

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****October 15, 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, October 15, 1999 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 absent.

Staff members present were Daniel L. Kessler, Jr., Chief Executive Officer; Clay Fitch, Chief Financial Officer and Jim Su[[#146]]euga, Manager, Marketing and Customer Services. Also present was Tommi Reynolds, Administrative Assistant and Don Angell, Engineering Consultant.

ACTION ITEMS:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of September 17, 1999 were approved as written.

ADDITIONS TO AGENDA:

There were not additions to the agenda.

Tommi Reynolds was introduced to the board. She will be filling in while Amanda Bourne is on leave.

SAFETY FIRST VERSE:

Never wash and re-use disposable gloves. Dispose of them and other contaminated material in the proper biohazard containers.

EXECUTIVE SESSION:

An executive session was held.

A recess was called following the executive session and the meeting was called back to order at 10:32 am.

Vernon announced that WREC has received ACRE[[#146]]s award for 100% Board and Key Employee Century Club participation and 100% total employee participation. Dan added that 25% of Region IX ACRE memberships are from Nevada; 2/5 of the region[[#146]]s Presidential Club memberships are from Nevada and 50% of Region IX Century Club are from Nevada.

CEO[[#146]]S REPORT:

1999 First Half and 2000 Projected Budget [[#150]] IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE 1999 FIRST HALF AND 2000 PROJECTED BUDGET AS PRESENTED.

Line 18, other donations - WREC[[#146]]s donation agreement with GNCU expires in March. Dan has discussed, with Marcia Burgess, the possibility of continuing a joint donation relationship with the credit union.

Bylaws - The board and staff have reviewed WREC[[#146]]s bylaws. Possible changes were discussed and will be forwarded to Bob Vaughan. He will review and draft the changes as discussed, for consideration at a future board meeting.

A recess was called at 12:06pm. The meeting was called back to order at 1:15pm.

CFC Line of Credit - The next matter to come before the board was adoption, execution and delivery of the Line of Credit (the "Agreement") submitted to National Rural Utilities Cooperative Finance Corporation ("CFC"). IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE ATTACHED LINE OF CREDIT RESOLUTION.

RUS Buyout - The next matter to come before the meeting was the letter of request to schedule a closing date of December 20, 1999, for prepayment of all sums due to Rural Utilities Service (formerly REA) on a discounted basis. The proposed letter and its exhibits were reviewed and discussed and the board affirmed the documents. IT WAS ON MOTION BY JOE SMITH, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO SIGN THE LETTER AND FORWARD IT TO RUS.

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 63 NEW MEMBERSHIPS AS REVIEWED: WELLS [[#150]] 2; CARLIN [[#150]] 20; WENDOVER, NV [[#150]] 31; AND WENDOVER, UT [[#150]]10.

INFORMATIONAL ITEMS:

STUDIES UPDATE:

Strategic Plan [[#150]] The new draft of the 2000 plan will be reviewed in November.

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:

Employee Lost Time Accident Costs [[#150]] This information was mailed with the agenda.

Ruralite Services [[#150]] The job training and safety program currently provided by Ruralite is being evaluated. Jim will report back at the November meeting.

Property and Liability Insurance **[[#150]]** Proposals for year 2000 coverage will be reviewed at the November board meeting.

Region IX Meeting **[[#150]]** Those who attended gave updates. Paul Neff brought to the group **[[#146]]**s attention that Vernon Dalton has received the Region IX Service Award and that Joe Smith was awarded the Board Leadership Certificate. Mary Wright has been appointed to the Resolution Committee.

E Source Conference - Dan has been invited to speak at a conference that E Source is sponsoring in January. He will respond to the question, "Will small utilities survive and thrive in the new deregulated environment?" A representative of Scottish Power will also be on the panel. It is expected to be a lively discussion.

WREC Annual Meeting - 169 members were present. The meeting was considered very successful. This year **[[#146]]**s speaker, Bryan Townsend, was especially good and the Customer Service **[[#146]]**s Department was commended for their efforts. Author, Rick Steber, and several people who had been interviewed for the book, The History of Wells Rural Electric Company, were on hand at the annual meeting to autograph copies.

United Way - Dan reminded the board that he is the Wells Rural Electric chairman of the United Way. He will be asking for donations in November. The United Way helps fund the Senior Center and Wells Family Resource Center as well as many other community services. It may be possible for donations from WREC employees to be matched by GNCU/WREC. Dan will ask for a motion to that effect at the November board meeting.

POWER SUPPLY:

Don Angell gave a report on the following: BPA Subscription/Rate Case, Wendover Power Factor, Transmission/FERC Issues, Newmont Issues, Nevada and Federal Restructuring.

QUANTUM RESOURCES, INC.

There was nothing to report at this time.

OTHER BUSINESS

Jerry Anderson asked for the Board **[[#146]]**s approval to attend the Update 2000 conference in Nashville, Tennessee.

As there was no further business to come before the board, the meeting was adjourned at 3:06 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.

October 15, 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, October 15, 1999 at 3:08 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 Operations Officer. Also present was Tommi Reynolds, WREC Administrative Assistant.

ACTION ITEMS

Approval of Minutes - The minutes of the regular meeting of September 17, 1999 were approved as written.

Annual Meeting of the Members - At 3:09pm the regular meeting recessed and the Annual Meeting of the Members of Quantum Resources, Inc. was called to order. The regular meeting resumed at 3:15pm.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

EXECUTIVE SESSION

An executive session was not held.

FINANCIAL REPORT

Dan and Clay presented the August financial information, including informational sheets covering electrical and systems areas (Schedule 10s[[#146]]).

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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