

HTML contains invalid UTF-8 character(s)**THE MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF WELLS RURAL ELECTRIC COMPANY****APRIL 7, 1989**

A special meeting of the Board of Directors of Wells Rural Electric Company was held (Waiver of Notice attached) in the Wells office called to order April 7, at 1:00 PM. The meeting was presided over by President Vernon Dalton.

Directors present were Wanda Borden, Larry Bradshaw, Ferris Brough, Ray Crawford, Vernon Dalton, Daryl Eriksen, Lois Nannini, Vernon Scott and Mary Wright. Jerry Parkin and Dr. Joe Smith were not present.

Present for the staff were Dan Kessler, General Manager and Diane Griswold, Confidential Secretary. Attorney Robert O. Vaughan was present.

A special meeting was called to discuss A.B. 506, legislation introduced by Assemblyman John Carpenter. (EXHIBIT I) A.B. 433 allows members of a rural electric cooperative association to require board of directors to comply with statutes governing open meeting laws of public bodies. A.B. 506 requires a rural electric cooperative to sell a non-substantial portion of assets to a public utility under certain circumstances. The first public hearing on these bills is set for Wednesday, April 12, 1989, at 8:00 AM before the Governmental Affairs committee.

Bob Vaughan addressed the Board regarding the possibility of a conflict of interest whenever there is a joint representation by a law firm of more than one entity. (A memorandum was passed out to the Board regarding this potential conflict of interest (EXHIBIT II)).

A memorandum from Vaughan, Hull, Copenhaver & Zingale, LTD (EXHIBIT III) was handed out to the Board regarding A.B. 433. A thorough and lengthy discussion ensued. During the discussion Vernon Dalton expressed John carpenter's views for the introduction of these bills. Possible alternatives and/or amendments to the A.B. bill were addressed. Mr. Vaughan excused himself during the discussion at which time a possible conflict of interest could arise (Mt. Wheeler/WREC). Mr. Vaughan attended the rest of the meeting.

A conference call between WREC Management and Board of Directors and Valley Electric Management and Board of Directors was heard at which time they discussed possible amendments to A.B. 433. It was the consensus of both Boards (Valley & WREC) that a positive attitude should be taken and to support an amendment to proposed amendments that WREC and Valley had discussed. Mr. Coffman stated that he felt that the proposed amendments would fly and he would present them to Mt. Wheeler's Board of Directors.

A thorough discussion was heard regarding A.B. 506. It was the consensus of the Board to oppose this bill and that the Rural Electrification Administration (REA) and National Rural Utilities Cooperative Finance Corporation (NRUCFC) would be in opposition of this bill. There were no objections to Bob Vaughan representing us, as well as Valley Electric and Mt. Wheeler, in opposition to A.B. 506.

Discussed was the position the Company would take on each bill, determined who will attend the legislative hearing and who will speak (Vernon Dalton, Dan Kessler and Bob Vaughan), determined materials and information to be given to the committee and other legislators, how to divide the time

allotted, etc.

As there was no further business to come before the Board, the meeting adjourned at 3:45 PM.

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