

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****June 11, 1999**

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, June 11, 1999 at 11:05 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, Vernon Scott, S. J. Smith, and Mary A. Wright. Robert Harris and Jerry Parkin were absent.

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:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of May 21, 1999 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

SAFETY FIRST VERSE:

Hearing loss is irreversible. Always use protection around excessive noise levels.

EXECUTIVE SESSION:

An executive session was not held.

CEO[[#146]]S REPORT:

Marketing and Customer Service Report [[#150]] Jim Su[[#146]]euga reported on the advantages of the new position in Wendover and department accomplishments.

Benchmarking/PACE Update [[#150]] Mike Cromie, Kerry Robinson and Lonnie Abbott of the engineering department gave a presentation and reported on improvements made since beginning the PACE program.

Y2K Update [[#150]] Tommi Reynolds, Mike Cromie, Lynn Brodsho, Thad Ballard and Jeff Cromie gave updates on WREC[[#146]]s Y2K activities. It was reported that staff has reviewed the draft Y2K Audit and are expecting the final next month.

A lunch recess was taken at 12:05 pm. The meeting was called back to order at 1:30 pm. Gerald Anderson and Lois Nannini were absent. Daryl returned at 2:45 pm.

Gas Update [[#150]] Dan reported, Tom Strait of the Washington Utility Group is working

on tax scenarios for a stock purchase versus an asset purchase.

State Industrial Insurance **[[#150]]** Dan reported that Federated Insurance was not in a position at this time to make a proposal for industrial insurance and WREC will remain with Employers Insurance Company of Nevada through December 1999.

August Board Meeting **[[#150]]** IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE CHANGING THE REGULARLY SCHEDULED BOARD MEETING ON AUGUST 20, 1999 TO BEGIN AT 8:00 AM.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE 65 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 12; CARLIN **[[#150]]** 25; WENDOVER, NV **[[#150]]** 22; AND WENDOVER, UT **[[#150]]** 6.

INFORMATION ITEMS:

STUDIES UPDATE:

Strategic Plan **[[#150]]** Dan reported.

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

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

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

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

National Endangered Species Act Reform Coalition **[[#150]]** Dan reported the NESARC weekly reports will be put into the weekly mailing to the board.

Vehicle Bids **[[#150]]** WREC has not received any bids, to date, on the vehicles. Vehicles are listed for bid in the local newspapers and the employee newsletter.

Nominating Committee **[[#150]]** The committee met on June 9th in Wells and had questions regarding a "bonafide" resident, which is stated in company policy. Discussion ensued and the board agreed to contact the company attorney for legal advice.

Fuel Cell **[[#150]]** Dan reported he and Don Angell would like to research other possibilities and obtain more information before committing to participate in the pilot project with BPA

POWER SUPPLY:

Don Angell gave a report on the following: BPA Subscription/Rate Case, Wendover Power Factor,

Transmission/FERC Issues, Newmont Issues, and Nevada Restructuring.

QUANTUM RESOURCES, INC.: There was nothing to report at this time.

WREC Board Meeting

OTHER BUSINESS:

The matter of the board/employee annual picnic was discussed. It was agreed to hold the picnic in Wells, August 20th at 4:00 pm.

As there was no further business to come before the board, the meeting was adjourned at 3:00 pm.

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

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

June 11, 1999

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, June 11, 1999 at 8:10 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: D. Vernon Dalton, Orlin Kidner, Lois Nannini, Paul Neff, Vernon Scott, S. J. Smith and Mary Wright. Gerald Anderson, Daryl Eriksen, Robert Harris and Jerry Parkin were absent.

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

ACTION ITEMS:

The minutes of the regular meeting of May 21, 1999 were approved as written.

EXECUTIVE SESSION:

An executive session was not held.

FINANCIAL REPORT:

A presentation was given on the 3-year business plan. Dan and Clay reported. Key points discussed were: mission statement, keys to success, market analysis summary, potential market by segment, comparative comparison, sales forecast, organizational chart, important assumptions, protected profit and loss, projected cash flow, projected balance sheet and exit strategy. A thorough discussion followed.

As Director, Jerry Parkin was unable to attend the meeting, his written comments were read aloud to the board.

Following a discussion, IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE 3-YEAR BUSINESS PLAN AS PRESENTED.

Project Summary Sheets were handed out to the board and a discussion followed.

OTHER BUSINESS:

The matter of the insurance policy, which covers errors and omissions was discussed. It was the consensus of the board to have formal reports from Federated Insurance and the company attorney regarding policy of errors and omissions of previous losses resulting from past errors. Vernon Dalton reported he has been in contact with the company attorney, Robert Vaughan regarding errors and omissions. He is currently working on the insurance investigation and will be reporting back to the board.

As there was no further business to come before the board, the meeting was adjourned at 10:40 am.

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

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