

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****March 15, 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 March 15, 1996 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, S. J. Smith, Vernon Scott And Mary Wright. Gerald Anderson 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 March 15, 1996 were approved with the following correction on page 2 under the Manager[[#146]]s Report: Vernon Dalton urged everyone to join ACRE again this year to increase membership numbers by asking spouses, relatives, friends and fellow community and rural area members to join. He stressed more board members involvement in getting new members to join.

STUDIES UPDATE (PRESENT/FUTURE):

Dr. Dennis Hein of NRECA presented to the board the findings of the Commercial and Panel Surveys. Both surveys indicated that WREC members have a very positive image of this company. A thorough and lengthy discussion ensued.

AUDITORS[[#146]] REPORT:

Ron Aoki of Ernst & Young, LLP. gave the 1995 Financial Audit Report. Mr. Aoki stated that the audit went very well. No material weaknesses were found in internal control. Two areas of improvement discussed were materials inventory and accounts receivable. A thorough discussion ensued. IT WAS ON MOTION BY S. J. SMITH, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE PRELIMINARY DRAFT OF THE 1995 FINANCIAL AUDIT.

MANAGER[[#146]]S REPORT:

The new Strategic Plan proposal from Joe Slater of NRECA was brought before the board for consideration. The proposal had been sent to the board prior to this meeting. Following a discussion, management recommended approving the new Strategic Planning proposal presented. The board requested that a board evaluation be included with the cost of the proposal. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE THE STRATEGIC PLANNING PROPOSAL PRESENTED, INCLUDING A BOARD EVALUATION, AND NOT TO EXCEED \$25,000 TOTAL FOR BOTH.

The Nevada Rural Electric Association board meeting has been scheduled for March 20, 1996. Dan

reported.

Mary A. Wright asked to attend the NWPPA Annual Meeting. There were no objections.

POWER SUPPLY:

Jim Mullin, General Manager of Newmont Gold Company, was sent copies of letters regarding WSPP rates and BPA surcharge of 4.0%. Dan reported.

An update was given on the UNR/McNabb project. Sierra Pacific Company is being very cooperative in this endeavor.

A report was given on the status of the Praxair Contract. Also reported was the negotiations on the Continental Lime Contract. The concern of transmission access in the Pilot Valley area is being addressed.

Warren gave a report on mileage costs of the electrician services department. A lengthy discussion ensued. It was decided to set up certain days that the electricians will be in the outer branch offices to perform prescheduled work and assess whether or not trip charges have a negative effect on job volume.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 57 NEW MEMBERSHIPS: 13-WELLS, 15-CARLIN, 14-WENDOVER, NV AND 13 **[[#150]]** WENDOVER, UT.

FINANCIAL SERVICES REPORT:

It was noted that the Cooperative Response Center (CRC) presentation was given to the City of Wells and WREC personnel. It was an excellent presentation and well received.

Clay gave a report on updating our phone system. AT&T **[[#146]]**'s proposal came to \$200,000.00 fully installed. Executone **[[#146]]**'s proposal was \$93,000.00 fully installed. A discussion ensued. IT WAS ON MOTION BY PAUL NEFF, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE EXECUTONE **[[#146]]**'S PROPOSAL.

Three qualified requests for proposal were received for our Cost of Service Study. A report was given. Following a discussion, IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE POWER ENGINEERS/ECONOMICS SERVICES BID.

Debbie Smith, Executive Director of NENDA Ray McPhearson, Yvonne Stuart, and Don McDonald were in attendance to give a presentation on NENDA **[[#146]]**'s achievements and future plans. Following a presentation, Ms. Smith asked for our continued support. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE OUR CONTINUED SUPPORT OF \$3,000.00.

Don McDonald gave a report on ACRE memberships.

BOARD COMMITTEE REPORTS:

There were no committees scheduled to meet this past month. Financial Advisory Committee and Policy Committee meetings were scheduled for Friday, April 12, 1996, beginning at 9:00 am.

OTHER BUSINESS:

Vernon Dalton reported on the merger between the Nevada Cooperative Credit Union and the Nevada Community Federal Credit Union.

As there was no further business to come before the board, the meeting adjourned at 1:40 pm.

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

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