

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****July 14, 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 July 14, 1995 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Ferris T. Brough, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Orlin Kidner, Lois Nannini, Vernon Scott, S. J. Smith and Mary Wright. Gerald Anderson and Jerry Parkin were absent.

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 was Diane Griswold, Executive Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of May 26, 1995 will stand approved as written.

NOMINATING COMMITTEE MINUTES:

The Nominating Committee minutes were read by Sheila Sallee, Chairperson. The following nominations were approved by the committee: Manny Khavari, Jeoffery Dahl, Jerry Parkin, Vernon Scott, Paul Neff and Daryl Eriksen. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE NOMINATING COMMITTEE MINUTES (EXHIBIT).

EXECUTIVE SESSION:

An Executive Session was held.

STUDIES UPDATE:

An update was given on the water/waste water study. Joel McMannis will be scheduling the gentleman from Southern Engineering. Also to be scheduled by NRECA is the Water 101 course.

NEOS Corporation will be here July 25 & 26 regarding the Integrated Resource Plan (IRP) study. Several scenarios will be brought before the board for consideration. This study is a requirement of RUS.

MANAGER[[#146]]S REPORT:

The May Form 7 was handed out and reviewed.

Investments made, interest earned and CFC rates were reported.

A report was given on the consumer contacting (June 29, 1995) our energized primary 14.4 line over a two story building. A full investigation of the accident was done following Federated Insurance and our legal counsel. We were found to be in full compliance of all clearances (exceeding the clearance level

from the building roof), etc. Our intention has determined that WREC has no responsibility in this accident. The person involved in this accident lost his leg. A press release was sent out. A lengthy discussion ensued. Employees involved and the accident investigation team were commended for their efforts in this uncomfortable accident.

The lease was terminated with CAP Consultants. The two offices in the Professional Building will be open for lease September 1, 1995.

A report was given on the upgrade on the Wells Professional Building incorporating security measures necessary with the credit union.

A letter was received requesting our continued support of CFC[[#146]]s Cooperative System Integrity Fund by donating 5% of our CFC patronage capital. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE DONATION.

A check was received from Dick McDougal, Wendover Associates, for \$13, 014.74 for the overpayment of the parcel of land in Wendover, Nevada. A small piece of the property purchased belonged to Stateline. Mr. McDougal was not aware of this when the land was sold.

Due to restructuring of the Member Services Department by placing the department under Office Services and reporting to the Manager of Finance/Administration, the Organizational Chart was brought before the board for approval. Dan reported. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE REVISED CHART.

Robert O. Vaughan called and will be sending a letter to the board regarding the event in which Mr. Vaughan could not represent WREC due to illness, etc. He will recommend the board consider Gary DiGrazia. Also to be addressed is Mr. DiGrazia attending cooperative legal seminars. A discussion ensued. The board will wait to receive the letter before consideration is made. Mr. Vaughan has requested attending the NRECA legal seminar in October. He will donate his time and requests that WREC pay his expenses, as done in the past. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE BOB VAUGHAN[[#146]]S ATTENDANCE TO THE NRECA LEGAL SEMINAR.

A Request for Information (Policy 2-7) was received from West Wendover asking for the number of accounts in Wendover, Nevada for census purposes. No account names will be given only the number of accounts served in West Wendover. There were no objections to answering their request.

Thank you cards were sent out to all consumers receiving patronage capital checks \$500.00 and over. Dan reported.

A request was received from the Utility Golf Scramble committee asking for the donation of a meter lamp for their tournament. There were no objections.

A discussion ensued on raising the manager[[#146]]s donation level to \$200.00. Following the discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY LOIS NANNINI AND PASSED WITH SEVEN (7) FOR AND ONE (1) AGAINST TO APPROVE RAISING THE MANAGER[[#146]]S DONATION LIMIT TO \$200.00, WHILE STAYING WITHIN THE BUDGET The manager will keep the board informed of donations made.

POWER SUPPLY:

The first letter of credit was received from Newmont with the 2nd letter of credit following as soon as the General Transfer Agreement is approved. Dan reported.

Praxair will not be entering into a power sales contract with WREC: Newmont is to provide the assurances and forecasting for Praxair[[#146]]s loads. Dan reported. Praxair will be entering into an amended line extension contract.

BPA[[#146]]s preliminary rate is showing a possible 10% decrease in wholesale rates over a five-year period. Dan reported. A cost of service study will be completed.

A lunch recess was called at 12:15 pm. The meeting was called back to order at 1:30 pm.

We need to remove certain boundary lines of the three parcels of land we own in Wendover, NV in order to construct our building in Wendover that meets Fire Marshall requirements. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE COMBINATION OF THE THREE PARCELS OF LAND INTO ONE.

Warren gave an in-depth Engineering/Operations report. Addressed were the outage report, hydro report, electrician services report, and material inventory/total plant comparison report. Handouts of graphs were supplied to the board. A thorough discussion was held.

Warren also addressed the pros and cons of WREC doing its own tree trimming. A breakdown of costs were given. It was the recommendation of management that the current practice of using contractors for tree trimming continue, with increased emphasis on contractor performance and safety.

A memo to the manager regarding an update on the microwave system and situation with Western Communications was handed out to the board. (EXHIBIT) Warren reported.

A report was given on the communication hookup and progress of the Nevada Cooperative Credit Union.

It was requested that, due to the two letters of credit forthcoming from Newmont and for security purposes, a safety deposit at First Interstate Bank[[#146]]s Wells branch be opened. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE OPENING A SAFETY DEPOSIT BOX AT THE WELLS BRANCH OF FIRST INTERSTATE BANK. Four signatures (D. Vernon Dalton, Lois Nannini, Dan Kessler and Clay Fitch) will be required with entry into the box with any two signatures.

SAFETY MINUTES:

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

REGULATORY/ENVIRONMENTAL REPORT:

A memo was received from Jim Wadhams, attorney for NREA, regarding the retail wheeling interim study proposal to the Nevada legislature. Copies of ACR 49 directs the Legislative Commission to conduct an interim study of competition in generation, sale and transmission of electrical energy. Dan reported. A discussion ensued.

BOARD COMMITTEE REPORT:

No committee meetings were scheduled to meet this past month.

The Policy manual will be reviewed for grammatical changes, etc., such as changing REA to RUS. A meeting was scheduled for Friday, August 18 at 8:30 am, just prior to the board meeting.

OTHER BUSINESS:

A board member reported on a power quality issue a consumer was concerned with. A discussion ensued.

Mary Wright has invited the board to hold a board meeting or retreat session at her ranch.

Vernon Dalton reported on NRECA combining several newsletters into one now called "Electric Co-op Today".

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 69 NEW MEMBERSHIPS: 9-WELLS, 25-CARLIN, 22-WENDOVER, NV AND 13[[#150]]WENDOVER, UT.

As there was no further business to come before the board, the meeting adjourned at 3:30 pm.

D. Vernon Dalton, President Lois Nannini, Secretary

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