

HTML contains invalid UTF-8 character(s)

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

December 16, 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 December 16, 1994 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, Ferris T. Brough, D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright. Larry Bradshaw passed away on November 21, 1994. Robert Harris was not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager of Finance/Administration and Warren Linnell, Manager of Engineering/Operation. Also present were Don McDonald and Tommi Reynolds, Member Services Representatives; Diane Griswold, Executive Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of November 18, 1994 will stand approved as written.

AGENDA ADDITIONS:

An election for the board office position of Secretary/Treasurer was held. Lois Nannini was elected and new signature cards were signed and filed.

WENDOVER LAND:

A letter from attorney, Bob Vaughan, regarding the Stateline[[#146]]s request for reimbursement of the \$3,250.00 for the building site contamination study, was reviewed and discussed. Mr. Steve Perry, Assistant General Manger, of the Stateline contacted Dan regarding the above matter. Dan explained to Mr. Perry that it is our attorneys and WREC[[#146]]s opinion that the value of this study was in the action before the Utah Commission (WREC was ground not responsible for the contamination and clean-up) and it will be as valuable for Stateline as they have not been cleared. This report has a great deal of information if they choose to try to achieve a non-responsible status before the Utah Commission. Following a thorough discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO TABLE THE ACTION ON STATELINE[[#146]]S REQUEST.

Mr. Richard Dixon of Wendover contacted Dan to let him know his partner backed out of the planned trailer court for which they made the offer to WREC for the property in Wendover, Utah. Mr. Dixon apologized and explained that his partner[[#146]]s attorney advised against the purchase of the property because of the environmental status of the property. Mr. Dixon offered to pay \$100,000.00 (\$10,000.00 up front and \$90,000.00 at the time the contract is signed) cash for the property. A through discussion ensued. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY GERALD ANDERSON AND PASSED WITH A VOTE OF 4 FOR AND 2 AGAINST TO AUTHORIZE DAN KESSLER TO MAKE

A COUNTER OFFER TO MR. DIXON OF \$150,000.00 - - \$100,000.00 CASH WITH \$50,000.00 FINANCED FOR FIVE YEARS AT 8>0% INTEREST.

Dan reported on his meeting with Wendover, Utah City Councilman Brad Merl. Mr. Merl relayed bad feeling of some of the other Wendover councilmen over building on the Wendover, Nevada side. Dan explained to Mr. Merl, who works in Wendover as Line Foreman, that the decision to build was not a political decision, but a business one. He explained the reasoning, due to environmental problems of the property, etc., and stated that **[[#147]]** no court in the land would made a business build on environmentally tainted land. **[[#148]]** Mr. Merl concurred and will explain these to the other councilmen.

The bidding for the site preparation work will open very soon. Dan will report back to the board as soon as the bids come in.

MEMBER CONTACTS:

A consumer was interested in the vacant seat on the board. A discussion ensued. There were no objections to not filling the seat for a month or two. Mr. Dalton requested the board members to take under consideration who they would like to appoint to this position.

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

Dan briefly touched on CFC Briefs, RE Briefs, BPA Briefs, and CoBank Briefs stated in the agenda. CFC interest rates, investments made and interest earned were reported.

Dan reported on the updates Wage & Salary Plan. A draft will be brought before the board during the January board meeting. Staff will be recommending a maximum salary range, with alternative compensation suggestions.

NRTC contacted WREC about updating our voting delegate before the NRECA Annual Meeting in late February. S. J. Smith was last year **[[#146]]**s delegate, with Dan serving as an alternate. This will be taken under consideration.

A letter was received from Glenn English, NRECA **[[#146]]**s General Manager and Executive Vice President, requesting support of the Pro-Electricity Campaign by donating 10 **[[#162]]** per meter. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE A DONATION OF 10 **[[#162]]** PER METER TO THE PRO-ELECTRICITY CAMPAIGN.

NENDA is requesting continued membership. Dan asked them to come before the board during the January board meeting and give a presentation depicting NENDA **[[#146]]**s plans, successes, etc. Debbie Smith, Executive Director, will be attending the January board meeting. Two WREC employees (Don McDonald & Lee Woolsey) are on the NENDA board of directors.

An article was published in the Management Quarterly publication titled **[[#147]]** Building the Right Road to Success for Your Rural Electric System, Community and its Youth. **[[#148]]** A letter was received from Scott Luceal, Editor, thanking Dan for his contribution to the article. WREC was one of three systems asked to participate in this article.

The patronage capital fund allocation (\$353,383.00) was brought before the board for approval. Dan reported. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE ALLOCATION AS PRESENTED.

Two \$100.00 donation requests were received asking for support of the Christmas Lighting contests in Carlin and Wells. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO DONATE \$100.00 EACH TO THE CARLIN BUSINESS ASSOCIATION AND THE WELLS CHAMBER OF COMMERCE FOR THEIR CHRISTMAS LIGHTING CONTEST.

PNGC has requested our continuation of affiliate membership. The dues are, again, \$2,000.00 for the year. Dan reported. IT WA ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE AFFILIATE MEMBERSHIP FOR \$2,000.00.

The remaining two offices of the Wells Professional Building were rented for \$274.00 per month for two years containing a sixty day cancellation clause by either party.

The Christmas party will begin at 7:00 pm at the Wells Golf Course tonight. Two board members and twelve employees are to receive service awards.

A donation request was received from the Wells Drug Dog Task Force asking for support in the procurement of a trained drug dog. Dan reported. Following a thorough discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO DECLINE THE REQUEST.

About \$1,000.00 was collected from employees and directors to be presented to Judy Bradshaw, wife of Larry Bradshaw. Dan asked the board to donate, on behalf of Wells Rural Electric Company, the difference being collected from board/employees and \$1,500.00 so Mrs. Bradshaw can be presented with a \$1,500.00 check. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE REQUESTED DONATION.

Dan reported on the Highway Patrol **[#146]**s **[#147]**Shop with a Cop **[#148]** program. A total of \$1700.00 was collected for seventeen Wells children to spend for Christmas.

NEVADA COOPERATIVE CREDIT UNION:

\$34,529.87 was transferred to NCCU, thus meting WREC **[#146]**s capitalization requirement through November 1994. Mr. Glade Williams, Manager, provided WREC with the credit union **[#146]**s plans and budget. A letter of agreement is being drafted by Mr. Vaughan which obligates the credit union to provide WREC with their business plan and budget requirements, as an assurance towards WREC **[#146]**s investment.

Vernon Dalton reported. The credit union is steadily making progress. The Wendover branch office will be opened by January 1, 1195 with Carlin following close behind.

BOARD COMMITTEE REPORTS:

No committees met this month before the meeting. The employee safety award was brought before the board for consideration. Warren reported, noting the potential \$52,000.00 in savings received for our excellent safety record with Federated Insurance and the SIIS. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY FERRIS BROUGH AND UNANIMOUSLY APPROVED TO GRANT A \$100.00 SAFETY AWARD TO EACH REGULAR, FULL-TIME EMPLOYEE. It was suggested that the safety award be brought before the Safety and Policy Committee for consideration of adding this to the employee policy. A recommendation will be brought before the board.

The insurance bids will be discussed with Mr. Vaughan following the lunch recess.

Member Services and Engineering/Operations department brought before the board for consideration their 1995 General Plant Acquisition items. Following review and discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE MEMBER SERVICES[[#146]] GPA BUDGET ITEM CONTAINING AN ANCHOR PA SYSTEM FOR \$2,750.00. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND APPROVED UNANIMOUSLY TO APPROVE ENGINEERING/OPERATIONS[[#146]] GPA BUDGET ITEMS AND REQUESTING MORE INFORMATION ON TWO ITEMS: TRACK MOUNTED BOOM/DIGGER TRUCK AND SAND SEPARATOR.

POWER SUPPLY REPORTS:

The General Transfer Agreement between Bonneville and Sierra Pacific is ready to be signed. Bonneville Power has decided to hold hostage a point of replacement at Alturas and eliminate any wheeling through Idaho Power Co. Sierra Pacific does not want to grant that point of replacement. Also, additional negotiation is ongoing over the wheeling costs. Dan reported.

Continental Lime has requested 6 megawatts of power. Dan reported.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

The 1994 Write-Off list was presented to the board for review and consideration. Dan reported. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE THE 1994 WRITE-OFF LIST FOR A TOTAL OF \$26,266.44 (EXHIBIT) It was noted that collection efforts will be continued. There were no objections to sharing the list with the Nevada Cooperative Credit Union.

Financial/Administrative Services will be bringing their GPA budget items before the board after the Wendover building needs are known.

SAFETY MINUTES:

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

ENGINEERING/OPERATIONS REPORT:

Warren gave an update on the line extension request from the UNR Gund Ranch in Grass Valley, Nevada. The McNabb[[#146]]s will be moving and no longer need service. A proposal was sent to the Gund Ranch.

ELECTRICIAN REPORT:

Warren reported. For three consecutive months, a margin was made.

MEMBER SERVICES REPORT:

Ferris Brough was thanked for being Santa Claus at the WREC Children[[#146]]s Christmas Party.

Christmas Cards, designed by employee Lee Woolsey, were sent out to all consumers and suppliers, etc.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 16 NEW MEMBERSHIPS: 5-WELLS, 3-CARLIN, 4-WENDOVER, NV AND 4[[#150]]WENDOVER, UT.

BOARD STRATEGIC PLAN:

The board retreat to discuss their Strategic Plan is scheduled in Orlando, Florida before the NRECA Annual Meeting on February 23 and 24, 1995.

The meeting was adjourned for lunch at 11:30 am. The meeting was called back to order at 1:15 pm. (Lois Nannini did not attend the afternoon session).

BOB VAUGHAN, ATTORNEY:

Bob gave his opinion that WREC does not have a legal obligation to reimburse Stateline for the shared environmental study. He feels that the information is very important to them for future use.

The board requested that the revisions made to the Articles and Bylaws for the Next Dollar Foundation be sent out to them. During the January board meeting, names will be presented to Mr. Vaughan for possible trustees for the Foundation Board. There will be six districts to be represented.

Mr. Vaughan discussed [[#147]]uninsured motorists[[#148]] with the board and the importance of making sure we are well covered in that area.

Mr. Vaughan also discussed Vaughan & Hull[[#146]]s fee increases.

Insurance carrier bids were brought before the Board for consideration. The following three bids were received: Federated Insurance - \$102,000.00; DeArrieta - \$154,000.00; and Rollins Hudig Hall - \$145,202.00. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE FEDERATED[[#146]]S BID OF \$102,000.00 BID OF \$102,000.00.

As there was no further business to come before the board, the meeting adjourned at 1:45 pm.

D. Vernon Dalton, President Lois Nannini, Secretary

mPDF error: