

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****February 20, 1996**

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 20, 1996 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, S. J. Smith, Vernon Scott And Mary Wright. Daryl Eriksen and Robert Harris were 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 January 27, 1996 were approved as written.

**ADDITIONS TO THE AGENDA:**

There were no additions to the agenda.

**STUDIES UPDATE (PRESENT/FUTURE):**

Three bids were received on the request for proposal on the Cost of Service Study. They are being evaluated. There is no duplication of data between the COSS and NRECA[**146**]'s PACE program. A recommendation will be given during the March board meeting.

The Executive Summary and conclusions were handed out on the two customer surveys recently taken. Dr. Dennis Hein will attend the March board meeting to present the surveys.

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

A recommendation on "due diligence" on propane and natural gas and a scope of work presentation will be brought before the board for consideration during the March meeting. Dan reported.

Nevada Rural Electric Association held its officer election. Dan Kessler had resigned as President. Elected were Lou Holveck, Valley Electric Company, President; Dan Kessler, Vice President; and Delmar Latham, Overton Power District, Secretary/Treasurer. It was voted to amend their Bylaws to increase board membership from five to ten. Dan reported. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPOINT VERNON DALTON TO THE NREA BOARD OF DIRECTORS.

The Nevada Rural Electric Association[**146**]'s Education Committee is sponsoring a seminar Building a High Performance Team at Valley Electric Association on May 15-17. Their Annual Meeting is scheduled for October 9-11 at Valley Electric.

NRECA[[#146]]s Legislative Conference was discussed. Meetings have been scheduled with Nevada[[#146]]s legislators on Tuesday, May 7: Senators Reid and Bryan at 10: am; Congresswoman Vucanovich at 2:00 pm and Congressman Ensign at 3:30 pm. A breakfast is scheduled for Monday (6yh) at 7:30 am, a buffet lunch and dinner that evening.

Robert O. Vaughan[[#146]]s letter about a fee increase was reviewed. IT WAS ON MOTION BY PAUL NEFF, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE FEE INCREASE OF 2.39%.

The Next \$ Foundation adopted the recommendations made by the WREC board members of forming area committees. The committees will meet with the Foundation board on a quarterly basis to approve funding recommendations, etc.

Vernon Dalton urged everyone to join ACRE again this year and to increase membership numbers by asking spouses, relatives and friends to join. Handed out was a recap of 1995. A challenge has been made to double memberships.

Debbie Smith, Executive Director of NENDA will attend the March board meeting asking WREC[[#146]]s to continue membership and updating the board on what was accomplished last year, as well as what they expect to accomplish.

The Official Voting Representative card from NRECA was given to Vernon Dalton and Mary Wright for signature. Mary Wright, alternate is unable to attend the meeting. There were no objections to Orlin Kidner serving as the alternate.

A donation was made to the American Legion Auxiliary Unit #40 in Wendover for their sponsored Girl[[#146]]s State Program. Dan reported.

#### POWER SUPPLY:

An update on the UNR/McNabb project was given.

The Continental Lime Agreement is being reviewed by Robert O. Vaughan, attorney. A meeting was held with Newmont Gold to relocate an overhead line underground.

Don Angell reported on power supply issues, future power supply possibilities and BPA[[#146]]s latest five-year contract proposal. Also addressed were retail wheeling issues, federal and state legislation affecting the competitive nature of this industry, Integrated Resources Planning and the new PNGC, as well as power supply, substation loading, and distribution system improvements included in the Two Year Construction Work Plan. A thorough and lengthy discussion ensued.

Warren presented the Two Year Construction Work Plan to the board for consideration. Following a discussion two resolutions were presented to the board for approval (EXHIBIT): Board Resolution [[#150]] Two Year Construction Work Plan and Board Resolution [[#150]] Power Requirements Study/Load Forecast. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE TWO YEAR CONSTRUCTION WORK PLAN RESOLUTION. IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE POWER REQUIREMENTS STUDY/LOAD FORECAST RESOLUTION.

Brad Merl, Line Working Foreman in Wendover, resigned. Kerry Robinson, Journeyman Lineman in Wells, will be assigned, temporarily to foreman in Wendover. Bob Richardson, Assistant Line

Superintendent in Wendover, submitted his resignation. Dan reported. Addressed was the position the company is taking with the new deregulated environment in restructuring the organization by doing more with less. A discussion ensued.

A lunch recess was called at 12:00 noon. The meeting was called back to order at 1:30 pm.

#### HYDRO REPORT:

A presentation was made on the operation of the hydro for 1995. It was noted that the hydro generated the projected number of kilowatt-hours for the year and that for the past two years, the hydro[[#146]]s operating cost per kilowatt-hour has been at or near the company[[#146]]s avoided cost.

#### FINANCIAL REPORT:

Organizational restructuring was addressed. A special early retirement plan (SERP) is being checked into as an option to offer eligible employees. Dan reported.

A presentation on replacing the company phone (analogue) system with an updated (digital) system was given. A thorough discussion ensued. It was the consensus of the board that a new system is needed. More information was required before a decision can be made.

A report on After Hours Dispatching Costs were given. The report compared after hour dispatching between Western Communications and the Cooperative Research Center (CRC). Addressed was initial set up charges and event charges compared to services rendered. Following a discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY VERNON SCOTT AND APPROVED UNANIMOUSLY TO JOIN CRC.

#### SAFETY MINUTES:

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

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE 62 NEW MEMBERSHIPS: 12-WELLS, 19-CARLIN, 14-WENDOVER, NV AND 17[[#150]]WENDOVER, UT.

#### BOARD COMMITTEE REPORTS:

No committees were scheduled to meeting this past month. It was noted that the audit has been completed and the auditors (Ernst & Young) will make a presentation during the March board meeting.

#### OTHER BUSINESS:

Vernon Dalton reported on the progress on the proposed merger of the Nevada Cooperative Credit Union.

Those attending the Director[[#146]]s Conference reported.

As there was no further business to come before the board, the meeting adjourned at 3:40 pm.

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

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