

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****MAY 15, 1998**

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, May 15, 1998 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, S. J. Smith and Mary Wright. Vernon Scott was not present.

Staff members present were: Daniel L. Kessler, Jr., Chief Executive Officer; Clay R. Fitch, Chief Financial Officer and Jim Su[[#146]]euga, Mgr. Marketing/Customer Service. Also present was Amanda Bourne, Executive Secretary and Don Angell, Engineering Consultant.

ACTION ITEMS:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of April 17, 1998 were approved as written.

ADDITIONS TO AGENDA:

- 1998 State Contractor[[#146]]s Board License
- Restatement and RE-Adoption of the SelectRE Pension Plan

SAFETY FIRST VERSE:

Watch For Kids on Bikes! [[#150]] Pay extra attention to driving through neighborhoods. Kids often ride in the streets or cross without looking for oncoming cars.

EXECUTIVE SESSION:

An executive session was called.

MANAGER[[#146]]S REPORT:

A. *Power Supply (BPA Pre-Subscription)* [[#150]] The board reviewed a proposal for pre-subscription from Bonneville Power Administration (BPA). Following a thorough discussion of the advantages and disadvantages to the pre-subscription contract IT WAS ON MOTION BY DIRECTOR JERRY PARKIN, SECONDED BY DIRECTOR ROBERT HARRIS AND PASSED UNANIMOUSLY TO ACCEPT BONNEVILLE POWER ADMINISTRATION[[#146]]S PRE-SUBSCRIPTION CONTRACT AS PRESENTED. Don Angell and staff were commended on an outstanding job.

B. *NENDA Report* [[#150]] Mr. Mike Wimpres of NENDA reported on projects they are currently involved in. It was reported that the following people

are on the NENDA board from Wells: Mike Nannini, Chuck Sallee, Yvonne Stuart and Jim Su[[#146]]uega. Following a discussion the board agreed to renew its annual membership of \$1,500. IT WAS ON MOTION BY DIRECTOR PAUL NEFF, SECONDED BY DIRECTOR ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE A \$1,500 MEMBERSHIP FEE TO NORTHEAST NEVADA DEVELOPMENT AUTHORITY.

C. Medical Benefits Policy [[#150]] IT WAS ON MOTION BY DIRECTOR PAUL NEFF, SECONDED BY DIRECTOR ROBERT HARRIS AND PASSED UNANIMOUSLY TO RE-SEND THE DIRECTOR[[#146]]S BENEFIT POLICY WHICH WAS APPROVED AT THE APRIL 17, 1998 BOARD MEETING.

D. Nominating Committee [[#150]] Vernon read the names of people who served on previous Nominating Committees. The following people were recommended to serve on the 1998 Nominating Committee: Cherie Aiazi of Carlin; Marlene Brough of Clover Valley; Viola Troyan and Marie Johnson of Wendover. Elaine Swanson of Wells was chosen as an alternate. Nominations will be accepted during the period of June 10, 1998 through July 10, 1998. IT WAS ON MOTION BY DIRECTOR JERRY PARKIN, SECONDED BY DIRECTOR ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE 1998 NOMINATING COMMITTEE.

Scholarship Committee [[#150]] Orlin Kidner reported 25 applicants were interviewed in the Wells Rural Electric Company board room on May 7th. The Scholarship Committee recommended the following students to receive the 1998 vocational scholarship: Tara Simpson of Carlin; Fernando Mercado of Wells; and Christina Stewart of Wendover. First alternate is Niki Moore of Wells and the second alternate is Mary Greenwood of Carlin. IT WAS ON MOTION BY DIRECTOR ORLIN KIDNER, SECONDED BY DIRECTOR ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE 1998 SCHOLARSHIP RECIPIENTS.

The 1998 State Contractor[[#146]]s Board License application was signed.

The next business to come before the board was the consideration of the Restatement and Re-Adoption of the SelectRE Pension Plan without Changes. IT WAS ON MOTION BY DIRECTOR MARY WRIGHT, SECONDED BY DIRECTOR JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING RESOLUTION.

WHEREAS, Wells Rural Electric Company is a participating employer in the NRECA sponsored defined benefit plan, the Retirement & Security Program; and

WHEREAS, the SelectRE Pension Plan has been amended and restated by NRECA to comply with requirements of Section 401 (a) of the Internal Revenue Code of 1986 and other recent legislation and the regulations issued thereunder effective January 1, 1998;

WHEREAS, Wells Rural Electric Company and its Board of Directors have been informed of such changes through communications from NRECA, and after review and study of such communications, the Board has decided to re-adopt the SelectRE Pension Plan effective January 1, 1998.

NOW, THEREFORE, BE IT RESOLVED, that this Board authorizes the amendment, restatement and continuance of the SelectRE Pension Plan to conform in its entirety with all provisions of the plan documents of the SelectRE Pension Plan, as approved by the Internal Revenue Service, through the execution of the Adoption Agreement, which includes all of the provisions of the Adoption Agreement that was effective September 1, 1987.

H. IT WAS ON MOTION BY DIRECTOR ROBERT HARRIS, SECONDED BY DIRECTOR MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE THE RESTRUCTURING AS PRESENTED.

SAFETY MINUTES:

IT WAS ON MOTION BY DIRECTOR ORLIN KIDNER, SECONDED BY DIRECTOR JERRY ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES AS WRITTEN.

NEW MEMBERSHIPS:

IT WAS ON MOTION BY DIRECTOR ORLIN KIDNER, SECONDED BY DIRECTOR MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE 63 NEW MEMBERSHIPS AS REVIEWED: WELLS - 3; CARLIN - 14 WENDOVER, NV - 31; AND WENDOVER, UT - 15. (Attached to minutes)

A lunch recess was called at 11:50 am. The meeting was called back to order at 1:00pm.

INFORMATION ITEMS:

1. Studies Update

- A. Strategic Plan **[[#150]]** Dan reported he has not received a draft from Dr. Martin Lowery, but will forward a copy to the board when he receives it.
- B. Integrated Resource - This information was available in the FYI basket.
- C. Outage Report - This information was available in the FYI basket.
- D. Engineering Report - This was available in the FYI basket.

2. Manager **[[#146]]**'s Report:

- A. *Maryland School Program* **[[#150]]** Information has not been received regarding the 32 hours of community service program in Maryland. Dan has been in contact with a school board member and she will be sending him information.

Letter from Jim Copenhaver **[[#150]]** Dan reported Wells Rural Electric Company sees no reason to intervene in territory Mt. Wheeler is filing on.

C. Account Manager Plan **[[#150]]** There are currently five pilot projects in the works. The board will be informed of their progress.

Ernst & Young **[[#150]]** Dan is waiting hear from Ernst & Young regarding the taxes with Wells Rural and Quantum. A letter from Ernst & Young, addressing how to legally set up Quantum Resources and regarding our tax status was handed out.

D. Year Two Thousand **[[#150]]** Computer problems arising with the oncoming year two thousand were discussed. A compliance team has been formed to develop an assessment of critical areas and the preliminary impact of those areas that are out of compliance.

POWER SUPPLY:

Dan reported Wells Rural Electric has still not received an official request from Simplot regarding serving their load.

OTHER BUSINESS:

A report on the NRECA Legislative Conference in Washington DC was given by Vernon Dalton, Lois Nannini and Dan.

Gerald Anderson will be attending NRECA**[[#146]]**s summer school July 22nd **[[#150]]** 25th.

As there was no further business to come before the Board, the meeting was adjourned at 1:40 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.

MAY 15, 1998

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, May 15, 1998 at 1:45 p.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, S. J. Smith and Mary Wright. Vernon Scott was not present.

Staff members present were Daniel L. Kessler, Jr., Chief Executive Officer; and Clay R. Fitch, Chief Financial Officer. Also present was Amanda Bourne, Executive Secretary.

ACTION ITEMS:

APPROVAL OF MINUTES:

The minutes of the regular meeting of April 17, 1998 were approved as written.

ADDITIONS TO AGENDA:

Mr. Bob Vaughan[**#146**]'s recommendation to the lease for the office space in Elko was discussed. IT WAS ON MOTION BY DIRECTOR DARYL ERIKSEN, SECONDED BY DIRECTOR ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE LEASE AGREEMENT FOR THE OFFICE SPACE ON SILVER STREET IN ELKO AS PRESENTED.

The next business to come before the board was the consideration of the Restatement and Re-Adoption of the SelectRE Pension Plan without Changes. IT WAS ON MOTION BY DIRECTOR MARY WRIGHT, SECONDED BY DIRECTOR JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING RESOLUTION.

WHEREAS, Quantum Resources, Inc. is a participating employer in the NRECA sponsored defined benefit plan, the Retirement & Security Program; and

WHEREAS, the SelectRE Pension Plan has been amended and restated by NRECA to comply with requirements of Section 401 (a) of the Internal Revenue Code of 1986 and other recent legislation and the regulations issued thereunder effective January 1, 1998;

WHEREAS, Quantum Resources, Inc. and its Board of Directors have been informed of such changes through communications from NRECA, and after review and study of such communications, the Board has decided to re-adopt the SelectRE Pension Plan effective January 1, 1998.

NOW, THEREFORE, BE IT RESOLVED, that this Board authorizes the amendment, restatement and continuance of the SelectRE Pension Plan to conform in its entirety with all provisions of the plan documents of the SelectRE Pension Plan, as approved by the Internal Revenue Service, through the execution of the Adoption Agreement, which includes all of the provisions of the Adoption Agreement that was effective September 1, 1996.

EXECUTIVE SESSION

No executive session was held.

FINANCIAL REPORT:

Dan gave an update on current contracts.

OTHER BUSINESS:

As there was no further business to come before the board, the meeting was adjourned at 1:55 p.m.

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

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