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

**January 17, 2003**

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, January 17, 2003 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Scott Egbert, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, S. J. Smith, Ron Springsteel, Howard Wright and Mary Wright.

Staff member present was 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 December 19, 2002 were approved as written.

**ADDITIONS TO AGENDA:**

There were no objections to add the following:

**[[#183]]** February Board Meeting

**SAFETY FIRST VERSE:** Infant/Toddler car seats **[[#150]]** Whether your child or grandchild, always use a car seat and take the time to know how to install it properly in your vehicle.

**ACTION ITEMS:**

- A. February Board Meeting **[[#150]]** It was asked to re-schedule the February board meeting. IT WAS ON MOTION BY S. J. SMITH, SECONDED BY RON SPRINGSTEEL AND PASSED UNANIMOUSLY TO APPROVE MOVING THE REGULARLY SCHEDULED BOARD MEETING TO WEDNESDAY, FEBRUARY 19, 2003.
- B. Wells High School Rodeo Club **[[#150]]** Walter Winchell and Club President, Matt Morrison were present. Mr. Winchell told the board that Wells will be hosting the 2003 State High School Rodeo Finals and asked the board to consider being an event sponsor for \$2,650.00 at the High School State Rodeo. Walter gave a breakdown of the events and expenses associated with hosting the rodeo. Following the presentation the board discussed at length, past donations, alternative funding options and contributions the Next Dollar Foundation has made in past years to improving the grounds. IT WAS ON MOTION BY HOWARD WRIGHT, SECONDED BY MARY WRIGHT TO SPONSOR A STATE FINALS RODEO EVENT FOR \$2,650.00.

The board discussed options on getting the communities involved. IT WAS MOVED TO AMEND THE MOTION BY PAUL NEFF, SECONDED BY S. J. SMITH FOR WELLS RURAL TO MAKE A 10% DONATION OF THE CONTRIBUTIONS RECEIVED FROM THE COMMUNITIES WITHIN THE WREC SERVICE TERRITORY. THE MAXIMUM WREC DONATION WOULD NOT

EXCEED \$2,650.00. THE AMENDMENT FAILED WITH THREE VOTES IN FAVOR AND SEVEN VOTES OPPOSED.

AFTER FURTHER DISCUSSION MOTION TO SPONSOR A STATE FINALS RODEO EVENT FOR \$2,650.00 PASSED.

The Wells Rural Electric Meeting was recessed at 9:30 am for a meeting of the members of the Next Dollar Foundation. The meeting was called back to order at 9:45am.

- C. Strategy 2 **[[#150]]** Operational Efficiencies and Cost Reductions - The board reviewed the preliminary report and complimented staff on making WREC a more efficient company. IT WAS ON MOTION BY PAUL NEFF, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE STRATEGY 2 AS PRESENTED.
- D. Net Metering **[[#150]]** Scott Egbert excused himself due to conflict of interest. The board reviewed a draft tariff for net metering. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY S. J. SMITH AND PASSED TO ACCEPT THE PROPOSED NET METERING TARIFF WITH THE FOLLOWING CHANGE TO THE ENERGY CHARGE/PAYMENT TO BE **[[#147]]**WELLS RURAL ELECTRIC**[[#146]]**S AVOIDED COST OR THE BONNEVILLE POWER ADMINISTRATORS WHOLESALE ENERGY RATE.**[[#148]]**

IT WAS ON MOTION BY S. J. SMITH, SECONDED BY LOIS NANNINI TO CHANGE THE APPROVED NET METERING TARIFF**[[#146]]**S SERVICE CHARGE TO: **[[#147]]**COST BASED SERVICE CHARGE**[[#148]]**.

A discussion continued regarding the service charge. THE MOTION WAS CALLED FOR QUESTION. THE MOTION FAILED.

- E. Turtle Upgrade **[[#150]]** The board discussed the turtle upgrade proposal and other alternatives, as well as the life expectancy of the turtles. IT WAS ON MOTION BY PAUL NEFF, SECONDED BY RON SPRINGSTEEL AND PASSED UNANIMOUSLY TO APPROVE THE TURTLE UPGRADE AS PRESENTED.

## PRESENTATIONS

- A. United Way **[[#150]]** Theresa Currivan, Wells Chairperson, Janet Riddle and Nancy Stetson gave a presentation to the board about the United Way campaign and asked for it to be available to employees. It was pointed out that employees would be able to designate their contributions to a certain organization in Wells if they chose to. IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO HAVE THE UNITED WAY CAMPAIGN VOLUNTARILY AVAILABLE TO THE EMPLOYEES, WITH THE CAMPAIGN MEMBERS TO GIVE A PRESENTATION TO EMPLOYEES. ATTENDANCE WILL NOT BE MANDATORY.

SAFETY MINUTES: IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES AS PRESENTED.

NEW MEMBERSHIPS: IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 50 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]**9; CARLIN **[[#150]]**9; WENDOVER, NV **[[#150]]**23 AND WENDOVER, UT **[[#150]]**9.

A lunch recess was called at 12:00 noon. The meeting was called back to order at 12:45 pm. Mary Wright excused herself for the remainder of the meeting.

INFORMATIONAL ITEMS:

- A. Escheated Capital Credits were discussed. Following the advise of counsel, no action will be taken further information is provided at the February board meeting.
- B. Franchise Tax **[[#150]]** The board discussed the recent Elko County Commissioners consideration would have placed a 5% utility tax on all utility services in Elko County.

### DEPARTMENT OR OTHER REPORTS

The following reports were included as information in the agenda:

- Outage
- Finance and Administration
- Member Services
- Office Services
- Diversified Services
- Integrated Resources
- Member Information Systems
- Trout Creek Hydro

Following a discussion regarding the current research and develop study of the wireless internet systems in place, it was asked to expand the study to twenty additional units. **IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE TWENTY ADDITIONAL WIRELESS INTERNET UNITS FOR A ONE MONTH STUDY.**

### POWER SUPPLY REPORT

The power supply report was included in the agenda.

### BOARD REPORTS

A discussion was held and information requested on the Federated Insurance yearly report.

### CEO[[#146]]S REPORT

NRECA Annual Meeting **[[#150]]** Clay reminded the board of the upcoming annual meeting and asked the board to contact Amanda to make reservations to attend.

Clay and Vernon updated the board on the NREA board meeting with the Nevada Taxpayers Association. The topic of discussion was the proposed gross receipts tax being introduced this session. A discussion was held on the importance of utilizing our grassroots organization to enforce WREC[[#146]]s position on the gross receipts tax. **IT WAS ON MOTION BY PAUL NEFF, SECONDED BY HOWARD WRIGHT FOR WREC TO OPPOSE THE GROSS RECEIPTS TAX FOR THE BENEFIT OF THE MEMBERS AND TO SEEK ALLIANCES TO ASSIST IN DEFENDING OUR POSITION.**

**IT WAS ON MOTION BY SCOTT EGBERT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO AMEND THE PREVIOUS MOTION TO APPROVE SPENDING A MAXIMUM OF \$10,000.00 FOR EFFORTS TO OPPOSE THE GROSS RECEIPTS TAX.**

THE ORIGINAL MOTION WAS PASSED AS AMENDED.

### FEBRUARY AGENDA ITEMS:

- [[#183]]** Gross Receipts Tax Update and Legislation
- [[#183]]** Irrigation Member Report

OTHER BUSINESS:

It was brought to the attention of the board that the Operations Manager of Moon Lake Electric, his wife and two of his three sons were killed in an automobile accident. IT WAS ON MOTION BY PAUL NEFF, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO APPROVE MAKING A \$50.00 DONATION TO THE EDUCATION FUND FOR THE SURVIVING SON.

EXECUTIVE SESSION:

An executive session was not held.

As there was no further information to discuss, the meeting was adjourned at 2:30 pm.

D. Vernon Dalton, President

Lois Nannini, Secretary/Treasurer

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