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

October 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, October 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, Lois Nannini, Paul Neff, Jerry Parkin, S. J. Smith, Ron Springsteel, Howard Wright and Mary Wright. Orlin Kidner was absent.

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 September 19, 2003 were approved as written.

**ADDITIONS TO AGENDA**

- Request to change November board meeting
- Next Dollar Foundation Annual Meeting of the Members

**SAFETY FIRST VERSE:** Road Construction: Be alert when driving through construction zones on the highways and interstates. Obey the speed limit and keep a comfortable distance between you and the vehicle ahead of you.

**PRESENTATION:**

NRECA Benefits **[[#150]]** Mike Stiff of NRECA was present to discuss what other cooperatives are doing to reduce insurance premiums and options available to the board. Mike answered questions of the board. (40 min.)

**ACTION ITEMS:**

Election of Officers - The board held an election of officers. The results are as follows: D. Vernon Dalton, President; Scott Egbert, Vice President; Lois Nannini, Secretary/Treasurer; and Orlin Kidner and S. J. Smith as Alternate Secretaries.

**Policies -**

Policy 1-1: This policy was reviewed and discussed. It was the consensus of the board to have the company attorney review and submit legal counsel. Policy 1-1 will be added to the November agenda.

Policy 1-2: Following review and discussion of Policy 1-2, **IT WAS ON MOTION BY SCOTT EGBERT, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-**

**2 AS ATTACHED.** (Attachment A)

Policy 1-3: Following review and discussion of Policy 1-3, **IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO DELETE THE SECOND SENTENCE IN SECTION II. SUBSECTION A., PARAGRAPH 2.**

Following further discussion, **IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY LOIS NANNINI TO STRIKE THE FIRST LINE OF SECTION II. SUBSECTION A., PARAGRAPH 3 AND BEGIN PARAGRAPH WITH **[[#147]]DEVELOP[[#148]]**. MOTION FAILED.**

**IT WAS ON MOTION BY S. J. SMITH, SECONDED BY GERALD ANDERSON TO DELETE SECTION II. SUBSECTION A., PARAGRAPH 3. MOTION FAILED.**

**IT WAS ON MOTION BY PAUL NEFF, SECONDED BY RON SPRINGSTEEL AND PASSED UNANIMOUSLY TO STRIKE THE FIRST LINE OF SECTION II. SUBSECTION A., PARAGRAPH 3 AND THE WORD **[[#147]]PROPOSED[[#148]]** FROM LINE 2.**

**IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY HOWARD WRIGHT AND PASSED UNANIMOUSLY TO APPROVE ADDING **[[#147]]OR THE DELETION OF[[#148]]** TO SECTION III. SUBSECTION B., PARAGRAPH 1, FOLLOWING THE WORD **[[#147]]ADDITION[[#148]]**.**  
(Policies: 55 min).

A recess was called at 12:00 noon for lunch. The meeting was called back to order at 12:55 pm.

Policy 1-3 (cont**[[#146]]**d): **IT WAS ON MOTION BY PAUL NEFF, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO DELETE SECTION III., SUBSECTION B.**

**IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY LOIS NANNINI AND PASSED UNANIMOUSLY TO APPROVE ADDING **[[#147]]DEVELOP PLANS AND BUDGETS FOR CONDUCTING STUDIES, MARKET RESEARCH OR NEEDS ASSESSMENT FOR RECOMMENDATION TO THE BOARD FOR APPROVAL. **[[#148]]**** TO SECTION II., SUBSECTION A., PARAGRAPH 3.**

**IT WAS ON MOTION BY PAUL NEFF, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE AND ADOPT POLICY 1-3, WITH THE ABOVE AMENDMENTS.**  
(Attachment B)

Policy 1-4: **IT WAS ON MOTION BY SCOTT EGBERT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO STRIKE **[[#147]]OR INCUR SUBSTANTIAL DAMAGE TO THE SURVIVAL OF **[[#148]]**** FROM SECTION III, SUBSECTION 1(G) AND ADD **[[#147]]TO **[[#148]]**** FOLLOWING **[[#147]]THREAT, **[[#148]]****.**

**IT WAS ON MOTION BY SCOTT EGBERT, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO ADOPT POLICY 1-4 AS ATTACHED.** (Attachment C)

Policy 1-5: **IT WAS ON MOTION BY PAUL NEFF, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO ADOPT POLICY 1-5 AS ATTACHED.** (Attachment D)

Policy 1-6: This policy was reviewed and discussed. It was the consensus of the board to have the company attorney review and submit legal counsel. Policy 1-6 will be added to the November agenda.

Policy 1-7: This policy was reviewed and discussed. It was the consensus of the board to have the

company attorney review and submit legal counsel. Policy 1-7 will be added to the November agenda.

**Policy 1-8: IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO ADOPT POLICY 1-8 AS ATTACHED. (Attachment D)**

**Policy 1-9: IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO GET LEGAL COUNSEL ON POLICY 2-7 AND THE PROPOSED POLICY 1-9 TO MAKE ONE POLICY.**

**Policy 1-10: IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-10 AS ATTACHED. (Attachment E)**

**Policy 1-11: IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY HOWARD WRIGHT AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-11 AS ATTACHED. (Attachment F)** Director S. J. Smith abstained from voting due to conflict of interest.

**Policy 1-14: IT WAS ON MOTION BY HOWARD WRIGHT, SECONDED BY RON SPRINGSTEEL AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-14 AS ATTACHED. (Attachment G)**

**Policy 1-15: IT WAS ON MOTION BY PAUL NEFF, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-15 AS ATTACHED. (Attachment H)**

**Policy 1-7 and Policy 1-8: IT WAS ON MOTION BY SCOTT EGBERT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO DELETE THE OLD POLICIES 1-7 AND 1-8 AS ATTACHED. (Attachment I) (1 hr. 25 min.)**  
(Policies: additional 1hr. 25 min.)

November Board Meeting **[[#150]]** Due to a scheduling conflict, it was asked to consider changing the November board meeting. **IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY HOWARD WRIGHT AND PASSED UNANIMOUSLY TO APPROVE HOLDING THE REGULARLY SCHEDULED BOARD MEETING ON WEDNESDAY, NOVEMBER 12, 2003 IN WELLS.**

Strategic Plan **[[#150]]** Following a discussion, **IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO APPROVE THE STRATEGIC PLAN AS PRESENTED.**

**SAFETY MINUTES: IT WAS ON MOTION BY RON SPRINGSTEEL, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES AS PRESENTED.**

**NEW MEMBERSHIPS: IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO APPROVE 52 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 8; CARLIN **[[#150]]**15; WENDOVER, NV **[[#150]]**23 AND WENDOVER, UT **[[#150]]**14.**

#### **POWER SUPPLY REPORT**

The power supply report was included in the agenda.

#### **DEPARTMENT OR OTHER REPORTS**

The following reports were included as information in the agenda:

Finance and Administration

- [[#183]] Long-Term Debt Portfolio and CFC interest Rates
  - [[#183]] Accounting
  - [[#183]] Member Services
  - [[#183]] Member Business Development
  - [[#183]] Marketing
  - [[#183]] Diversified Services and Human Resources
- Operations
- [[#183]] Outage
  - [[#183]] Information Services

Following discussion on the Diversified Services Report Clay requested an addition to the capital budget in the amount of \$16,000 to cover the start-up costs in Carlin and Wendover for the wireless internet, **IT WAS ON MOTION BY PAUL NEFF, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE**

#### BOARD REPORTS

There were no reports made.

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

Clay gave an update on the modified business tax.

Clay informed the board of his intentions of opening an Apprentice Lineman position in Wells. This position would replace an anticipated retiring Journeyman Lineman position.

#### BOARD AGENDA ITEMS:

- [[#183]] Line Extension Policy and Cost Per Mile

#### OTHER BUSINESS:

#### EXECUTIVE SESSION:

An Executive Session was held.

As there was no further information to discuss, the meeting was adjourned at 2:35 pm.

D. Vernon Dalton, President

Lois Nannini, Secretary/Treasurer

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