

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****December 15, 2000**

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, December 15, 2000 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: D. Vernon Dalton, Daryl Eriksen, Robert Harris, Orlin Kidner, Lois Nannini, Paul Neff, Vernon Scott, Howard Wright and Mary A. Wright. Gerald Anderson and Jerry Parkin were absent.

Staff members present were Clay R. Fitch, Chief Executive Officer. Also present was Amanda Moffitt, Executive Secretary.

**ACTION ITEMS:****APPROVAL OF MINUTES:**

The minutes of the regular meeting of November 20, 2000 were approved as corrected.

Paul reported the NV Cattleman[[#146]]s Association passed a resolution at their annual meeting ~~to not support deregulation in NV~~ to support the delay and implementation of deregulation until it can be shown that small consumers and industrial loads would benefit.

**ADDITIONS TO AGENDA:**

There were no objections to add the following:

- Continuation of the NRECA Section 125 Cafeteria Plan - Resolution

**EXECUTIVE SESSION**

An executive session was held.

**SAFETY FIRST VERSE:**

Tis the season! Be sure to unplug Christmas lights before leaving or retiring for the evening.

**ACTION ITEM REPORT:**

Cafeteria Plan Continuation **[[#150]]** IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING THE RESOLUTION.

WHEREAS, Wells Rural Electric Company is a member of the National Rural Electric Cooperative Association ("NRECA"); and

WHEREAS, NRECA has established the NRECA Section 125 Cash or Benefits Plan ("Cafeteria Plan")

effective June 1, 1989 for the benefit of its members ("Members"); and

WHEREAS, NRECA has updated the Cafeteria Plan and Member desires to adopt the amended and restated Cafeteria Plan; and

WHEREAS, the adoption of the Cafeteria Plan by Member will allow Member's eligible employees to pay for their health care costs and dependent care costs on a pre-tax basis, and

WHEREAS, it is considered desirable and in the best interests of Wells Rural Electric Company and such eligible employees to provide a method to enable employees to pay for their health care costs and dependent care costs on a pre-tax basis.

NOW, THEREFORE IT IS RESOLVED, that the Cafeteria Plan, amended and restated effective January 1, 2000 be, and it hereby, is adopted by Wells Rural Electric Company effective January 1, 2001.

BE IT FURTHER RESOLVED that Wells Rural Electric Company wishes to include in the Cafeteria Plan, the NRECA SEC. 125 Premium-Only-Plan Benefit Option; NRECA SEC. 105 Medical Reimbursement Benefit Option, and NRECA SEC. 129 Dependent Care Assistant Benefit Option.

BE IT FURTHER RESOLVED that Wells Rural Electric Company agrees to pay NRECA an administrative fee for establishing and maintaining the Cafeteria Plan of (a) \$3.00 per flexible spending account(s) participant per month, and b) \$1.00 for each flexible spending account(s) reimbursement check issued, and as these fees may periodically be amended.

BE IT FURTHER RESOLVED that the officers of Wells Rural Electric Company hereby are authorized and directed to take any and all action required to implement the Cafeteria Plan including, but not limited to, the execution of a plan document and any trust agreement, which may be required to implement the Cafeteria Plan.

SERP Approval IT WAS ON MOTION BY PAUL NEFF, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE ACCOUNTING METHOD FOR THE PREVIOUS SERP OR RETIREMENT PLAN UPGRADES AS PRESENTED. Attachment A

Rule 9 IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE RULE 9 AS PRESENTED.

Board Policy Approval A discussion took place on directors serving on other boards that do not offer compensation. It was the consensus of the board to have staff write up proposed policy changes for review at the next meeting. The policy will address that directors will ask the boards permission to serve on another board who does not offer compensation.

A recess was called at 10:15 am. The meeting was called back to order at 10:35 am.

Mike Peterson of UREA updated the board on UREA's involvement with the legislature and other activities currently involved in. He thanked the board for joining UREA.

George Yan, owner of Chinatown Caf requested the board to consider retiring discounted capital credits to his family for personal medical needs. Following a discussion on current policy, IT WAS ON MOTION BY PAUL NEFF, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO NOT MAKE A SPECIAL EXCEPTION TO THE DISCOUNT OF THE CAPITAL CREDIT POLICY. The board asked Clay to express their concern and best wishes for he and his family.

A lunch recess was called at 12:10 pm. The meeting was called back to order at 1:20 pm.

President Dalton handed out plaques to Orlin Kidner for 2 terms of service and Mary Wright for serving 6 terms. Orlin and Mary were thanked for their continued dedication and support on the board.

Capital Budget **[[#150]]** Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE CAPITAL BUDGET AS PRESENTED.

Capital Credit Retirement **[[#150]]** IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE RETIRING \$590,088 IN CAPITAL CREDITS. THIS WILL RETURN ALL OF 1984 AND HALF OF 1985, ALONG WITH A PERCENTAGE OF 1986-1999.

Write-Off List 2000 **[[#150]]** IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE WRITE-OFF LIST AS PRESENTED.

#### SAFETY MINUTES:

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

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 49 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 9; CARLIN **[[#150]]** 6; WENDOVER, NV **[[#150]]** 21 AND WENDOVER, UT **[[#150]]** 13

#### INFORMATIONAL ITEMS:

#### DEPARTMENT OR OTHER REPORTS

The following reports were included as information in the agenda:

- Strategic Plan **[[#150]]** Clay handed out the implementation plan devised from management and employees.
- Outage
- Finance and Administration
- Member Services
- Office Services
- Operations
- Marketing and Diversified Services
- Articles of Incorporation

Status of Articles of Incorporation **[[#150]]** Clay reported over 1500 ballots have been received back from members.

#### BOARD REPORTS

There were no reports given.

#### CEO**[[#146]]**S REPORT:

The following reports were included in the agenda:

- Key Accounts
- Electric Power Committee
- Future Board Meetings
- December - Capital Budget
- January - Approval of the 10-year Financial Forecast Planning and Assumptions
- Rule 9
- February - Operations Planning Report

POWER SUPPLY - A report was mailed with the agenda.

#### OTHER BUSINESS

There was no further business to discuss.

As there was no further information to discuss, the meeting was adjourned at 2:44 pm.

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

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