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

January 16, 2004

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 16, 2004 at 9:00 a.m. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, S. J. Smith, Ron Springsteel, Howard Wright and Mary Wright. Scott Egbert arrived at 9:50 am.

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 12, 2003 were approved as written.

**ADDITIONS TO AGENDA:**

- Presentation to the board - Martin Lowrey of NRECA

**SAFETY FIRST VERSE:** Christmas lights **[[#150]]** Happy New Year **[[#150]]** Regular Exercise and a healthy diet will keep your body safe from illness and injury.

**PRESENTATION:**

**REDLG Program** **[[#150]]** Herb Shedd of the USDA gave a presentation regarding the Rural Economic Development Loan and Grant Program. He explained the scoring process that determines eligibility of the program. He also outlined how the revolving loan fund is administered and the types of businesses that would be eligible. Following a discussion, Clay asked for direction from the board. **IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE APPLYING FOR A \$200,000 GRANT THROUGH THE USDA REDLG PROGRAM FOR THE TIRE PLANT TO BE LOCATED IN WELLS AND TO GIVE THE APPLICATION TO THE CITY OF WELLS TO COMPLETE THE INFORMATION PERTAINING TO THEM.**

Following further discussion, **IT WAS ON MOTION BY LOIS NANNINI,**

**SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE GIVING BLANK APPLICATIONS TO COMMUNITIES FOR BUSINESS TO COMPLETE AND SUBMIT TO THE USDA.**

Settlement Package **[[#150]]** Don Angell was present to explain the Settlement Package. The settlement would eliminate litigation between the IOU **[[#146]]**s and BPA. Don explained the advantages and disadvantages to Wells Rural and the region. Following a lengthy discussion on the settlement, **IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE SIGNING AND SUPPORTING THE PROPOSED SETTLEMENT PACKAGE.**

National Endangered Species Act Reform Coalition **[[#150]]** **IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY SCOTT EGBERT AND PASSED UNANIMOUSLY TO APPROVE MEMBERSHIP WITH NESARC.**

Policy 1-15, Economic and Community Development **[[#150]]** **IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE POLICY 1-15 AS AMENDED TO ELIMINATE SECTION III, B. (Attachment A)**

Policy 1-6, Director Fees and Expenses **[[#150]]** Following a review of the current policy and a separate draft policy, **IT WAS ON MOTION BY LOIS NANNINI THAT EACH DIRECTOR, WITH THE EXCEPTION OF THE PRESIDENT AND NEW DIRECTORS BE LIMITED TO A MAXIMUM COMPENSATION OF TWENTY-FIVE DAYS PER YEAR, WHICH INCLUDES MEETINGS, INSTITUTIONS AND CONFERENCES. A DIRECTOR WOULD BE CHARGED FOR TWO DAYS IF HE/SHE DID NOT ATTEND THE SCHEDULED CONFERENCE. MOTION FAILED FOR LACK OF A SECOND.**

**IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY HOWARD WRIGHT TO ELIMINATE SECTION II, D AND E FROM THE DRAFT POLICY. MOTION WAS WITHDRAWN.**

**IT WAS ON MOTION BY S.J. SMTH, SECONDED BY JERRY PARKIN TO STAY WITH THE CURRENT POLICY 1-6 AND DROP THE DRAFT POLICY.**

Following further discussion, **S.J. SMITH AMENDED THE MOTION, JERRY PARKIN SECONDED TO ADD SECTION II, I AND K FROM THE DRAFT POLICY TO POLICY 1-6. MOTION PASSED.**

The board continued to discuss Policy 1-6 as it would apply to directors and spouses. **IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED TO ADD **[[#147]]**NO EXPENSES FOR SPOUSES OR FAMILY MEMBERS WILL BE REIMBURSED**[[#148]]**. PAUL NEFF, LOIS NANNINI AND HOWARD WRIGHT WENT ON RECORD AS OPPOSED VOTES.**  
1 hour.

A lunch recess was called at 12:10 pm. The meeting was called back to order at 12:50 pm.

The board continued to review and discuss Policy 1-6. President Dalton informed the members of the board that director expense reports are not being submitted to the Expense Committee on a timely basis. **IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ORLIN KIDNER AND PASSED TO ADD THE FOLLOWING TO POLICY 1-6: [[#147]] ALL EXPENSES MUST BE TIMELY SUBMITTED TO THE EXPENSE COMMITTEE AT THE BOARD MEETING IMMEDIATELY FOLLOWING THE CONFERENCE OR MEETING ATTENDED. UNTIMELY FILED EXPENSES WILL NOT BE REIMBURSED UNLESS THE EXPENSE COMMITTEE GRANTS AN EXCEPTION AS OUTLINED IN III-B.**

(Attachment B) 1hr. 15 min.

February Board Meeting **[[#150]] IT WAS ON MOTION BY SCOTT EGBERT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE HOLDING THE REGULARLY SCHEDULED BOARD MEETING ON WEDNESDAY, FEBRUARY 11, 2004.**

Request for Wireless Expansion **[[#150]]** Following a discussion on the wireless expansion, **IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE REQUEST FOR WIRELESS EXPANSION AS PRESENTED.**

Voting Delegates **[[#150]]** The following were designated voting delegates for:

CFC	Paul Neff, delegate	Clay Fitch, alternate
Federated	Gerald Anderson, delegate	Clay Fitch, alternate
NRECA	Scott Egbert, delegate	Howard Wright, alternate
NCSC	Mary Wright, delegate	Clay Fitch, alternate
NRTC	Vernon Dalton, delegate	Clay Fitch, alternate

Safety Minutes **[[#150]] IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES AS PRESENTED.**

New Memberships **[[#150]] IT WAS ON MOTION BY SCOTT EGBERT, SECONDED BY HOWARD WRIGHT AND PASSED UNANIMOUSLY TO APPROVE 41 NEW MEMBERSHIPS AS REVIEWED; WELLS [[#150]] 10; CARLIN [[#150]] 5; WENDOVER, NEVADA [[#150]] 18 AND WENDOVER, UT [[#150]] 8.**

Presentation to the Board, Martin Lowery, NRECA **[[#150]]** President Dalton informed the board that Martin Lowery of NRECA will be in Wells, January 29<sup>th</sup> and 30<sup>th</sup> to hold a workshop with the board and visit with management and staff. It was the consensus of the board to hold the meeting January 29<sup>th</sup> at 8:00 am in the

boardroom in Wells. Following the workshop, there will be a tour of Newmont Mining Corporation in Carlin, Nevada.

#### PRESENTATIONS:

Recent Major Outages **[[#150]]** Clay reported on the recent major outages. A handout was given to the board describing the incidents and the contacts with members.

Rate Structure Model **[[#150]]** The board viewed the Load Forecasting Model. Don Angell, Buddy Welsh and Clay explained how the document was put together and the capabilities it has. The Rate Structure Model was a requirement of the Strategic Plan. 55 min.

#### INFORMATION ITEMS:

Department Reports **[[#150]]** The following reports were included as information in the agenda:

##### Office Services

- [[#183]]** Finance and Administration
- [[#183]]** Accounting
- [[#183]]** Member Services
- [[#183]]** Marketing
- [[#183]]** Member Business Development

##### Operations Department

- [[#183]]** Outage
- [[#183]]** Information Services

A discussion was held on the draft Executive Summary. It will be on the agenda in February.

Power Supply Report **[[#150]]** The power supply report was included in the agenda.

#### BOARD REPORTS:

It was brought to the attention of staff and directors that an irrigation pivot was turned on in Clover Valley and it was suggested to advise members to lock their pump panels to avoid this from happening.

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

NRTC **[[#146]]**s **[[#147]]** Wild Blue **[[#148]]** Program **[[#150]]** Clay updated the board on Mt. Wheeler making changes in their internet business. They are going to switch to Wild Blue which may provide Wells Rural the opportunity to provide members the same service. Clay received direction from the board to visit with Mt. Wheeler to work on a service agreement.

Annual Community Speaker **[[#150]]** Clay reminded the board of the community speaker, Micah Jacobson, Tuesday at 7:30 pm in the Wells high school gymnasium.

Presis Communication **[[#150]]** Clay updated the board on the incident in Wendover when a Presis employee drove a grounding rod through a Phase 3 line. He also reported receiving a letter stating they have turned the incident over to their insurance company.

**BOARD AGENDA ITEMS:**

- City of West Wendover
- Paul Bottari **[[#150]]** Rule 9
- Howard Copelan **[[#150]]** Reading Program

**EXECUTIVE SESSION:**

An Executive Session was not held.

As there was no further information to discuss, the meeting was adjourned at 3:15 pm.

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