

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****May 17, 1996**

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 May 17, 1996 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Orlin Kidner, Paul Neff, Jerry Parkin, S. J. Smith, and Vernon Scott. Lois Nannini and Mary Wright were not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager of Finance/Administration and Warren Linnell, Manager of Engineering/Operation. Also present was Diane Griswold, Executive Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of April 19, 1996 will stand approved as corrected per Robert O. Vaughan, attorney: the motion regarding capital credits will be revised to A RECOMMENDED ACTION TO DONATE TO THE NEXT DOLLAR FOUNDATION AN AMOUNT EQUAL TO THE CAPITAL CREDITS UNCLAIMED BY "LOST" CONSUMERS AND PURSUANT TO THE BYLAWS OF THE CORPORATION HAVE REVERTED TO THE CORPORATION AS CONTRIBUTED CAPITAL.

ADDITIONS TO AGENDA:

Robin Boies of the Wells Presenters asked to give a presentation to the board. There were no objections.

STRATEGIC PLANNING:

Mr. Matt Hastings and Mr. Joe Slater of NRECA gave an explanation and diagram of the Enhanced Strategic Planning Process. A discussion was held. Mr. Hastings and Mr. Slater will be meeting with employee focus groups. On May 24, 1996, they will meet with the board for a full day.

MANAGER[~~#146~~]S REPORT:

Brought before the board for consideration was the formation of a subsidiary corporation. A report was given. Areas addressed were Articles of Incorporation, roles of the subsidiary company (electrician services, medic alert and security systems, etc.) management contract plan, human resources plan, insurance, etc. The Rural Utilities Service was contacted and the formation of the corporation will not pose a problem with our mortgage or jeopardize WREC in any way. A lengthy discussion ensued. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO AUTHORIZE PROCEEDING WITH THE FORMATION OF A SUBSIDIARY CORPORATION AND HIRE A CONTRACT EMPLOYEE, WITH THE COSTS NOT TO EXCEED \$10,000.00.

WELLS PRESENTERS:

Robin Boies of the Wells Presenters asked the board for help in funding their artistic and cultural programs. Following a presentation, IT WAS ON MOTION BY S.J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE A DONATION OF \$750.00, WITH THE MAXIMUM BENEFIT BEING PUBLIC RELATIONS FOR WREC.

(Paul Neff left following a brief recess)

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 61 NEW MEMBERSHIPS: 13-WELLS, 22-CARLIN, 10-WENDOVER, NV AND 16[#150]WENDOVER, UT.

BOARD COMMITTEE REPORTS:

Gerald Anderson, Chairman of the Scholarship Committee, gave a report on the Scholarship Committee[#146]'s interviews with twenty-eight students throughout WREC[#146]'s service territory. Upon committee recommendation, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING SCHOLARSHIP RECIPIENTS: SERGIO PORTILLO OF WELLS; ANABELLE CARDONA AND MICHAEL BAIL OF CARLIN; WITH NEAL JONES OF WELLS, FIRST ALTERNATE AND MELISSA PHILLIPS OF SOUTHFORK, SECOND ALTERNATE.

The following individuals were nominated to serve on the Nomination Committee for the upcoming board of director election: Viola Troyan, Wendover; Etheel Scott, Carlin; and Marlene Brough, Clover Valley. Alternates nominated were Cherie Aiazzi of Carlin, and Marie Johnston of Wendover and Carrie Fitch of Wells. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE NOMINATIONS.

IT WAS ON MOTION BY S.J. SMITH, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE NOMINATED INDIVIDUALS TO SERVE ON THE ELECTION COMMITTEE AS WELL.

STUDIES UPDATE:

A discussion was held on the Cost of Service Study. Clay and Dan reported on the status.

MANGER[#146]'S REPORT:

Those attending the NRECA Legislative Conference in Washington DC reported.

The proposed Utility Franchise Tax that Wendover, Nevada is proposing was discussed. If the tax is enforced, it will be called out on the Wendover, Nevada bills as a tax. Ads will be placed, etc. Letting all members know that rates were not raised and it will be a tax of the city of Wendover only. A lengthy discussion ensued.

Comments were discussed on the WREC History that Rick Steber has compiled and written. It was the

consensus of the board that more of a story line is wanted instead of just documented facts.

A discussion was held regarding Bob Vaughan[[#146]]s recommendations regarding capital credits and bankruptcy items and proposed Bylaw changes. A thorough discussion ensued.

POWER SUPPLY REPORT:

The Amendatory Agreement No. 8 to the Bonneville Power Contract was thoroughly discussed.

The power quality issue was addressed in reference to Newmont[[#146]]s Consolidated Agreement. An update was given and a thorough discussion ensued.

FINANCIAL SERVICES REPORT:

Clay is a member of the Executive Committee for the Public Power Council. A report was given on the activity around power supply and load commitment in the Northwest Region. A discussion ensued.

OTHER BUSINESS:

A discussion regarding WREC becoming involved in or becoming a catalyst for recycling throughout the service territory was discussed. Also addressed was community involvement in recycling.

Mr. Robert Harris has offered to take the board on a tour of the roaster facilities at Newmont Gold.

As there was no further business to come before the board, the meeting adjourned at 12:45 pm.

D. Vernon Dalton, President Mary A. Wright, Secretary

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