

HTML contains invalid UTF-8 character(s)**THE MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****FEBRUARY 18, 1994**

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 February 1994, at 9:00 AM. The meeting was presided over by President D. Vernon Dalton.

Directors present were Gerald Anderson, Larry Bradshaw, Ferris Brough, Ray Crawford, D. Vernon Dalton, Lois Nannini, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright. Daryl Eriksen and Robert Harris were not present.

Present from the staff were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager, Finance/Administration; and Warren Linnell, Manager, Engineering/Operations; and Paul Johnson, Manager of Member Services. Also present were Diane Griswold, Executive Secretary.

APPROVAL OF MINUTES:

Following a discussion on some verbiage in the minutes (page 5, NRECA Legislative Conference-NREA early luncheon **[[#150]]** a decision was not made whether or not to have an early luncheon), the minutes of the regular meeting of January 21, 1994, will stand approved as written.

WENDOVER LAND:

A report was given by Dan. Several phone calls have been placed to Robert Hill, attorney. Stateline has previously agreed to not to exceed \$6,500.00 as their share of environmental testing of the building site.

MEMBER CONTACTS:

Member contacts made and follow-ups were reported.

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

CFC **[[#146]]**s Northwest regional vice president, John Rogers, is scheduling, for March 21, 1994 in Reno, a detailed financial workshop. Dan reported. As soon as an agenda is received, it will be sent to all directors.

CFC **[[#146]]**s interest rates, investments made and interest earned was reported.

The NWPPA Annual Meeting is scheduled for May 30 through June 2 in Anchorage, Alaska.

A report was given by Dan on the Co-op Coalition. It was formed to unify cooperatives, with common concerns, throughout the Northwest that are BPA customers. Addressed were BPA **[[#146]]**s proposed tiered rates, unbundling of services, transmission access, upgrades, voltages, and agreements. It was noted that BPA does not have a clear path to where they are going. Also addressed was BPA **[[#146]]**s new restructuring program of their area offices.

NRECA **[[#146]]**s Legislative Conference is scheduled May 1-4 in Washington, DC.

Franklin D. Roosevelt memorial donation request was discussed.

More information was requested.

Dan gave a report on the Newmont, Sierra Pacific, Bonneville Power Administration, and WREC venture to bring capacity increases to the Carlin trend area. The share issue between Newmont, Barrick and WREC has been resolved. The Transfer agreement is expected to be signed before the next board meeting. The Consolidated Agreement with Newmont and the Power Supply Contract with Praxair have been sent to their respective parties for consideration.

An update on cycle/post card billing was given by Dan and Clay. Information is being sent out to members through the Ruralite Magazine, letters, member newsletters and news releases. A member survey was also taken. Also addressed and discussed was a "service charge" if the bill is not paid within a certain time frame. Following a thorough discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE POST CARD BILLING.

Economic development activities were addressed. WERC is very involved. A meeting is scheduled on February 28 to address the Front Street issue in Wells. Also addressed will be the City of Wells moving their offices.

REA **[[#146]]**s field accountant, Basil Majors, completed the REA audit. Dan reported. One minor item was addressed, that being the subsidiary loan budget records needed to be updated. This had been corrected.

The November Form 7 was handed out for review and discussion.

Rick Aoki of Ernst & Young will give the audit presentation during the March 25 board meeting. Draft copies of the audit will be sent to the board prior to the meeting. A meeting had been scheduled with Mr. Aoki and staff for March 18. Dan reported.

Mr. Bob Vaughan, attorney, has requested a fee increase of 2.07 percent. Following a discussion, IT WAS ON MOTION BY S. J. SMITH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE HIS REQUEST OF A 2.07 PERCENT FEE INCREASE.

A form letter has been developed and will be sent to all groups/individuals requesting donations. The letter asks for a cost breakdown of the donation funds requested and the benefits to WREC either directly or indirectly.

WREC is developing a new program similar to Operation Roundup. The program is proposed to be geared towards economic and youth development within the three communities. The proposed name for the program is "The Next Dollar." Bob Vaughn **[[#146]]**s opinion was reviewed and will be sent out to the board for their review. Dan reported. Also discussed was accumulated patronage capital that is escheated to the state of Nevada.

WENDOVER LAND UPDATE:

A letter from Robert Hill, attorney, was reviewed and discussed. Dan contacted Mr. Hill this morning and reported on the conversation. A proposal regarding the testing of the building site was received. The estimated fee to perform this scope of work is as follows: environmental assessment (Tasks 1, 2 &3) \$6,500.00; optional geotechnical investigation (Task 4) \$2,500.00 for a total of \$9,000.00. It was noted that Stateline is willing to pay one-half **[[#150]]** not to exceed \$6,500.00. A thorough discussion ensued.

There were no objections to Mr. Hill **[#146]**'s recommendation of proceeding with the contract and report back the information received from Tasks 1, 2, & 3 so a determination can be made to go on with Task 4. Mr. Hill will be invited to attend the board meeting in March.

NEVADA COOPERATIVE CREDIT UNION:

Vernon Dalton reported.

A discussion ensued in regards to upgrading the area offices and leasing spaces to the credit union. The upgrade for the two buildings would be \$9,830.00 (\$1,000.00 **[#150]** Wendover; \$2,200.00 shared cost between Wendover & Carlin; and \$6,630.00 **[#150]** Carlin). The office space lease works out to be about \$75.00 per month for the small space needed in Carlin and about \$115.00 for Wendover. Also discussed was the upgrade to our microwave system in order to lease four channels to the credit union. This upgrade for four channels would be \$17,545.00. The lease contract with the credit union would be about \$240.50 per month for a period of ten years with a termination clause added. Dan reported.

Following a thorough discussion, IT WAS ON MOTION BY LARRY BRADSHAW, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE IMPROVEMENTS IN THE AREA OFFICES TO LEASE SPACE TO THE CREDIT UNION. Upon further discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO AUTHORIZE THE EXPENDITURE OF \$17,545.00 TO UPGRADE OUR MICROWAVE SYSTEM UPON THE NEGOTIATION OF A LEASE AGREEMENT WITH THE NEVADA COOPERATIVE CREDIT UNION.

A lunch recess was called at 12:00 PM. The meeting was called back to order at 1:00 PM. S. J. Smith was not present.

Wells Rural Electric Company was asked to participate in sponsoring a Christmas laser show. The Four Way pledged \$2,500.00, Wells Propane pledged \$1,500.00 and WREC is asked to pledge \$1,000.00. Following a discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY VERNON DALTON AND PASSED UNANIMOUSLY TO APPROVE \$1,000.00 AS A SPONSOR OF THE LASER SHOW. The Friday, December 23 is the tentative date.

Those attending the NRECA Annual Meeting reported. (S. J. Smith came in at this time).

BOARD COMMITTEE REPORT:

Lois reported on behalf of the Financial Advisory Committee. The new flexible budget format was addressed. A Financial Advisory Committee meeting was scheduled for 8:00 AM, Friday, March 25. Another Financial Committee meeting was scheduled for Tuesday, April 12 at 9:00 AM.

A Policy Committee was scheduled for Wednesday, March 23 at 9:00 AM.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

The board approved a resolution approving the amendment of our Adoption Agreement effective January 1, 1994. A verbiage change (changing the benefit level from uniform 1.6% to graduated 1.7%) was required by NRECA to amend our Adoption Agreement. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE THE CORRECTED BOARD RESOLUTION.

COLLECTION/ACCOUNT AGING REPORT:

Clay reported. A discussion ensued.

SAFETY MINUTES:

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

ENGINEERING & OPERATIONS REPORT:

Resolutions for the 1994/1995 Two Year Construction Work Plan and the January 1994 Power Requirements Study/Load Forecast were brought before the board for review and consideration. A discussion ensued. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BOUGH AND PASSED UNANIMOUSLY TO APPROVE THE 1994/1995 TWO YEAR CONSTRUCTION WORK PLAN RESOLUTION. Following further discussion, IT WAS ON MOTION BY S. J. SMITH, SECONDED BY LARRY BRADSHAW AND PASSED UNANIMOUSLY TO APPROVE THE 1994 POWER REQUIREMENTS/LOAD FORECAST RESOLUTION.

Warren reported on electrician services.

MEMBER SERVICES REPORT:

Paul reported on the upcoming Irrigators Workshop, ACRE, and the Trash-A-Thon, which had been tentatively scheduled the last week of April.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE 32 NEW MEMBERSHIPS: 10 **[[#150]]** WELLS, NEVADA; 5- CARLIN, NEVADA; 11 **[[#150]]** WENDOVER, NEVADA; AND 6 - WENDOVER, UTAH.

Directors **[[#146]]** compensation was brought before the board. After a thorough discussion, therefore amending the board compensation motion made during the January 21, 1994 board meeting, IT WAS ON MOTION BY S. J. SMITH, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE RAISING THE BOARD COMPENSATION TO \$200.00 FOR A SCHEDULED FULL DAY AND \$125.00 FOR A SCHEDULED HALF DAY. MILEAGE COMPENSATION IS TO BE COMPUTED USING THE IRS ALLOWANCE.

As there was no further business to be brought before the board, the meeting adjourned at 2:30 PM.

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