

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****August 16, 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 August 16, 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, S. J. Smith and Mary Wright.

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 July 19, 1996 were approved as written.

**ADDITIONS TO AGENDA:**

Four students attending the Nevada Rural Electric Association Youth Energy Seminar at Boreal Ridge Resort will report to the board at 1:00 pm. There were no objections.

**MATT HASTINGS, NRECA, STRATEGIC PLAN:**

Matt Hastings gave a brief update of the enhanced Strategic Planning Process, the Mission Statement and a summarization. The staff addressed the nine sections of the plan: 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. The actions plans and miles stones for each division were reported and discussed. It was asked if quarterly reporting on the plan in the months of January, April, July and October met their approval. There were no objections.

Mary A. Wright was given the Board Certificate acknowledging her completion of the Board Leadership Training.

An executive session was called for the completion of the board evaluation portion of the Strategic Planning process.

Ballots were presented for approval. They were approved as presented.

The meeting was recessed for lunch at 12:15 pm. The meeting was called back to order at 1:00 pm.

**YOUTH ENERGY SEMINAR PARTICIPANTS:**

Tera Madison, Justin Mitton, Alisha VanMeter and Niki Moore from Wells High School reported on the activities, speakers, etc. during their involvement with the NREA Youth Energy Seminar at Boreal

Ridge.

### QUANTUM RESOURCES, INC.

An update was given on the progress of forming the new subsidiary Quantum Resources, Inc.. Addressed were the Federal Tax ID number; Nevada State Contractor[[#146]]s License[[#146]]; Insurance through Federated Insurance; and NRECA Benefits which will be provided as a subgroup through WREC. The initial date for startup is September 1, 1996.

The following NRECA Adoption Agreement for Retirement and Security Program, forming a subgroup, and resolutions were brought before the board for approval:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION ADOPTION AGREEMENT FOR RETIREMENT AND SECURITY AND RESOLUTION AUTHORIZING THE ADOPTION OF THE RETIREMENT AND SECURITY PROGRAM. (EXHIBIT)

IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE RESOLUTION AUTHORIZING THE ADOPTION OF THE SELECTRE PENSION PLAN. (EXHIBIT)

IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE ADDENDUM TO THE ADOPTION AGREEMENT INVESTMENT OF CONTRIBUTIONS. (EXHIBIT)

A resolution authorizing WREC to join as an association member of CFC in obtaining a \$250,000.00 line of credit for Quantum Resources was read and discussed. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY S.J. SMITH AND APPROVED UNANIMOUSLY TO JOIN CFC AS AN ASSOCIATE MEMBER AND OBTAIN THE \$250,000.00 LINE OF CREDIT WITH CFC.

A lease agreement between Wells Rural Electric Company and Quantum Resources, Inc. for space available at the WREC service center and Well Professional Building was brought before the board for approval. Following a discussion, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND APPROVED UNANIMOUSLY TO ADOPT THE LEASE AGREEMENT BETWEEN QUANTUM RESOURCES AND WELLS RURAL ELECTRIC COMPANY.

The meeting of Wells Rural Electric Company was recessed at 1:40 pm to call to order a meeting of the Quantum Resources, Inc. board of directors.

The meeting of WREC was called back to order at 2:16 pm.

The voting delegates for NRECA, CFC and NRTC were selected:

- NRECA: Vernon Scott
- Mary A. Wright [[#150]] alternate
- Robert Harris, Region IX Meeting alternate
- CFC: Robert Harris
- Orlin Kidner [[#150]] alternate
- NRTC: Robert Harris
- Dan Kessler

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 ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 70 NEW MEMBERSHIPS: 13-WELLS, 19-CARLIN, 18 - WENDOVER, NV AND 20 **[[#150]]**WENDOVER, UT.

It was requested that the September 20 board meeting be changed to Friday, September 27, 1996. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE ABOVE REGULAR MEETING DATE CHANGE.

IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY S. J. SMITH AND APPROVED UNANIMOUSLY TO PURCHASE A 4-H BEEF AT THE ELKO COUNTY FAIR.

RULES, RATES AND POLICIES:

After a thorough review of the rules, rates and policies, no changes were necessary except to delete Policy 5-4 Electrician Department after Quantum Resources, Inc. has been formed and operational. IT WAS ON MOTION BY MARY A. WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE REVIEWED POLICIES AND DELETION OF POLICY 5-4 FOLLOWING THE FORMATION OF QUANTUM RESOURCES.

The following informational items were discussed:

A Power Supply report was given by Don Angell. Addressed were BPA power supply; Newmont Gold Company**[[#146]]**s emergency backup power, restoration power and the transfer trip elimination request; transmission issues; and the McNabb Point of Delivery.

Draft copies of the cost-of-service study were handed out to the board for review. A report was given.

The WREC Annual Meeting preparation is continuing. A report was given.

Vernon Dalton asked that each board member review the board evaluation just completed by NRECA.

As there was no further business to come before the board, the meeting adjourned at 3:40 pm.

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

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