

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****February 21, 1997**

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 21, 1997 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, S. J. Smith and Mary Wright.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager of Finance/Administration; Warren Linnell, Manager of Engineering/Operations; and Jim Su[[#146]]euga, Manager of Customer Services. Also present was Diane Moore, Executive Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of January 16, 1997 were approved as written.

ADDITIONS TO AGENDA:

A discussion on the upcoming Legislative Conference to be held in Washington DC on May 5-7 was asked to be added to the agenda. There were no objections.

EXECUTIVE SESSION:

An executive session was called.

MANAGER[[#146]]S REPORT:

The NRECA and CFC Voting Delegate cards were presented for signatures.

Signatures were required on CRC documentation. There were no obligations.

Dan reported on the Northwest Innovations Conference scheduled in October. A letter was sent to Governor Miller asking him to speak at this conference as Nevada is hosting it this year.

The Jiggs Volunteer Fire Department requested a donation of a truck to use for a medical/emergency vehicle. A discussion ensued. Unit #6 has 219,000 miles and is the last truck WREC owns, all other vehicles are leased. It has been depreciated out and the value of this vehicle is determined to be about \$600.00. IT WAS ON MOTION BE MARY A. WRIGHT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE DONATING THE TRUCK TO THE JIGGS VOLUNTEER FIRE DEPARTMENT AND MAKE AN ALLOWANCE OF \$600.00 TO BE USED TO GET IT INTO GOOD WORKING CONDITION.

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 JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE 49 NEW MEMBERSHIPS: 11-WELLS; 12-CARLIN; 18-WENDOVER, NV; AND 8-WENDOVER, UT.

A resolution to *Terminate Deferred Compensation Program* through NRECA was brought before the board for consideration. Following a discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE AND SIGN THE RESOLUTION.

The following informational items were brought before the board for discussion.

Benchmarking/PACE presentation has been scheduled for April 17 to the staff and April 18 during the board meeting. UMS/NRECA will be making the presentation. Warren Linnell gave an update.

The NRECA Legislative Conference is scheduled for May 5-7, 1997 in Washington, DC. An agenda was reviewed with the board. President Dalton and Dan urged as many directors that can to attend.

Dan gave a report on the legislative activity in the State. At this time there is nothing on the agenda to indicate a retail wheeling position(s) will be introduced. It is the consensus of management and the board that preparation should be made if that should change. Preparation is being made to prepare and introduce a bill addressing the retail wheeling issue, if it should come before the legislature. A lengthy discussion ensued.

NREA has scheduled their board meeting for February 26, 1997 in Carson City. The NREA Annual Meeting is scheduled for July 24 & 25. Wells is the host utility. Dan gave an update.

Those attending the Director[[#146]]s Conference in New Orleans were asked to give reports.

Dan gave an update on our advertising budget breakdown. A discussion ensued.

Ernst & Young has completed the 1996 audit. A full report will be given during the March meeting. Draft copies will be sent out prior to the meeting.

A discussion ensued regarding Quantum[[#146]]s start-up costs and their audit. A recommendation will be brought before the board in March.

President Dalton was asked to speak at the Chairman of the Board[[#146]]s Conference. Robert Harris was asked to speak about WREC[[#146]]s key accounts strategy and management program. Dan was also asked to speak, but due to scheduling conflicts he declined.

Don Angell gave an update on power supply issues. Addressed were San Diego RER meeting. [[#150]] Plexus presentation on "The Communication Value of Power Conductors"; Regional Review Transition Board [[#150]] BPA subscription process; BPA [[#150]] may offer early subscriptions (ahead of 2001); BPA [[#150]] initiating a retail wheeling pilot program; Washington, Oregon, Idaho Public Utility Commissions [[#150]] headed toward unbundling customers[[#146]] bills; NGC meeting in January [[#150]] report on the progress of unbundling NGC bill; and Northwest power costs.

A health club is opening in Wells in coordination with the Elko Athletic Club. A discussion ensued.

A visual presentation was given on our Strategic Planning Process. This presentation included the last six

months, since its inception. Eight area of the plan with critical issues. Goals and objectives, strategies and workplans were reported. A lengthy discussion ensued.

WREC is working on a homepage for a website. It is a matter of time before Internet services will be made available or brought to the rural areas. Dan is attending the NRTC Annual Meeting and will have a report during the next board meeting.

A discussion ensued on high bill complaints. Due to incremental weather, many of the meters were estimated by our computer system. Dan reported.

As there was no further business to come before the board, the meeting adjourned at 2:45 pm.

D. Vernon Dalton, President Lois Nannini, Secretary/Treasurer

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