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

**June 14, 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 June 14, 1996 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

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

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager of Finance/Administration; Warren Linnell, Manager of Engineering/Operations; and Jim Su[#146]euga, Manager of Customer Services. Also present was Diane Moore, Executive Secretary and Bill Kondora, Operating Superintendent of the new subsidiary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of May 17, 1996 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda. Jim Su[#146]euga, Manager of Member Services and Bill Kondora, Operating Superintendent for the new subsidiary were introduced to the board. Robert O. Vaughan, Attorney was present to discuss the Articles of Incorporation for the new subsidiary.

MANAGER[#146]'S REPORT:

A discussion was heard on the proposed franchise tax for Wendover, Nevada. Addressed was the conflict of interest with our attorney representation in getting an opinion. It was noted that this was the second time in the history of WREC that such a conflict has arisen. Also addressed was the public relation aspect of this tax. It was the consensus of the board to communicate with our members, very clearly, that this is a city tax not a raise in rates for all WREC members.

There were no objections from the board in naming the new subsidiary company Quantum Resources, Inc. Mr. Vaughan addressed the Articles of Incorporation for the new subsidiary. Following a thorough discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE ARTICLES OF INCORPORATION OF QUANTUM RESOURCES, INC. AND THAT THE BOARD OF DIRECTORS OF WELLS RURAL ELECTRIC COMPANY ALSO SERVE AS THE BOARD OF DIRECTORS FOR QUANTUM RESOURCES, INC. AND THAT ROBERT O. VAUGHAN AND DANIEL L. KESSLER, JR. SIGN AS THE INCORPORATORS OF THIS COMPANY.

Portions of the Quantum Resources, Inc. business plan were handed out for review and discussion. Clay and Dan reported. A full business plan will be presented to the board during the July 19, 1996 board meeting. Mr. Vaughan left the meeting at this time.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE 57 NEW MEMBERSHIPS: 7-WELLS, 17-CARLIN, 18-WENDOVER, NV AND 15[[#150]]WENDOVER, UT.

A recess was called at 10:30 am. The meeting was called back to order at 10:45 am.

The following informational items were discussed:

A meeting is scheduled June 18<sup>th</sup> regarding the cost of service study.

A team of employees attended the NRECA Benchmarking/PACE session. Date validation is needed by September.

NRECA will be meeting with staff regarding the Enhanced Strategic Plan on July 16 and 17 with a presentation to the board during the July 19 meeting.

A discussion ensued regarding the WREC History. Dan and Vernon Dalton had met with Rick Steber regarding the format of the proposed history. IT WAS ON MOTION BY PAUL NEFF, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE WREC PAYING RICK STEBER FOR HIS WORK TO DATE ON THE WREC HISTORY AND OBTAINING THE LEGAL REQUIREMENTS FOR OBTAINING ALL THE RIGHTS TO THE INFORMATION MR. STEBER HAS GATHERED AND PUT TOGETHER.

A discussion was held on eligibility requirements in order to run for a position on the WREC board of directors.

The Nominating Committee is scheduled to meet July 11<sup>th</sup>. A report will be given during the July board meeting.

An update on the BPA rate case will be forthcoming. The information has not been received.

The power quality issue for Newmont Gold was addressed. Dan reported. There is an agreement in place with BPA and SPPCo for backup service for maintenance. This contract terminates July 15<sup>th</sup>. Negotiations are in the process for a longer term maintenance backup agreement.

An executive session was called by Vernon Dalton immediately following the adjournment of this meeting.

As there was no further business to come before the board, the meeting adjourned at 11:30 am.

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

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