

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****October 18, 1996**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Carlin, Nevada in the Gold Room of the Newmont Gold Administration Building and called to order October 18, 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, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright. Orlin Kidner 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, Robert O. Vaughan, Attorney, and Don Angell, Engineering Consultant.

APPROVAL OF MINUTES:

The minutes of the regular meeting of September 27, 1996 will stand approved as corrected per Dan Kessler, General Manager; the board office election will be revised to state: SECRETARY/TREASURER [[#150]] LOIS NANNINI. IT WAS MOTIONED BY PAUL NEFF, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE CORRECTED MINUTES.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

MANAGER[[#146]]S REPORT:

Vernon Dalton reported on the General Manger[[#146]]s evaluation. The committee recommends a 7.5% bonus and a 2.5 % base salary increase. IT WAS ON MOTION BY PAUL NEFF, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE GENERAL MANAGER[[#146]]S EVALUATION AND SALARY INCREASE.

Gerald Anderson reported on and recommended the approval of the first half of the 1996 budget and the 1997 budget forecast. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE REVIEWED BUDGET.

Dan explained the upcoming Union negotiations which will be held soon after November 1, 1996. Dan does not see any major issues upcoming. Dan Kessler and Clay Fitch will be on the negotiating team.

The Nevada Cattlewoman[[#146]]s Association have requested a donation from Wells Rural Electric Company to sponsor the Nevada Cattlewomen[[#146]]s Convention in Elko in mid-November. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE GIVEN AUTHORITY TO DANIEL KESSLER TO DONATE UP TO \$500.00 TO THE CATTLEWOMEN AND CATTLEMEN ASSOCIATIONS.

Dan reported on meeting with Micron of Boise, Idaho regarding the possibilities of becoming an Internet provider to our customers. Discussion ensued. More information will be given at the November board meeting.

The Praxair Power Supply Agreement which was previously approved was signed.

A Power Sales Agreement with Continental Lime, Inc. will be brought before the board to sign at the next regular scheduled meeting.

A special board meeting was recommended to address retail wheeling and other issues. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO MEET MONDAY, NOVEMBER 4, 1996 AT 9:00 AM IN THE BOARD ROOM OF THE WELLS OFFICE TO DISCUSS WREC[[#146]]S POSITION ON RETAIL WHEELING.

SAFETY MINUTES:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN 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 71 NEW MEMBERSHIPS: 13-WELLS[[#146]] 16-CARLIN, 20-WENDOVER, NV AND 22[[#150]]WENDOVER, UT

The following informational items were discussed:

We are only two months into the Strategic Plan, therefore there is nothing to report at this time.

Cost of Service Study will be reported on in November.

PACE/Benchmarking; the final meeting is November 7th and 8th in New Orleans and Warren and Lonnie will attend.

MANAGER[[#146]]S REPORT:

NREA Annual Meeting was discussed.

UREA Annual Meeting will be held in Wendover, November 7th and 8th at the Stateline. Vernon urged all board of director[[#146]]s to attend.

Dan reported on the meeting with PPC (Public Power Council). Clay is on their Executive Committee and addressed the regional review issues.

BPA rates were discussed and we are confident that we should be able to offer stabilized rates through the year 2001.

An option to finance a security system for employees and board of directors was discussed. This would allow employees and board of directors to purchase a security system over a period of twelve (12) months interest free. IT WA ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE FINANCING OF A SECURITY SYSTEM FOR WREC AND QUANTUM EMPLOYEES AND BOARD OF DIRECTORS, INTEREST

FREE FOR TWELVE MONTHS. THIS OFFER IS VALID THROUGH DECEMBER 1996.

As there was no further business to come before the board, the meeting adjourned at 10:35 am.

D. Vernon Dalton, President Lois Nannini, Secretary/Treasurer

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