

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****August 18, 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 August 18, 1995 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, and Mary Wright. S. J. Smith 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 was Diane Griswold, Executive Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of July 14, 1995 will stand approved as written.

ADDITIONS TO THE AGENDA:

Students from the Nevada and Utah Youth Energy Seminars will make a presentation to the board at 1:00 pm. Shan Arcobello, Wells High School Dance Team coach, asked to come before the board requesting a donation. There were no objection to these additions.

BOARD ELECTION:

The preliminary work in preparing for the board election has been accomplished. The ballots will be sent out August 21, 1995 and will be counted in Robert O. Vaughan[**#146**]'s office on September 8, 1995 at 1:00 pm.

Ferris Brough was thanked for his eighteen years of service to Wells Rural Electric Company.

STUDIES UPDATE:

Mr. Joel McManus of NRECA and Mr. Jim Yallaly of Southern Engineering will be presenting a "Water 101" course on August 22, 1995 at 9:00 am. A complete picture of our water/waste water needs will be accessed, which will aid in making a decision of whether to pursue this area of diversification further.

A meeting was held in the Wells office with NOES Corporation. A preliminary draft of the Integrated Resources Study was reviewed. Due to the constant changes within BPA and the difficulty of pricing our wholesale supply, a decision was made to use BPA[**#146**]'s latest pricing data. A preliminary report will be ready to bring before the board during their September meeting.

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

Interest rates, investments made, and interest earned was reported.

The termination of the lease (Wells Professional Building), due to security reasons, with Elaine Jardine

was discussed. The lease was extended to September 15, 1995.

Debbi Kikumoto, Electrician Services/Materials Clerk, is moving. The position will be opened to our part-time employees. The part-time position vacated will not be rehired. Bill Parker, Line Working Foreman in Carlin, has been terminated. Staff is leaning towards an apprenticeship program instead of rehiring Mr. Parker[[#146]]s position. A report was given.

An update on the Wendover office construction was given. Completion of the building is expected the first week of October.

NRECA, CFC, NRTC voting delegates and alternates and the representative to elect the Nevada delegate to the NRECA board of directors were appointed as follows: NRECA-Vernon Scott, with Mary Wright as alternate; CFC-Robert Harris, with Orlin Kidner as alternate; NRTC-Robert Harris with Dan Kessler as alternate; and Dan Kessler was appointed as the representative as to elect the Nevada delegate to the NRECA board.

The WREC Annual Meeting is progressing well. Marianna Nunes is the keynote speaker. A report was given.

The Nevada Cooperative Credit Union is not having an Annual Meeting in conjunction with WREC. Mr. Dalton reported on the proposed merger between NCCU and Nevada Community Federal Credit Union in Carson City, which is under new management of Marsha Burgess who is now helping with the management of the NCCU. Confidentially was stressed. Also discussed were the security measures that will be needed for the Wells Professional Building. It was decided that nothing should be done with the security improvements until the proposed merger is decided.

The NREA Annual Meeting is scheduled for September 7 & 8 in Ely, Nevada and hosted by Mt. Wheeler Power Company. Dan reported. The 519.2 course, *The Policymaker[[#146]]s Guide to New Competitive Issues*, will be offered as a pre-meeting course.

Shan Arcobello asked for support in sending two students (Ryan Smith & Angie Hunt) and herself to Paris, France as part of the All Star Dance Team. Ryan and Angie won the All Star dance competition in Idaho. Each person needs to raise \$2,135.00. First payment of each person of \$375.00 must be in by September 6, 1995. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY FERRIS BROUGH AND PASSED UNANIMOUSLY TO APPROVE A \$375.00 DONATION.

The 4-H Clubs of Clover Valley and Mountain City had sent letters asking that WREC purchase a 4-H beef during the Elko County Fair. IT WAS ON MOTION BY FERRIS BROUGH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE PURCHASE OF A 4-H BEEF.

The Wendover High School Baseball Team is requesting funding to purchase an advertisement sign with WREC[[#146]]s logo, etc. for their outfield fence. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO PURCHASE THE SIGN FOR \$500.00 AND A RENEWAL FEE OF \$200.00 PER YEAR THEREAFTER (Daryl Eriksen left the meeting at this time.)

Dan gave an in-depth financial report with graphics reflecting the financial condition of the company. The following ratios were discussed: Competitive ratios between Utah Power & Light, Sierra Pacific Power Company and WREC. Market share ratios depicting electricity, natural gas, fuel oil propane and wood heating market between 1989 and 1993. Type of water heating and air conditioning, which is

reflected between the years 1989 and 1993. Financial ratios are used to measure on an annualized basis the financial strength of WREC and are reported monthly on the Form 7: Equity; Tier; Debt Service Coverage; operating expenses; average customers served, which reflects growth in consumers; total plant reported in \$1,000 increments; megawatt-hours sold from 1992 through 1994. The RUS Form 7 schedule was also reported. The Form 7 will be sent out with the agenda each month.

A lunch recess was called at 12:00 pm. The meeting was called back to order at 1:00 pm. (Gerald Anderson and Jerry Parkin did not attend the afternoon session.)

The following students reported on their attendance to the Nevada Youth Camp and the Utah Youth Camp: Rhett Reber and Bridgett Dente attended the NREA Youth Camp at Boreal Ridge and Theresa Dahl, Arin Neff, Jennifer Jones and Cassandra Vance attended the UREA youth Camp in Ephrim, UT. The students stressed the positive changes these camps made in their lives and thanked the board for sending them.

POWER SUPPLY:

Discussed was BPA[[#146]]s proposal to reduce its average priority firm wholesale rate by 8.2% by October 1, 1996. Also discussed was BPA[[#146]]s adding a "stranded investment" clause to their General Transfer Agreement, which will delay negotiations. Dan and Clay reported. Approval from RUS on the Newmont Consolidated Agreement is expected early next week.

SAFETY MINUTES:

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

BOARD COMMITTEE REPORTS:

Robert Harris reported on behalf of the Policy Committee which met prior to the board meeting to discuss the proposed changes to rules, rates and regulations. (EXHIBIT) Upon recommendation of the Policy Committee, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE PROPOSED CHANGES AS PRESENTED.

It was decided to have the Scholarship Committee review the Scholarship Policy and bring recommendations back to the board for consideration.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 76 NEW MEMBERSHIPS: 14-WELLS, 27-CARLIN, 18-WENDOVER, NV AND 20[[#150]]WENDOVER, UT.

As there was no further business to come before the board, the meeting adjourned at 2:35 pm.

D. Vernon Dalton, President Lois Nannini, Secretary

mPDF error: