

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****October 16, 1998**

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 Friday, October 16, 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, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith, and Mary A. Wright. Orlin Kidner 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 Services. Also present was Amanda Bourne, Executive Secretary and Don Angell, Engineering Consultant.

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

The minutes of the regular meeting of September 18, 1998 were approved as written.

**ADDITIONS TO AGENDA:**

- Tax Audit
- Time Change
- December Board Meeting

**SAFETY FIRST VERSE:**

*Slips, Trips and Falls* [[#150]] Falls continue to be the leading cause of accidents. Keep aisles, walkways, stairs and work areas clean and unobstructed; this includes ice and snow. Clean up spills and lubricants from work areas.

**EXECUTIVE SESSION:**

An executive session was held.

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

RUS Buyout [[#150]] The next matter to come before the meeting was the Prepayment Agreement whereby the corporation could prepay all sums due to Rural Utilities Services (formerly REA) on a discounted basis. The agreement was reviewed and discussed and the board affirmed the documents. IT WAS ON MOTION BY S. J. SMITH, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING RESOLUTION.

RESOLVED, that Wells Rural Electric Company, a Nevada non-

stock, non-profit corporation, (hereinafter called the "Corporation") may prepay to the Rural Utilities Services (hereinafter called the "RUS") the discounted present value, pursuant to 7 CFR Part 1786 of any Outstanding RUS Note eligible for prepayment pursuant to the terms of Public Law No. 102-428 (hereinafter called "RUS Notes").

RESOLVED, that the Corporation acknowledges that the Corporation and its successors or assigns, may not receive direct or insured loans from the Government pursuant to Titles I or III of the Rural Electrification Act (7 U. S. C. 904, 935) for 120 months after any discounted prepayments are made on the Corporation[[#146]]s RUS Notes pursuant to the terms of Public Law No.

RESOLVED, that D. Vernon Dalton, president of the Corporation, be and hereby is authorized on behalf of the Corporation to execute and deliver under the corporate seal of the Corporation, which the secretary is hereby directed to affix and attest, as many counterparts as may be deemed desirable of an agreement with RUS setting forth the terms and conditions for the Corporation[[#146]]s discounted prepayment of its RUS notes, substantially in the form of prepayment agreement submitted to this meeting.

RESOLVED, that D. Vernon Dalton, president of the Corporation, be and hereby is authorized to execute and deliver on behalf of the Corporation under the corporate seal of the Corporation, which the secretary is hereby directed to affix and attest, any other document or documents, agreement or agreements or certificate or certificates, that may be necessary in order to carry out the prepayment authorized at this meeting.

Manager[[#146]]s Evaluation / Recommendation [[#150]] The board recommends a salary increase to \$3,710 per pay period and a \$5,000 contribution to the Homestead fund. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE CHIEF EXECUTIVE OFFICER[[#146]]S EVALUATION AND SALARY INCREASE.

NREA Meeting / Voting Delegate [[#150]] Dan reminded the board of the NREA Annual Meeting to be held in Mesquite, November 4<sup>th</sup> [[#150]] 6<sup>th</sup>. A voting delegate was discussed, IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO APPROVE CHIEF EXECUTIVE OFFICER DAN KESSLER AS THE NREA VOTING DELEGATE.

Financial Advisory Committee (Budget Approval) [[#150]] IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE FIRST HALF 1999 BUDGET AS PRESENTED.

Strategic Plan [[#150]] IT WAS ON MOTION BY ROBERT HARRIS,

SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE 1999 STRATEGIC PLAN AS REVIEWED.

Financial Audit **[[#150]]** Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO SEND OUT BIDS FOR THE 1998 FINANCIAL AUDIT.

G. December Board Meeting **[[#150]]** Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE MOVING THE REGULAR SCHEDULED BOARD MEETING OF DECEMBER TO FRIDAY, DECEMBER 11 AT 9:00 AM.

#### SAFETY MINUTES:

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

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE 27 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 7; CARLIN **[[#150]]** 7; WENDOVER, NV **[[#150]]** 9; AND WENDOVER, UT **[[#150]]** 4.

#### INFORMATION ITEMS:

##### Studies Update:

Strategic Plan **[[#150]]** This was approved previously.

Integrated Resource **[[#150]]** This information was mailed with the agenda.

Outage Report **[[#150]]** This information was mailed with the agenda.

Engineering Report **[[#150]]** This was mailed with the agenda.

##### Manager**[[#146]]**s Report:

Ernst & Young Tax Letter **[[#150]]** Dan informed the board of two letters from Ernst and Young, he will be mailing them and suggested scheduling a meeting with Sue Ann Pierce for a presentation on tax issues. It was agreed to schedule Ms. Pierce either Wednesday, October 28<sup>th</sup> or Thursday, October 29<sup>th</sup>. The board will be notified of the date and time of the presentation.

Account Manager Program **[[#150]]** Dan and Jim reported there have been a total of 35 contacts made throughout the service territory this year. One of the topic**[[#146]]**s which is discussed is

deregulation. Dan and Jim both feel these contacts are well worthwhile and the program is going well.

Y2K Compliance Update **[[#150]]** Dan reported the Y2K Compliance Team is continuing to deal with compliance issues and Wells Rural is taking every measure to be in compliance.

Annual Meeting Review **[[#150]]** The board discussed the annual meeting. It was the general consensus that the meeting went very well and attendance was high. A few possible changes were discussed for next years meeting.

RFP Update **[[#150]]** Dan discussed the need to look into natural gas, if it should become available in our area, and how the impact may affect the propane venture. Dan is expecting a full report available from Mr. Rob Church at the December board meeting.

Grassroots Discussion **[[#150]]** Dan reported the grassroots program is ready to get underway. An agenda for the first meeting will be mailed to the board, who in return will hand them out to the prospective committee members. A discussion followed.

G. Time Change **[[#150]]** The board discussed the possible time change for the City of Wells and the pros and cons.

Power Supply:

Don Angell gave a report on the following: BPA Subscription, Nevada restructuring and the natural gas project.

Quantum Resources, Inc. **[[#150]]** There was nothing to report at this time.

**OTHER BUSINESS:**

As there was no further business to come before the board, the meeting was adjourned at 3:15pm.

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

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

**October 16, 1998**

The regular meeting of the Board of Directors of Quantum Resources, Inc. was held in Wells, Nevada in the Boardroom of the Wells office and called to order Friday, October 16, 1998 at 3:15 pm. 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., Chief Executive Officer and Clay Fitch, Chief Financial Officer. Also present was Amanda Bourne, Executive Secretary.

ACTION ITEMS:

The minutes of the regular meeting of September 18, 1998 were approved as written.

Following a discussion, IT WAS ON MOTION BY DIRECTOR ROBERT HARRIS, SECONDED BY DIRECTOR PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE MOVING THE REGULARLY SCHEDULED BOARD MEETING OF DECEMBER TO FRIDAY, DECEMBER 11 AT 9:30 AM.

ADDITIONS TO AGENDA:

There were no additions to the minutes.

EXECUTIVE SESSION:

No executive session was held.

FINANCIAL REPORT:

Dan gave a financial report. A draft of the Business Plan and a Financial Information Report was handed out to the board.

OTHER BUSINESS:

As there was no further business to come before the board, the meeting was adjourned at 3:25 pm.

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

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