

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****July 19, 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 July 19, 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, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, and Mary Wright. S. J. Smith was 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.

APPROVAL OF MINUTES:

The minutes of the regular meeting of June 14, 1996 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda. It was asked that the Nominating Committee Report and Matt Hastings from NRECA be moved ahead in the agenda. There were no objections.

NOMINATING COMMITTEE REPORT:

Marlene Brough, Chairperson, addressed the board and gave the Nominating Committee Meeting report. (EXHIBIT) The following individuals were nominated for the upcoming board of director election held in September: Lois Nannini, incumbent, Chris Melville; Robert Harris, incumbent, D. Vernon Dalton, incumbent; Ron Vollman, Larry Labato; and Gerald Anderson, incumbent. The three individuals who were not incumbents were from Wendover, UT. Following the reading of the report, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE NOMINATING COMMITTEE REPORT.

MATT HASTINGS, NRECA:

Matt Hastings of NRECA gave a brief update on the enhanced Strategic Planning process WREC is undertaking and addressed the Mission Statement for the company. The staff addressed the nine sections of the plan, which are as follows: Member Relations and Marketing; Human Resources and Employee Development; Engineering and Operations; Financial Management; Economic Development; Power Supply; Diversification/Core Business Expansion; Board of Directors; and New Issues Management. Each division was divided into three areas: Critical Issues; Goal and Objectives. The final portions of the plan to be completed are Action Plans and Mile Stones for each division. Following a discussion, it was the consensus of the board to continue with the plan as presented.

A discussion ensued regarding the proposed new subsidiary, Quantum Resources, Inc. The business plan of the new subsidiary was presented by Dan Kessler and Clay Fitch. A thorough discussion ensued. Addressed was Quantum applying for a Line of Credit through CFC for \$250,000.00 and

WREC[[#146]]s purchase of 100 shares of stock for a total of \$10,000.00. IT WAS ON MOTION BE ROBERT HARRIS, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE QUANTUM[[#146]]S BUSINESS PLAN AS PRESENTED.

The meeting was adjourned at 11:45 am for lunch. The meeting was called back to order at 1:30 pm, following a meeting of Quantum resources, Inc. board.

A discussion was held on the letter from Bob Vaughan regarding power districts. No action was taken. Bob addressed the accident last year on Pequop regarding one of our power lines. It is Bob[[#146]]s opinion that everything in reporting and following up on the accident was done and there will be no problems with this case. Also addressed was the fire on Mary[[#146]]s Mountain involving one of our power poles. Our position in this case is very good. It was noted that due to obtaining the one square mile around the Beowawe area, WREC now serves four counties, adding Landau County.

CFC has contacted WREC regarding the donation of five percent of our CFC patronage capital to the System Integrity Fund. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE REQUESTED DONATION.

July 29, 1996 at 10:00 am was set for the orientation session for the prospective board members nominated for this year[[#146]]s election.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 73 NEW MEMBERSHIPS: 15-WELLS, 19-CARLIN, 14-WENDOVER, NV AND 25[[#150]]WENDOVER, UT.

A request from the W. Wendover City Police Department was received asking for the addresses of West Wendover accounts. The Policy 2-7 form was completed. Following a discussion. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO RECEIVE THIS REQUEST AS INFORMATION.

The winners in the My Heritage Art Contest were reported. This was sponsored through NRECA for students throughout its membership areas.

The NRECA Region IX meeting is scheduled for September 17-19, 1996 in West Yellowstone.

Employees, qualifying for a special Early Retirement Plan (SERP) under the qualifications of age 55 and 10 years of service, were notified and offered the SERP. A discussion ensued. As part of the restructuring of the organizational chart, two positions were presented to the board for elimination. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE ELIMINATING THE TWO POSITIONS PRESENTED AND THE SPECIAL EARLY RETIREMENT ADDENDUM TO THE RETIREMENT AND SECURITY PROGRAM AND "HOLD HARMLESS AGREEMENT" (EXHIBITS)

A resolution authorizing the Amendment of the SelectRE Pension Plan allowing daily pricing was presented to the board for approval. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY

JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE RESOLUTION TO AMEND THE SELECTRE PENSION PLAN. (EXHIBIT).

The following informational items were discussed:

PACE/Benchmarking data collection update was given.

Cost of Service Study status was reported.

Rick Steber has contacted Dan regarding his continuation of the WREC history. A discussion ensued. There were no objections from the board having Mr. Steber finish the history in story book form.

The WREC Annual Meeting is scheduled for September 7, 1996. Things are progressing very well. Rick Steber has agreed to be the keynote speaker.

An update was given on the West Wendover Franchise Fee. It will be clearly called out as a separate item on the bills sent to the accounts residing within the city of W. Wendover.

A Power Supply update was given. Discussed was BPA[[#146]]s upcoming rate case.

An update was given on Newmont[[#146]]s request to eliminate the transfer trip.

A major outage affecting parts of 17 states was discussed. A Northwest power grid went down. Outages reported to CRC were also discussed.

ACRE memberships were discussed. We have increased our membership this year and are looking to double it.

Gerald Anderson reported on his trip to Gatlinburg, TN to attend the board courses 461.2 and 593.2.

Newmont has offered a tour of the roaster at Gold Quarry. It was scheduled for October 18, 1996. The board meeting in October will be held on the same date either at the Newmont site or their offices in Elko.

As there was no further business to come before the board, the meeting adjourned at 3:00 pm.

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

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