

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****OCTOBER 17, 1997**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wells, Nevada in the Board Room of the Wells office and called to order Friday, October 17, 1997 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, Vernon Scott, S. J. Smith, and Mary Wright. Orlin Kidner and Jerry Parkin were not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; Clay R. Fitch, Manager of Finance/Administration; Jim Su[[#146]]euga, Manager of Customer Services and Marketing; Mike Cromie, Line Superintendent; and Warren Linnell, Operations Consultant . Also present was Amanda Bourne, Administrative Secretary.

**APPROVAL OF MINUTES:**

The minutes of the regular meeting of September 19, 1997 will stand approved as corrected. The minutes will be revised to read: It was asked that the Board consider paying Sam Ballard the difference between the purchase price and the price of the Grand Champion steer which amounted to \$330.00.

**ADDITIONS TO AGENDA:**

There were no additions to the agenda.

**SAFETY FIRST VERSE**

"Watch where you are walking and be sure your shoes are tied."

It was reported that Dan will have Don McDonald, Safety Coordinator, write a verse for the board in the agenda each month.

*A. Manager[[#146]]s Evaluation:* Vernon Dalton reported on the Manager[[#146]]s evaluation and the board commends Dan for his ability to manage Wells Rural. The board recommends a 5% base salary increase and a 7.5% bonus. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE THE GENERAL MANAGER[[#146]]S EVALUATION AND SALARY INCREASE.

*B. 1<sup>st</sup> Half 1998 Budget:* Dan reported on the Executive Summary of the 1998 budget. Clay Fitch and Buddy Welsh from Office Services; Warren Linnell, Consultant for Engineering and Operations, Mike Cromie from Operations and Jim Sue[[#146]]euga from Customer Services and Marketing gave detailed reports on the 1<sup>st</sup> half of the 1997 and the 1998 budget forecast. A discussion ensued. It was suggested to add a column to the Percent of Annual Budget and report the "percent of the "total" budget". IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE THE REVIEWED BUDGET.

*C. Meter Reading Proposal:* Warren Linnell presented to the board a proposal (see attached hand-out)

from Quantum Resources to read Wells Rural[**146**]s meters. Quantum would supply 1 meter reader to read all of WREC[**146**]s meters. This allow WREC[**146**]s meter reader to perform other customer services (collections, connects, disconnects, etc.). If approved, this proposal could save WREC over \$34,000 a year. As WREC continues to install turtle meters, these routes would be dropped, resulting in further savings. A discussion on the proposal ensued. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE QUANTUM RESOURCES, INC.[**146**]S METER READING PROPOSAL.

*D. Roof System:* Dan reported on the fire at the Wells Professional Building. He spoke with a building contractor regarding constructing a gabled roof on the building. It was concluded that the building was designed specifically for a flat roof and that is what will be constructed. A heat pump will be installed with 3 temperature zones throughout and Jim Su[**146**]euga is currently working on a the design with Parker Heating. A temporary roof has been built to protect the building from the elements while being repaired. The damaged roof needs to be removed for an appraisal to be completed and the new roof constructed. It was recommended by the board to write a letter to the Wells Volunteer Fire Department commending them on their response and action in getting the fire distinguished. IT WAS ON MOTION BY S. J. SMITH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE WRITING A LETTER OF APPRECIATION TO THE WELLS VOLUNTEER FIRE DEPARTMENT.

A recess was called at 10:40 am.

### EXECUTIVE SESSION

An Executive Session was called to order at 10:55 am.

### MANAGER[**146**]S REPORT (cont[**146**]d)

*E. RUS, COBANK AND CFC PROPOSALS:* Vernon reported on the presentations from RUS, CoBank and CFC on October 15<sup>th</sup>. A thorough discussion ensued comparing flexibility, availability and other options between the three lenders. A RUS loan buy-out was discussed. Clay reported on the process of a buy-out, the time it takes to obtain and the flexibility of putting it on hold until ready for the buy-out. IT WAS ON MOTION BY S.J. SMITH, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO BEGIN A BUY-OUT ON THE RUS LOAN. A SCENARIO WILL BE PUT TOGETHER USING BOTH CFC AND COBANK.

Following a discussion on increasing the bonding limit for Quantum[**146**]s contractor[**146**]s license from \$250,000 to \$750,000, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO INCREASE THE BONDING FROM \$250,000 TO \$750,000.

The Insurance Committee and the Safety Committee will meet during the November board meeting.

### SAFETY MINUTES:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES AS WRITTEN.

### NEW MEMBERSHIPS:

IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 50 NEW MEMBERSHIPS: 4 - WELLS, NV; 20 - CARLIN, NV; 18 -

WENDOVER, NV; AND 8 - WENDOVER, UT.

MANAGER[[#146]]S REPORT:

*A. Primary Microwave License/Legislators:* Dan reported on the primary microwave license and explained that some of our licenses had expired and the status was changed from primary to secondary. Wells Rural has no record of receiving any correspondence for renewing these licenses. Dan has been in contact with aids from Senator Reid and Bryan[[#146]]s and Representative Gibbon[[#146]]s office. He and Don Angell will meet with attorneys who have been working on getting these licenses changed back from secondary to primary status.

*B. Nevada PUC Commission Workshop:* Don Angell reported on the PUC hearings of October 10. (See attached handout)

*C. NREA Meeting:* Vernon and Dan will be attending the NREA board meeting Wednesday, October 22<sup>nd</sup>.

*D. Regional Call Center:* Dan reported on a study which was completed by a consulting firm for CRC. The study strongly supports a call center here in Wells. Dan will continue to report to the board on costs and what it will take to set up a call center in Wells. The call center would provide after-hours, outage, and security monitoring not only for our service territory but for others on the west coast as well.

POWER SUPPLY

WREC met with SPPCo regarding partnering with Quantum. SPPCo suggested a possible partnering with Quantum in the Reno area to install security systems and monitoring. WREC has also been in contact with the River Ranch Estates about setting up a package to install the electrical, communications and security.

Don Angell reported on BPA/Newmont and Simplot. (see attached hand-outs)

Following a discussion by the board, it was suggested to write a letter to Simplot inviting them to meet with Wells Rural to discuss their power needs.

OTHER BUSINESS:

As there was no further business to come before the board, the meeting adjourned at 12:50pm.

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

**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
QUANTUM RESOURCES, INC.**

**OCTOBER 17, 1997**

The regular meeting of the Board of Directors of Quantum Resources, Inc. was held in Wells, Nevada in the Board room of the Wells office and called to order Friday, October 17, 1997 at 12:50pm. 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, Vernon Scott, S. J. Smith, and Mary Wright. Orlin Kidner and Jerry Parkin were not present.

Staff members present were Daniel L. Kessler, Jr., General Manager; and Clay R. Fitch, Manager of Finance/Administration. Also present was Amanda Bourne, Administrative Secretary.

APPROVAL OF MINUTES:

The minutes of the regular meeting of September 19, 1997 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

FINANCIAL REPORT:

Dan reported August being a very good month for Quantum, they have many jobs which they are currently working on and have many coming in. A summary of January through September will be available at the November board meeting and October [[#146]]'s detailed financial report available in December.

OTHER BUSINESS:

As there was no further business to come before the board, the meeting was adjourned at 1:00pm.

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

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