

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****APRIL 17, 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, April 17, 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, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright. Robert Harris was not present.

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

ACTION ITEMS:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of March 25, 1998 were approved as written.

ADDITIONS TO AGENDA:

Conflict of Interest Policy 10-2

Director Death/Spouse and Dependant Benefit Coverage

SAFETY FIRST VERSE:

Look Up and Live! It is important to take time to look around and make sure there are no electric lines directly overhead before lifting any long metal objects such as antennas or irrigation pipe.

EXECUTIVE SESSION:

An Executive Session was not held.

MANAGER[[#146]]S REPORT:

1997 Audit Report [[#150]] Mr. Ron Aoki of Ernst and Young presented a combined 1997 audit for Wells Rural Electric Company and Quantum Resources, Inc. Following a discussion, IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR ORLIN KIDNER AND PASSED UANIMOUSLY TO APPROVE THE 1997 AUDIT AS PRESENTED.

B. Business Planning Seminar [[#150]] The board agreed to schedule the NRECA Business Planning Course 2630.2 on either Wednesday, May 13th or

May 27th. Dan will contact NRECA and notify the board of the date.

C. *1997 Budget Report* - Staff presented the last half 1997 budget as well as the projected numbers for the last half of 1998. Following a discussion, IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE 1997 BUDGET REPORT AS PRESENTED.

Touchstone Energy - The board viewed a short video from Touchstone Energy, of advertisements being used throughout the country. A discussion on the advantages of becoming a member followed. Touchstones initiation fee is \$2,500 and the yearly membership, which is based on residential revenues (less than 1%) is \$3,182. IT WAS ON MOTION BY DIRECTOR LOIS NANNINI, SECONDED BY DIRECTOR GERALD ANDERSON AND PASSED UNANIMOUSLY TO JOIN TOUCHSTONE ENERGY.

E. *Conflict of Interest Policy 10-2* **[[#150]]** After reviewing Policy 10-2, a discussion ensued, IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR GERALD ANDERSON AND PASSED BY MAJORITY TO APPROVE POLICY 10-2 OF WELLS RURAL ELECTRIC COMPANY AS PRESENTED (ONE OPPOSED). (See attachment A)

F. The next business to come before the board was the matter to change the policy for spousal benefit coverage in the event of a death of a board of director. IT WAS ON MOTION BY DIRECTOR LOIS NANNINI, SECONDED BY DIRECTOR S.J. SMITH TO ADOPT THE CHANGES IN POLICY 1-6 AND 1-10 TO PROVIDE MEDICAL AND DENTAL INSURANCE TO SPOUSE AND DEPENDANTS OF A DECEASED BOARD MEMBER. CHANGES WILL BE RETROACTIVE TO THE REVISION DATE. (See attachment B and C)

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY DIRECTOR VERNON SCOTT, SECONDED BY DIRECTOR JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE 49 NEW MEMBERSHIPS AS REVIEWED: WELLS - 4; CARLIN - 12 WENDOVER, NV - 23; AND WENDOVER, UT - 10. (Attached to minutes)

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. *De-regulation Game* - John Sherer and Jim Brand will conduct the "De-regulation Game" for the board on Wednesday, April 29th at 8:30 am.

3. *Power Supply* - Don Angell presented the following power supply issues: BPA Pre-subscription; BPA Transmission Update; PNGC; IPCo Meetings; Gas Request for Proposal; Microwave; NRTC 220 MHz Radio; Simplot; and Nevada PUC Update.

OTHER BUSINESS:

The Scholarship Committee will be interviewing students May 7th and 8th.

Vernon Dalton read an invitation from CoBank for an appreciation dinner during the NWPPA Annual Meeting.

Dan informed the board, Glenn English asked him to serve on the Wholesale Power Task Force and has accepted to do so.

Dan gave an update on the Mary[[#146]]s Mountain fire and the Wells Professional Building fire.

Mr. Robert Vaughan is continuing to work on the legalities of the lease for the building in Elko.

Tapes of Colin Powell[[#146]]s speech during the NRECA Annual Meeting was handed out.

As there was no further business to come before the Board, the meeting was adjourned at 2:55 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.**

APRIL 17, 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, April 17, 1998 at 3:00 p.m. 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, S. J. Smith and Mary Wright. Robert Harris 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 March 25, 1998 were approved as written.

ADDITIONS TO AGENDA:

Conflict of Interest Policy **[[#150]]** After a thorough discussion, IT WAS ON MOTION BY DIRECTOR JERRY PARKIN, SECONDED BY DIRECTOR VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE CONFLICT OF INTEREST POLICY OF QUANTUM RESOURCES, INC. AS PRESENTED. (see attached)

EXECUTIVE SESSION

No executive session was held.

FINANCIAL REPORT:

Dan reported the financial report will be available at the May board meeting after the year-end close is complete. An update on current contracts was given.

OTHER BUSINESS:

As there was no further business to come before the board, the meeting was adjourned at 3.40 p.m.

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

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