

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****February 17, 1995**

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 17, 1995 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, Robert Harris, Orlin Kidner, Lois Nannini, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright.

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 and Amanda Moffitt, Clerk/Typist.

APPROVAL OF MINUTES:

The minutes of the regular meeting of January 20, 1995 will stand approved as corrected. The incorrect motion (page 5, third paragraph) read: IT WAS ON MOTION BY MARRY WRIGHT, SECONDED BY ROBERT WRIGHT AND PASSED UNANIMOUSLY TO APPROVE THE FEE INCREASE AND THAT IT BE PUT OUT TO BID FOR THE NEXT YEAR **[[#146]]**S AUDIT. The motion was corrected to : IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS. S. J. Smith was welcomed to the board.

AGENDA ADDITIONS:

Robin Boies of Wells Presenters has requested audience with the board. There were no objections. Amanda Moffitt, Clerk/Typist, was introduced to the board. Amanda will be the recording secretary for board meetings when the Executive Secretary is unable to attend.

WENDOVER LAND:

Steve Perry of the Stateline has not contacted Dan regarding the board **[[#146]]**s decision not to reimburse Stateline \$3,250.00 for their half of the building site environmental study. A letter had been sent to Stateline outlining the reasoning for the board **[[#146]]**s decision.

All bids for site preparation, including Sheldon Construction whose license does not meet the Nevada Contractor **[[#146]]**s Board licensing requirements, were rejected. The project was rebid with three bids received: JDL Construction - \$37,160.00; RO Peterson Construction - \$39,800.00; and NAVCO Construction - \$28,000.00. A discussion ensued. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE APPARENT LOW BID BY NAVCO CONSTRUCTION FOR \$28,000.00.

REPORT ON MEMBER CONTACTS:

A check for a draw-down on our REA loan funds was given to Vernon Dalton and Lois Nannini for signature.

A discussion ensued regarding the misconception some Wendover residents have about WREC not building in Wendover, UT. Again, it was stressed that it was a business decision made due to the environmental contamination on that property.

ROBIN BOIES [[#150]] WELLS PRESENTERS

Robin Boies came before the board requesting a donation in support of the Wells Presenters. The Presenters bring varied professional musicians, artists and performers to the Wells schools and area residents. Robin went through the grants they are applying for and their projected budget for the 1995/1996 season. Also, a list of the performances scheduled was given to the board. Following a discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO DONATE \$500.00 TO THE WELLS PRESENTERS.

MANAGER [[#146]]S REPORT:

Dan briefly touched on CFC Briefs (with Economic Update), NRECA Briefs (with Legislative Update), RE Briefs, BPA Briefs and CoBank Briefs as stated in the agenda. CFC interest rates, investments made and interest earned were reported.

A draft of the Strategic Plan, prepared by staff, was handed out to the board for review.

An Integrated Resource Plan will be presented to the board during the March meeting. Dan reported.

The Region IX Directors/Managers Conference is scheduled for March 9 & 10 in Seattle, Washington.

Vaughan & Hull, LTD sent a letter asking for an average overall increase of rates of 2.23%. A fee schedule summary was attached. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE THE 2.23% FEE INCREASE.

The Public Service Commission, docket 94-11030, regarding Retail Wheeling, has scheduled a workshop February 23, 1995. WREC and NREA have sent their position (that an interim study be completed before legislation is enacted) to the PSC and legislators. Stressed were key issues need to be identified and the effects those issues will have on a statewide basis. Dan reported.

NREA is sponsoring a Legislative Gathering for Tuesday, March 7, 1995 at the Carson City Nugget (3:30 [[#150]] 6:30 pm). All legislators and the Governor have been invited. Dan reported. NREA has a scheduled board meeting that morning at the Nugget.

Dan and Vernon Dalton reported on ACRE. Over \$9,000.00 was donated to campaigns to Nevada legislator friends over the past two years. Everyone is urged to join so our opinions can be expressed to our state and national legislators. Vernon explained bow ACRE is different from many PACs.

The NRECA Legislative Conference is scheduled for May 1-2. NREA will be sponsoring a breakfast on Monday, May 1. Dan reported.

Rob Church has resigned from NRECA. Mr. Church will finish up the IRP study. Martin Lowrey of NRECA told Dan that the water/wastewater proposal, approved by this board, will be honored. WREC will probably become a pilot project for this project. Dan reported. There were no objections to proceeding as planned.

Dan updated the board concerning the current status of BPA contract negotiations and rates case. A

discussion ensued.

An update on the Newmont Letter of Credit negotiations was given. There are a couple of items in Annex 3 of the Letter of Credit causing a slow down. Dan explained.

The Wage and Salary Plan was given to the board for consideration. Dan reviewed the proposal. Following a thorough discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE WAGE & SALARY PLAN AS PRESENTED.

Ernst & Young will present the 1994 audit during the March board meeting.

The lease of two officers in the Wells Professional Center was finalized. Dan reported.

NRECA has mini-grants for rural schools. There are six \$250.00 grants available for any rural K through 12 grades.

The Wells economic development group met to tour the Jackpot swimming pool facilities. There is a strong move to bring a community center and pool, using geothermal, to the City of Wells. Dan reported.

The Next Dollar Charitable Foundation board of trustees has met twice. The trustees are: Terri Lundy and Dan Kessler, Wells; Joanne Dalton and Audrey Spratling; Rural Areas; Beth Brown and Howard Wright; Carlin; Marie Johnston and Lloyd Brown, Wendover; Diane Parkin and Viola Troyan, West Wendover; and Clay Fitch At Large. The officers of the board are: Audrey Spratling, President; Joanne Dalton, Vice President; Beth Brown, Secretary/Treasurer. The Foundation is requesting an advance of unclaimed capital credits as a donation to fund the logo and slogan contests and open a general fund account. Dan reported. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO ADVANCE \$1,000.00 TO OPEN A GENERAL FUND.

The Wells Justice Court contacted WREC asking use of the boardroom at the Wells Professional Center for a voting center. Dan reported. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE THE WELLS JUSTICE COURT~~[[#146]]~~S USE OF THE BOARD ROOM AS A VOTING CENTER.

A donation request was received from the Wendover Headstart. They are asking WREC to waive \$991.16, which is WREC~~[[#146]]~~s electrician costs to wire two trailers to use as classrooms. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO WAIVE THE ELECTRICIAN COSTS.

Glenn English, NRECA Vice President/General Manager, is requesting financial support of an information and education effort against the selling of the Power Marketing Agencies. Vernon Dalton reported. If the PMAs are sold, rates would significantly increase. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE \$1,000.00.

A discussion ensued regarding our equity and tier levels management plan. Agreed upon goals were reported. 1994 year-end levels are: 41.38% equity; 2.67 tier; and a levelized 13.5-year capital credit rotation. Major trends need to be thoroughly analyzed before any decision is made to change our current management plan.

NEVADA COOPERATIVE CREDIT UNION:

Vernon Dalton reported. The credit union continues to grow. Eighty new members have joined since the last reporting. Carlin[[#146]]s grand opening is scheduled for Monday, February 20, 1995. Investing in the credit union is investing in the community.

The Member Services department was commended for all the work and effort in advertising the credit union, etc.

Candy Welsh was hired as a loan officer. S.J. Smith has rejoined the credit union board.

POWER SUPPLY REPORTS:

A new system peak was reached in December of 86.27 megawatts.

FINANCIAL/ADMINISTRATIVE SERVICES REPORT:

The \$1.5 million annual line of credit with CoBank is up for renewal. Clay reported. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND UNANIMOUSLY APPROVED TO RENEW THE COBANK \$1.5 MILLION LINE OF CREDIT.

Clay reported on the expensing of all accrued expenses concerning the Utah property (legal, etc.), instead of capitalizing them. Also reported was the required adoption of FASB 106, which is an accounting for post retirement benefits. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND ON RECOMMENDATION BY THE AUDITORS, IT WAS UNANIMOUSLY APPROVED TO WRITE-OFF THE FEES ASSOCIATED WITH THE WENDOVER, UTAH PROPERTY. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE FASB 106 WRITE-OFF.

SAFETY MINUTES:

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

ENGINEERING/OPERATIONS REPORT:

Warren reported on the termination of the lease with Western Communications. This is regarding the available microwave channels we have on our system. A full report will be available for the March board meeting.

Warren brought before the board, McNabb[[#146]]s request to lengthen the contract period for a line extensions. Following a thorough discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE A LINE EXTENSION CONTRACT FOR 15 YEARS WITH THE STIPULATION OF A LIEN AGAINST THE RANCH UPON SALE IF THE CONTRACT HAS NOT BEEN PAID IN FULL AT THE TIME OF THE SALE. Management will contact Bob Vaughan to draft this line extension contract.

Warren reported on the Jiggs/Lee delivery point served by Sierra Pacific Company. There is a section (1 [[#189]] miles) of line containing #8/3 steel conductor, which cannot handle the load growth we are experiencing in the Lucky Nugget and South Fork Dam areas. We have requested SPPCo to set their reclosers at a higher amperage to handle our load. This exceeds the rating of the #8/3 wire under fault conditions. SPPCo is asking us to contribute \$10,000.00 towards the upgrade of this line. A thorough discussion ensued. The board requested that staff obtain assurances relative to increasing our capacity at the delivery point. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN

AND PASSED UNANIMOUSLY TO APPROVE THE EXPENDITURE OF \$10,000.00 CONTINGENT UPON RECEIVING ASSURANCES FROM SPPCO.

ELECTRICIAN REPORT: Warren reported. A margin of \$1,855.00 was earned for the year of 1994. Advertising has been increased throughout our service territory.

WREC electricians will bid on the electrical work associated with the new Wendover office.

HYDRO REPORT:

Warren reported on the problems associated with the installation of the sure tank and water control system. A thorough discussion was held on the causes of surveying and installation errors. Currently, WREC is evaluating the best method for temporary operation with the existing installation. A permanent fix will be installed as soon as weather permits. WREC has met with the U. S. Forest Service and apprised them of the problem and proposed redesign. There were no objections to proceeding.

MEMBER SERVICES REPORT:

Don McDonald reported on NENDA **[[#146]]**s countywide meeting scheduled March 29, 1995 at 9:30 am at Berg Hall at the Northern Nevada Community College.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE 82 NEW MEMBERSHIPS: 7-WELLS, 23-CARLIN, 34-WENDOVER, NV AND 18 **[[#150]]** WENDOVER, UT.

As there was no further business to come before the board, the meeting adjourned at 12:30 pm.

D. Vernon Dalton, President

Lois Nannini, Secretary

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