

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****November 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 November 17, 1995 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Robert Harris, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, S. J. Smith, Vernon Scott And Mary Wright. Daryl Eriksen 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 October 20, 1995 will stand approved as written.

**ADDITIONS TO THE AGENDA:**

There were no additions to the agenda.

**STUDIES UPDATE:**

Dan met with Mike Cosgrove, Manger of the City of Wells, regarding the City[[#146]]s water/waste water plans. The City is in the process of applying for a \$70,000 grant to study this issue. The City is not interested, at this time, in WREC becoming involved with their water plans. Also discussed was the possibility of WREC managing their mapping needs.

The preliminary draft of the telecommunications study has been completed. The areas the study addresses are broad-band communications, which is a co-ax wire system that connects the customers[[#146]] facilities and the WREC office. This area includes cable TV; Internet services; computer services; load control management devices; security systems; school networking; telephone; meter reading; billing notification; video conferencing, etc. The similarities between operating and electric utility system and a broad-band system were addressed. Immediate opportunities for diversification would be cable TV and the Internet/computer services areas. Also brought to the board[[#146]]s attention were the risks involved. A thorough discussion ensued. It was recommended that a cost-benefit analysis and customer survey be completed. There were no objections. A meeting has been scheduled with Dennis Hein of NRECA regarding the customer survey. There were no objections to writing about the possibility of bringing some of these services to our customers in the Manger[[#146]]s column of the member newsletter.

There is a need for precise and efficient dispatching services. Dan reported on dispatching/security services and Cooperative Response Center. Dan has visited a couple of cooperatives that offer security systems. A presentation was given by Warren Linnell on the prospects of automated meter reading. A thorough discussion ensued on potential of these services.

The need for elder care and the possibility of a housing center, etc. was thoroughly discussed.

The request for proposals for a cost-of-service study has been prepared and sent out with a scope-of-work included.

MANAGER[[#146]]S REPORT:

The Nevada legislative sub-committee on retail wheeling met on November 7, 1995 in Carson City. Dan reported. The protection of residential rates was addressed, as well as the changes in the electric utility industry on a state and federal level. Some of the major issues identified in the meeting were quality of financial benefits to all rate payers; reliability/efficiency; impact on existing utilities and their shareholders; environmental impact; obligation to serve; balance of regulation and competition; and responsibility of regulation. The Public Service Commission will have their final report on June 26, 1996. The committee agrees that Nevada should not be among the first states to pass a law on retail wheeling.

SPPCo and WREC met to discuss serving Crescent Valley, which is in SPPCo[[#146]]s territory. Discussed was the possibility of trading service territory in that area. Dan reported.

The Wendover office building construction is progressing well. Expect to be in the building by mid-December.

One of our electrician[[#146]]s was driving to work, hit some black ice and rolled a company truck. The Mayday system was very effective in getting immediate help to the scene of the accident. Frank Arcobello was transported to Elko Hospital and released later in the day. It was not a lost time accident. A full report was given.

Mr. Larry King of BPA and MR. David Piper of PNGC will be attending the December board meeting to give presentations on where they see their organizations going.

The Rural Utilities Service has approved the Newmont/WREC Consolidated Agreement. Dan reported. Also discussed was the agreement with Praxair.

Mr. Robert O. Vaughan, attorney, will be drafting policy to prevent take-overs and sell-outs. Dan reported. This will be brought before the board during the December meeting.

WREC received four *excellence in communications* awards from NWPPA for 1995; Employee Information Program-Watts New newsletter; Special Pamphlet [[#150]] 1994 Annual Report; Print Ad-Postcard bill ad; and Customer Involvement-Coloring Book (Mr. Meterman & The Burger King Kids).

A \$500.00 donation request was received from the Wells PTO to aid in the purchase of playground equipment for the Wells Grammar School. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE \$500.00 DONATION REQUEST.

The Great Basin Community College has requested audience with the board to request support for The Foundation.

The Next \$ Foundation[[#146]]s progress was reported.

WREC has been approached by an independent power producer wanting to sell power from their 40 MW gas-fired generator. Dan reported.

A lunch recess was called at 12:00 pm. The meeting was called back to order at 1:00 pm.

### POWER SUPPLY:

Warren gave the bi-annual E&O Report which was based upon the RUS Form 300 evaluation. Addressed were the 1996-1997 Construction Workplan; Continental Lime; Jiggs/Lee, Ten Mile and Luck Nugget areas; substations; Trout Creek Hydro; Pole testing; insulator washing; woodpecker repairs; system peak demand; McNabb/UNR line extensions; points of delivery; inventory; and line patrol. It was noted that a system coincident peak of 91.25 MW was reached in September. Also discussed was the fire on Marys Mountain. While a contractor was testing poles for WREC, a gust of wind snapped the pole off which started the fire. Upon investigation it was determined that the pole had butt-rot. Following a discussion, IT WAS ON MOTION Y S. J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE REPORT. IT was requested that more information on pole testing alternatives and pole boring /strength issues be reported.

A discussion ensued regarding pole contact fees and regulations.

Warren also reported on Ruralite Services.

### FINANCIAL REPORT:

This report provided the board with information about procedures and policy of refinancing RUS debt. Addressed were provisions; discount; refinancing; post loan relationships. At this time, we are not interested in refinancing our RUS debt. It is something that is constantly monitored.

### SAFETY MINUTES:

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

Clay reported on the refunds received due to our safety records. \$38,2243.00 was received back from SIIS due to our safety record. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE A \$100.00 SAFETY AWARD FOR EACH FULL-TIME REGULAR EMPLOYEE WITH ONE FULL YEAR OF EMPLOYMENT WITH THE SAME STIPULATIONS AS IN THE PAST.

### BOARD COMMITTEE REPORTS:

Four requests for bids were sent out. One was received, from Federated Insurance Co., on time. Clay reported. Following a discussion, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE FEDERATED[[#146]]S BID WITH EMF COVERAGE OPTION A AND OPTING FOR THE \$5,000.00 DEDUCTIBLE FOR DIRECTORS, OFFICERS AND EMPLOYERS LIABILITY. EXHIBIT)

IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE REVISIONS TO POLICY 9-1 AS PRESENTED.

### NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 78 NEW MEMBERSHIPS: 9-WELLS, 17-CARLIN, 32-WENDOVER, NV AND 20[[#150]]WENDOVER, UT.

OTHER BUSINESS:

Vernon Dalton reported on the proposed merger between the Nevada Cooperative Credit Union and Nevada Community Federal Credit Union. Elko Federal Credit Union has protested the merger, causing a delay.

A consumer in Carlin had concerns about WREC[[#146]]s tree trimming policies. Staff is working with the consumer about his concerns.

Clay reported on the status of Free-net services. The hardware is installed locally, but has not been installed onto the microwave system. A few sites will be selected for data testing very soon. Expect to have a news release before the end of the year.

A trend analysis with graphs on the number of members were handed out to the board for review.

As there was no further business to come before the board, the meeting adjourned at 3:15 pm.

D. Vernon Dalton, President Mary A. Wright, Secretary

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