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

**June 20, 2003**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wendover, Nevada in the Boardroom of the Wendover office and called to order Friday, June 20, 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 May 16, 2003 were approved as corrected.

**ADDITIONS TO AGENDA:**

There were no objections to add the following:

- Appoint NREA Voting Delegate
- Two Donation Requests

**SAFETY FIRST VERSE:** Mosquitoes exist everywhere, and carry with them serious diseases. Protect yourself while outdoors by spraying clothing with repellents. Mosquitoes lay their eggs on the surface of stagnant water. By removing and ridding your yard of standing water, you will help reduce these pests.

Howard Wright arrived at the meeting at 9:20am.

**ACTION ITEMS:**

Governance Training **[[#150]]** Monica Schmidt of NRECA gave a preliminary report on the board evaluation and training in governance. (Report and training lasted 4 hrs.)

Lois Nannini left the meeting at 12:30 pm.

A lunch recess was called at 1:00pm. The meeting was called back to order at 1:50pm.

Annual Business Plan for Diversified Services **[[#150]]** Hank James presented the board with performance through accounting of the activities conducted within Diversified Services. The information presented was in comparison to the ten performance measures in the Electrician Services Business Plan Update, which was approved by the board in June 2002. IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY PAUL NEFF TO APPROVE THE BUSINESS PLAN FOR DIVERSIFIED SERVICES AS PRESENTED.

Following further discussion regarding the business plan, IT WAS ON MOTION BY PAUL NEFF TO TABLE THE PREVIOUS MOTION TO APPROVE THE BUSINESS PLAN UNTIL JULY 2003. Staff will prepare a

report, which explores fuel switching of water heaters and will re-analyze the electrician[[#146]]s exit strategy.

Broadband-Wireless Internet Services [[#150]] Hank James presented a business plan for wireless internet services. The presentation included a start-up business model, description of services, and an industry analysis for Wells, strategy and implementation, a financial plan and exit strategies. IT WAS ON MOTION BY RON SPRINGSTEEL, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE WIRELESS INTERNET SERVICES BUSINESS PLAN WITH THE ADDITION OF A RE-CONNECT FEE AND UPGRADE FEE AND FOR THE BOARD TO REVIEW THE FINANCIAL STATEMENTS AT 30-60 AND 90 DAY INTERVALS. THIS AUTHORIZATION ALSO INCLUDED PRELIMINARY INVESTIGATION FOR EXPANDING WIRELESS INTERNET TO WENDOVER AND CARLIN. (Presentation and discussion lasted 1hr 20 min.)

NREA Voting Delegate [[#150]] Clay explained his duties as President of NREA and a conflict of interest he has acting as WREC[[#146]]s voting delegate. President Vernon Dalton was asked by NRECA to run in the upcoming NREA representative election. IT WAS ON MOTION BY HOWARD WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE PRESIDENT D. VERNON DALTON TO RUN IN THE NREA ELECTION FOR REPRESENTATIVE ON THE NRECA BOARD.

IT WAS ON MOTION BY PAUL NEFF, SECONDED BY HOWARD WRIGHT AND PASSED UNANIMOUSLY TO APPOINT SCOTT EGBERT AS VOTING DELEGATE FOR THE NREA ANNUAL MEETING.

#### Donation Requests-

The first donation request was from the Northeastern Nevada Little League, asking Wells Rural to help sponsor the uniforms for the 2003 All-Star Team. It was noted that Wells Rural has already donated \$400.00 to the 2003 Little League program. Following a discussion, IT WAS ON MOTION BY S. J. SMITH, SECONDED BY RON SPRINGTEEL AND PASSED UNANIMOUSLY TO RECEIVE THE DONATION REQUEST AS INFORMATION.

The second donation request was from the Senior Olympic Games Committee. The Senior Olympic Games is for participants 50+ and is to promote health and fitness in older adults. Following a discussion, IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO ACCEPT THE REQUEST AS INFORMATION.

SAFETY MINUTES: IT WAS ON MOTION BY PAUL NEFF, SECONDED BY SCOTT EGBERT AND PASSED TO APPROVE THE SAFETY MINUTES AS PRESENTED.

NEW MEMBERSHIPS: IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY SCOTT EGBERT AND PASSED TO APPROVE 67 NEW MEMBERSHIPS AS REVIEWED: WELLS [[#150]] 10; CARLIN [[#150]]15; WENDOVER, NV [[#150]]26 AND WENDOVER, UT [[#150]]16.

#### DEPARTMENT OR OTHER REPORTS

The following reports were included as information in the agenda:

- Finance and Administration
- Trout Creek Hydro Production Costs
- Long-Term Debt Portfolio
- Information Services
- Accounting
- Member Services
- Marketing

DEPARTMENT OR OTHER REPORTS (cont[[#146]]d)

- Outage
- Operations
- Human Resources
- Election Committee
- Key Accounts

### POWER SUPPLY REPORT

The power supply report was included in the agenda.

### BOARD REPORTS

Directors attending the NWPPA Annual Meeting made reports.

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

Clay reported Nevada Legislation is entering their 2<sup>nd</sup> Special Session June 25<sup>th</sup>.

The board listened to a number of outage calls between members and Wells Rural[[#146]]s contracted after hours service Cooperative Response Center (CRC). The board was concerned that members may not understand Wells Rural[[#146]]s contract with CRC and the service they provide. Staff will begin drafting a member education plan, which will address this issue.

### OTHER BUSINESS:

There was no other business to discuss at this time.

### BOARD AGENDA ITEMS:

Upon receiving Monica Schmidt[[#146]]s action list from the governance training session, President Dalton and Clay will add items from the action list to the July agenda.

As there was no further information to discuss, the meeting was adjourned at 5:30 pm.

D. Vernon Dalton, President

Lois Nannini, Secretary/Treasurer

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