

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****December 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 Wednesday, December 15, 1999 at 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith, and Mary A. Wright. Gerald Anderson and Robert Harris were 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 were Tommi Reynolds, Staff Assistant, and Don Angell, Engineering Consultant.

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

The minutes of the regular meeting of November 19, 1999 were approved as written.

**ADDITIONS TO AGENDA:**

Dan asked if Don Angell[[#146]]s report could be moved to the first part of the agenda. He also reported that a meeting of the Next Dollar should be called to approve last meeting[[#146]]s minutes. The board agreed to these additions.

Dan then presented length-of-service awards to Lois Nannini who has served five 3-year terms and to Vernon Dalton who has served thirteen 3-year terms. Robert Harris will be mailed his award for serving three 3-year terms.

**POWER SUPPLY**

Don Angell left the meeting after updating the board on the following issues:

- BPA Subscription/Rate Case
- Wendover Power Factor
- Transmission/FERC issues
- Newmont
- Nevada and Federal Restructuring
- Distributed Generation

**SAFETY FIRST VERSE:**

No one is exempt from slips, trips and falls. Watch where you are going and be especially careful of ice.

**EXECUTIVE SESSION:**

An executive session was not requested.

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

A. CAPITAL BUDGET - Kerry Robinson, Jim Su[[#146]]euga and Clay Fitch presented the Capital Budget requests for the year 2000 for the Engineering/Operations, Customer Services and Office Services departments. After thorough discussion IT WAS ON MOTION BY JOE SMITH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE CAPITAL BUDGET REQUESTS AS PRESENTED.

A discussion regarding replacement of the chairs in the board room followed. Existing chairs could be used as office chairs throughout WREC[[#146]]s facilities. Dan will follow up with options available.

The meeting recessed at 10:35am and was called back to order at 11:00am.

KRTAs [[#150]] Dan and Clay discussed the current Key Ratio Trend Analyses. These are provided annually by CFC. A Power Point presentation was made that graphically illustrated the planning, comparable and demographic ratios that best reflect WREC[[#146]]s financial position. The Key Ratio Report, from CFC, was also handed out and discussed.

Bylaws - Bob Vaughan is still addressing the board[[#146]]s proposed bylaw changes and expects to have a draft available for the January board meeting.

Customer Service Report [[#150]] Jim Su[[#146]]euga used a humorous Power Point presentation to introduce the employees in his department and to update the board on the services that department provides to WREC customers and employees.

Cost-of-Service Study [[#150]] This report will be postponed until January[[#146]]s board meeting.

1999 Write-off List [[#150]] Dan reported a gross write-off of \$41,294 for 1999. After capital credits, customer payments and collections were applied the total net write-off is \$7,706. The board commended staff for their efforts. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE 1999 WRITE-OFF LIST.

Endangered Species Act Reform Coalition [[#150]] Dan reported that it was time to renew membership in the Endangered Species Act Reform Coalition and that annual dues are \$2,000. After thorough discussion IT WAS ON MOTION BY JOE SMITH, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY TO CONTINUE WREC[[#146]]S MEMBERSHIP IN THE ENDANGERED SPECIES ACT REFORM COALITION.

H. Gas Update [[#150]] Dan told the board there was nothing significant to report and that they can expect a detailed report in January.

**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 PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE 31 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 1; CARLIN **[[#150]]** 11; WENDOVER, NV **[[#150]]** 15; AND WENDOVER, UT **[[#150]]** 4.

INFORMATIONAL ITEMS:

### STUDIES UPDATE

Strategic Plan **[[#150]]** The strategic plan was approved in November and is being implemented.

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

Cost of Service **[[#150]]** Wendover Power Factor **[[#150]]** This information was mailed with the agenda and provided in Don Angell **[[#146]]**'s update.

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

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

ConNEXTions **[[#150]]** WREC has been accepted as an associate member of ConNEXTions.

RURALITE **[[#150]]** Ruralite has been notified that WREC will no longer participate in their Job Training and Safety program

WREC SURVEY **[[#150]]** We are currently compiling information for the next survey of customers.

EMPLOYEE MISCONDUCT **[[#150]]** A letter from Federated Insurance was read that explained WREC **[[#146]]**'s coverage and the reasons that profit losses due to employee misconduct are not covered by our policy with Federated.

### QUANTUM RESOURCES, INC.

There was nothing to report at this time.

### OTHER BUSINESS

Vernon reported that the Board of Directors retreat will be held January 17<sup>th</sup> and 18<sup>th</sup> at the Riverside Hotel in Laughlin, Nevada. Greg Boudreaux will facilitate.

Mary reported on her attendance at the NWPPA director **[[#146]]**'s meeting.

An update detailing NRECA **[[#146]]**'s Grassroots Candidate Training program was provided to the board. Dan and Vernon praised the program and suggested that WREC/NREA host it for local, state and federal candidates. Dan and Vernon will discuss this further and report back to the board.

Joe Smith stated that he felt that WREC **[[#146]]**'s Customer Service Department should be commended for their involvement within the Company and the communities WREC serves. The board agreed and IT WAS ON MOTION BY JOE SMITH SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO NOTE THIS COMMENDATION IN THE MINUTES OF THE MEETING.

As there was no further business to come before the board, the meeting was adjourned at 12:05 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.**

**December 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, December 15, 1999 at 12:10. The meeting was presided over by President D. Vernon Dalton.

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

### **ACTION ITEMS:**

Approval of Minutes - The minutes of the regular meeting of November 19, 1999 were approved as written.

### **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 updated financial information through October 1999. Discussion followed.

### **WRITE-OFFS**

1999 Write-off List **[[#150]]** Dan reported a gross write-off of \$10,701 for 1999. \$7,887 of this is due to a billing error that duplicated revenue reported. With consideration of the error the total net write-off is \$2,862. **IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE 1999 WRITE-OFF LIST.**

### **OTHER BUSINESS:**

As there was no further business to come before the board, the meeting was adjourned at 12:05 pm.

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

## **MINUTES OF THE SPECIAL MEETING OF THE MEMBERS OF QUANTUM RESOURCES,**

**INC.****December 15, 1999**

A special meeting of the members of Quantum Resources, Inc. was held in Wells, Nevada in the Boardroom of the Wells office and called to order Wednesday, December 15, 1999 at 12:10pm. The shareholder present, representing all of the issued and outstanding stock was: Wells Rural Electric Company (WREC). At the meeting WREC was represented by the following directors who were present: D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith, and Mary A. Wright. Gerald Anderson and Robert Harris were absent.

The meeting was presided over by D. Vernon Dalton, Board President.

Wells Rural Electric staff members present were Daniel L. Kessler, Jr., Chief Executive Officer; Clay Fitch, Chief Financial Officer. Also present was Tommi Reynolds, Staff Assistant.

At that time, ON MOTION BY S. J. SMITH, SECONDED BY DARYL ERIKSEN AND PASSED UNANIMOUSLY, THE MINUTES OF THE 1999 QUANTUM ANNUAL MEETING WERE REVIEWED AND APPROVED AS WRITTEN.

A true and correct copy of the minutes of the Annual Meeting of October 15, 1999 are attached.

As there was no further business to come before the board, the meeting was adjourned at 12:05 pm.

Wells Rural Electric Company (WREC)

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

**WAIVER OF NOTICE OF SPECIAL MEETING OF QUANTUM RESOURCES, INC.**

We, the Directors of Quantum Resources, Inc., a Nevada corporation, agree to the hold a special board meeting of the members, heretofore set by resolution of the Board to be held at 1451 Humboldt Avenue in the City of Wells, State of Nevada at 9:00 am on December 15, 1999, and we hereby waive all notice of time, place and purpose of the regular December meeting of the Board of Directors and fix the 15th day of December at 9:00 am as the time for the holding of such meeting.

- Gerald Anderson, Director D. Vernon Dalton, Director
- Daryl Eriksen, Director Robert S. Harris, Director
- Orlin Kidner, Director Lois Nannini, Director
- Paul E. Neff, Director Jerry Parkin, Director
- Vernon Scott, Director S. J. Smith, Director
- Mary A. Wright, Director being all of the Directors of

QUANTUM RESOURCES, INC.

without exception

WAIVER OF NOTICE

The undersigned, as the sole shareholder of Quantum Resources, Inc. hereby waive all notice of the time,

place and purpose of a special meeting and fix 1451 Humboldt Avenue, in the City of Wells, State of Nevada as the place and the 15<sup>th</sup> day of December, 1999 at 9:00 o[[#146]]clock a.m., as the time for the holding of such meeting for the purpose of acting upon:

The approval of the Minutes of the 1999 Annual Meeting of membership of Quantum Resources, Inc. which was held December 15, 1999.

IN WITNESS WHEREOF, we have hereunto set our hands this 15<sup>th</sup> day of December, 1999Wells Rural Electric Company (WREC)

D.Vernon Dalton, President Mary Wright, Secretary/Treasurer

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