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**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY**

**July 18, 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 Friday, July 18, 1997 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: D. Vernon Dalton, Robert Harris, Orlin Kidner, Paul Neff, Vernon Scott, S. J. Smith, and Mary Wright. Gerald Anderson, Daryl Eriksen, Lois Nannini and Jerry Parkin were not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager of Finance/Administration; 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 June 27, 1997 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda. It was asked that the Nominating Committee Report given by Chairman Elaine Swanson be moved, and given before the Executive Session. There were no objections.

NOMINATING COMMITTEE REPORT:

Elaine Swanson, Chairman of the Nominating Committee Report gave a report. The following nominations were accepted by the committee: Tom Justus; Mary A. Wright [[#150]] incumbent; Judy Bradshaw; S. J. Smith [[#150]] incumbent; and Orlin Kidner [[#150]] incumbent. (EXHIBIT) Elaine was thanked for serving on the committee. Following the report, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE NOMINATING COMMITTEE REPORT AS GIVEN.

The ballots will be sent to the customer/owners the week of August 18-22. An orientation meeting with the non-incumbents has been scheduled for Wednesday, July 23 at 9:00am.

EXECUTIVE SESSION:

An executive session was called by Chairman, D. Vernon Dalton. (Robert Harris came in during this session).

MANAGER[[#146]]S REPORT:

A discussion was held on the matter of security and other assurances to provide that, in the event of termination of the Consolidated Agreement for Electric Supply entered into on October 25, 1994 with Newmont Gold Company, WREC would be paid the amount of the termination charges and an amount equal to the highest one-month billing to Newmont Gold Company for facility charge and demand on

energy during the previous calendar year and that the same would be guaranteed for immediate payment. The payment is, currently, assured by an existing Letter of Credit in the sum of \$34,120,086.00. The current amount on which payment needs to be guaranteed is \$26,994,914.00. A resolution and guarantee to replace the existing Letter of Credit was brought before the board for consideration. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY MARY A. WRIGHT WITH A VOTE OF SEVEN IN FAVOR AND 0 AGAINST TO APPROVE THE RESOLUTION AND UNCONDITIONAL CORPORATE PARENT GUARANTEE WITH ANNEXES I, II, AND III ATTACHED, AND THE CERTIFICATE OF AUTHORITY TO BE SIGNED BY THE OFFICERS OF NEWMONT MINING. (EXHIBIT)

Brought before the board was another resolution stating that WREC has received approval from RUS to construct a headquarters and warehouse facility in Wendover, Nevada with the costs shown on the previously submitted 74og Cost Estimates. It also states that WREC intended to finance this construction through long term debt and make application to NRUCFC for a 100% loan in the amount of \$1,820,000.00 for a period of 15 years. (EXHIBIT) IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE RESOLUTIONS AS PRESENTED.

A donation request was received from the Te-Moak Tribe of Western Shoshone Wells Cradle Board Day Care. They asked the board[[#146]]s consideration of providing five scholarships of \$100.00 each to be made available for candidates/parents who need help with child care due to working for minimum wage and the high cost of day care. A discussion ensued. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY MARY A. WRIGHT AND PASSED UNANIMOUSLY TO GET MORE INFORMATION AND TO REFER THEM TO THE NEXT \$ FOUNDATION.

Warren Linnell, Consultant, and Mike Cromie, Line Superintendent gave the Bi-Annual Engineering/Operations Report. Some of the areas addressed were turtle metering, CRC, Save the Salt Project, Safety Accreditation, Mapping and the DISCO organizational chart. Also noted was the hiring of Gary Botts to replace Bob Thornal as mechanic, Grant Hylton replacing Thad Ballard as Purchasing Agent, and Thad Ballard moving into the Customer Service Specialist position.

#### SAFETY MINUTES:

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

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 70 NEW MEMBERSHIPS: 14 - WELLS, NV; 16 - CARLIN, NV; 24 - WENDOVER, NV; AND 16 - WENDOVER, UT.

The following informational items were discussed:

Studies Update: The staff is meeting to review the Strategic Plan. It is planned to meet with the board in August to review and revise the plan. The IRP Study is ongoing.

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

The agenda for the upcoming NREA Annual Meeting was reviewed. Also discussed was legislation concerning AB366. Addressed was more involvement by NREA in the Youth Energy Seminar at Boreal Ridge Resort and NREA[[#146]]s Nevada delegate to run for the NRECA board.

POWER SUPPLY:

BPA has scheduled a customer meeting on July 30, 1997 with a golf scramble on July 31. A handout from Don Angell, Engineering Consultant was given to the members of the board. The handout addressed Newmont[[#146]]s increased power request, transfer trip, and future power requirements. Also addressed was WREC[[#146]]s future load growth.

OTHER BUSINESS:

A grant has been issued for a Family Resource Center in Wells for a total amount of \$20,000.00. A report was given.

Mary Wright reported on the NWPPA Annual Meeting.

As there was no further business to come before the board, the meeting adjourned at 11:50 am.

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

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