

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****DECEMBER 12, 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, December 12, 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, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, and Mary Wright. Robert Harris and S. J. Smith 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. Also present was Amanda Bourne, Executive Secretary.

**ACTION ITEMS:****APPROVAL OF MINUTES:**

The minutes of the regular meeting of November 21, 1997 were approved as written.

**ADDITION TO AGENDA:**

- Audrey Spratling will give an annual report on the Next \$ Foundation.
- Larry King from Bonneville Power Administration will give a presentation.
- Wage and Salary Study

**SAFETY FIRST VERSE:**

During training sessions, instead of enforcing safety rules, emphasize the hazards of not following the rules.

**EXECUTIVE SESSION:**

An Executive Session was not held.

**MANAGER[[#146]]S REPORT:**

Board Committee Sheet: The board signed up for the following committees which they will serve on throughout the year: Financial Advisory; Policy/Regulations; Member Relations/Area Development; Retirement & Insurance; Director/Manager Expense; Executive Committee; Safety Committee; and Scholarship Committee.

Capital Budget: After a discussion on the 1998 Capital Budget for Member Services and the Operations Department, IT WAS ON MOTION BY DIRECTOR JERRY PARKIN, SECONDED BY DIRECTOR VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE 1998 CAPITAL BUDGET.

NRECA Adoption Agreement: The next business to come before the board was the signing

of the NRECA Adoption Agreement and a resolution for the "Restatement and Re-adoption of the Retirement & Security Program with No Changes". (Appendix A) IT WAS ON MOTION BY DIRECTOR PAUL NEFF, SECONDED BY DIRECTOR ORLIN KIDNER AND PASSED UNANIMOUSLY TO SUBMIT THE "RESTATEMENT AND RE-ADOPTION OF THE RETIREMENT & SECURITY PROGRAM WITH NO CHANGES".

Write-off Approvals: Dan reported a gross write-off of \$47,496.00 for 1997. After capital credits, customer payments and collections were applied the total net write-off for 1997 is \$6,344.96. IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR PAUL NEFF AND PASSED UNANIMOUSLY TO WRITE-OFF \$6,344.96 FOR 1997 ACCOUNTS. The office staff is commended for their collection efforts.

Capital Credit Retirement: Dan reported a total of \$396,198.61 in capital credits to retire for the remainder of 1982, a portion of 1983 and a percentage of each year 1984 - 1995. IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR GERALD ANDERSON AND PASSED UNANIMOUSLY TO RETIRE \$396,198.61 IN CAPITAL CREDITS IN 1998. A thorough discussion ensued regarding the possibility of retiring capital credits in early December instead of April.

Customer Service/Marketing Annual Report: Jim Su[[#146]]euga reported on the accomplishments throughout Member Services for 1997. Jim and Dan presented the board with a National Cooperative Services Corporation (NCSC) Home Improvement loan program. The EC Home Improvement loan program is a consumer loan program designed to promote energy efficiency. A discussion

The next business to come before the board was a renewal of \$2,000.00 for membership dues to the National Endangered Species Act Reform. IT WAS ON MOTION BY DIRECTOR MARY WRIGHT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE \$2,000.00 MEMBERSHIP DUES FOR THE NATIONAL ENDANGERED SPECIES ACT REFORM.

A Certification of Designation of Representatives to National Rural Telecommunications Cooperative (NRTC) was brought before the board for signature. This was an informational update for voting delegates and board president. The current NRTC voting delegate is Director Robert Harris with the alternate as Daniel Kessler, General Manager.

Brought before the board was a proposal for Wells Rural Electric and Quantum Resources, Inc. to rent office space on Silver Street in Elko, Nevada. The lease would be for three years with the monthly rent being \$2,100.00 split equally between the two companies. Following a thorough discussion, IT WAS ON MOTION BY DIRECTOR MARY WRIGHT, SECONDED BY DIRECTOR JERRY PARKIN AND PASSED UNANIMOUSLY TO SIGN A THREE YEAR LEASE FOR WELLS RURAL TO SHARE OFFICE SPACE WITH QUANTUM RESOURCES, INC. ON SILVER STREET IN ELKO, NEVADA. (DIRECTOR LOIS NANNINI ABSTAINED FROM VOTING DUE TO A CONFLICT OF INTEREST).

A recess was called at 10:20 a.m. The meeting was called back to order at 10:45 a.m.

After a thorough discussion, IT WAS ON MOTION BY DIRECTOR JERRY PARKIN, SECONDED BY DIRECTOR GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE WELLS RURAL ELECTRIC COMPANY AS THE GUARANTOR OF QUANTUM RESOURCE[[#146]]S \$350,000.00 LOAN. A RESOLUTION WAS SIGNED. (Appendix C)

A wage and salary survey was conducted with cooperatives throughout Region IV and the western states for all salaried and clerical positions. Based on the survey, the total increase in market for each managerial position was 3.27% and 4.03% for the clerical. It was discussed that this is only an overall market increase and does not necessarily mean each position will receive this percentile. IT WAS ON MOTION BY DIRECTOR

JERRY PARKIN, SECONDED BY DIRECTOR PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE 1998 WAGE AND SALARY INCREASE.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 41 NEW MEMBERSHIPS AS REVIEWED: WELLS - 4; CARLIN - 13; WENDOVER, NV - 11; AND WENDOVER, UT - 13.

A recess was called at 10:50 a.m. The meeting was called back to order at 11:10 a.m. (Director Mary Wright was absent)

INFORMATION ITEMS:

Next \$ Foundation Annual Report: Audrey Spratling, Board President of the Next \$ Foundation reported three board terms expiring this month and they are willing to serve on the board again. In the past six months the Next \$ Foundation has donated new benches to the Wells soccer fields and \$1,000.00 for landscaping the Johnston Baseball Fields in Wendover. They have received a number of requests for financial assistance for 1998 which the board is reviewing.

Studies Update:

Strategic Plan: The board was asked to begin thinking about a date and place to meet to discuss the Strategic Plan.

Integrated Resources Plan: There was nothing to report to the board at this time.

Outage Report: This information was available in the FYI basket.

D. Engineering Report: This information was available in the FYI basket.

Manager[[#146]]s Report:

NREA Board Meeting: Vernon Dalton reported the board discussed a number of topics which they are attempting to come to a consensus on. The board will meet again on January 22nd.

Dan reported meeting with Energy Source.

The Wells Professional Building is nearing completion. It should be ready to occupy in early January.

The General Manager[[#146]]s Goals for 1998 were handed out to the board.

#### Power Supply:

BPA/Newmont: Mr. Larry King from Bonneville Power Administration (BPA) gave a presentation to the board on "Post 2001 Power Supply Proposal".

Dan reported that BPA donated 25 computers to Wells REC to distribute throughout the schools in our service territory. He thanked BPA for their contribution to the community.

Don Angell was present and reported meeting with Idaho Power in regards to Simplot. Idaho Power expressed an interest in partnering with Wells Rural to serve Simplot[[#146]]s load. An inquiry has been sent Simplot asking for details of their needs.

As there was no further business to come before the Board, the meeting was adjourned at 12:50 p.m.

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

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

DECEMBER 12, 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, December 12, 1997 at 10:20 a.m. 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. Robert Harris and S. J. Smith 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, Executive Secretary.

#### ACTION ITEMS:

#### APPROVAL OF MINUTES:

The minutes of the regular meeting of November 21, 1997 were approved as written.

#### ADDITIONS TO AGENDA:

- NRECA Adoption Agreement
- Three year lease for office

Extension of Short Term Line of Credit: A resolution was brought before the board to extend the short term line of credit from \$250,000.00 to \$350,000.00 with Cooperative Finance Corporation. IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR ORLIN KIDNER AND

PASSED UNANIMOUSLY TO EXTEND THE SHORT TERM LINE OF CREDIT BY \$100,000.00. A RESOLUTION WAS SIGNED. (Appendix A).

Brought before the board was a proposal for Quantum Resources, Inc. and Wells Rural Electric to rent office space on Silver Street in Elko, Nevada. The lease would be for three years with the monthly rent being \$2,100.00 split equally between the two companies. It was mentioned that by leasing this office space will offset travel expenses between Elko and Wells for Quantum employees as well as the ability to serve Carlin customers better. Following a thorough discussion, IT WAS ON MOTION BY DIRECTOR DARYL ERIKSEN, SECONDED BY DIRECTOR ORLIN KIDNER AND PASSED UNANIMOUSLY TO SIGN A THREE YEAR LEASE TO SHARE OFFICE SPACE WITH WELLS RURAL ELECTIRC ON SILVER STREET IN ELKO, NEVADA. (DIRECTOR LOIS NANNINI ABSTAINED FROM VOTING DUE TO A CONFLICT OF INTEREST).

NRECA Adoption Agreement: The next business to come before the board was the signing of the NRECA Adoption Agreement and a resolution for the "Restatement and Re-adoption of the Retirement & Security Program with No Changes". (Appendix B) IT WAS ON MOTION BY DIRECTOR ORLIN KIDNER, SECONDED BY DIRECTOR DARYL ERIKSEN AND PASSED UNAIMOUSLY TO SUBMIT THE "RESTATEMENT AND RE-ADOPTION OF THE RETIREMENT & SECURITY PROGRAM WITH NO CHANGES".

#### FINANCIAL REPORT:

A financial summary was handed out to the board. Dan and Clay reported on the total billings for November. The 5-Year Business Plan was discussed.

#### OTHER BUSINESS:

As there was no further business to come before the board, the meeting was adjourned at 10:45 a.m.

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

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