BIDDING PROCESS FOR UPGRADING THE BUILDING. THE BIDS ARE TO BE SUBMITTED TO THE BOARD FOR CONSIDERATION DURING THE SEPTEMBER 10, 1993 BOARD MEETING.

#### BOARD COMMITTEE REPORTS:

Gerald Anderson reported on behalf of the Financial Advisory Committee. Lines 7, 8, & 10 of the new budget format.

Dan reported on behalf of the Policy Committee. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE AMENDMENTS TO RULE 13 AND POLICY 7-4 (EXHIBIT) A discussion ensued regarding putting the requirement of a management audit in policy. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO INSTATE A MANAGEMENT AUDIT EVERY EIGHT YEARS INTO POLICY.

SAFETY MINUTES:

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

DESIGN & CONSTRUCTION REPORT:

The projects in Wendover were discussed.

ENGINEERING/OPERATIONS REPORT:

Warren reported on the status of the requested relocation of a section of line at Marys River.

ELECTRICIAN REPORT:

A discussion was held concerning staffing levels within the electrician department. The size and types of jobs the department is accepting was addressed. It was noted that accepting the larger jobs heavily impacted our ability to respond to the smaller jobs, which the department was originally formed to provide for our customers. A discussion ensued regarding reorganization within the operations department, which would result in the formation of a technical services division and our ability to handle more of our own construction, as well as downsizing the electrician department to the original staffing level.

OUTAGE REPORT:

The outage caused by lightning was discussed.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE 47 NEW MEMBERSHIPS: 10-WELLS, NV; 10-CARLIN, NV; 15-WENDOVER, NV; AND 12-WENDOVER, UT.

An Executive Session was called following the meeting.

The meeting was adjourned at 3:00 p.m.

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