

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****August 20, 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, August 20, 1999 at 8:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Daryl Eriksen, Robert Harris, Orlin Kidner, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith, and Mary A. Wright. Lois Nannini arrived at 8:30 am.

Staff members present were Daniel L. Kessler, Jr., Chief Executive Officer and Clay Fitch, Chief Financial Officer. Also present was Amanda Bourne, Executive Secretary; Don Angell, Engineer Consultant; and Robert Vaughan, Attorney.

ACTION ITEMS:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of July 12, 1999 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

CEO[[#146]]S APPRAISAL:

The board reviewed the CEO[[#146]]s 1999 Goals. A discussion followed.

SAFETY FIRST VERSE:

Do not gamble with your life when using a ladder. Keep the odds in your favor by using the right ladder for the right job and using it safely.

EXECUTIVE SESSION:

An executive session was held.

Following the Executive session, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE A 7.5% SALARY INCREASE AND A CONTRIBUTION OF \$5,000.00 TO A HOMESTEAD FUND FOR THE CHIEF EXECUTIVE OFFICER.

CEO[[#146]]S REPORT:

Region IX [[#150]] The Region IX Annual Meeting will be held in Snowbird, UT, September 28th [[#150]] 30th, with pre-conference meetings scheduled on the 26th and 27th. Information was given to the board and they were asked to contact Amanda for registration, lodging and travel reservations.

Voting Delegates **[[#150]]** IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING VOTING DELEGATES: NRECA **[[#150]]** ORLIN KIDNER, ALTERNATE AS ROBERT HARRIS; CFC **[[#150]]** ROBERT HARRIS, ALTERNATE AS ORLIN KIDNER; NRTC **[[#150]]** ROBERT HARRIS, ALTERNATE AS ORLIN KIDNER.

Ballot Approval **[[#150]]** The board reviewed the 1999 election ballot. Ballots will be mailed to all members Monday, August 23, 1999. IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO APPROVE THE 1999 ELECTION BALLOT AS PRESENTED.

Grassroots **[[#150]]** The proposal for the Grassroots Program was presented and discussed. IT WAS ON MOTION BY S. J. SMITH, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE GRASSROOTS PROPOSAL WITH THE UNDERSTANDING THE BOARD WILL MAKE MODIFICATIONS AS THEY FEEL APPROPRIATE.

A recess was called at 9:40 am.

The Next Dollar Foundation meeting was called to order at 9:40 am.

The next matter to come before the meeting of the members of the Next Dollar Foundation was the approval of certain provisions of Bylaws of Next Dollar Foundation. It was recommended by the attorney for the Foundation that certain specific amendments be made, but in the fashion of adoption of the Bylaws as a whole. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING RESOLUTION.

The Bylaws of Next Dollar Foundation as revised through March 23, 1999, be and the same are hereby adopted, ratified, confirmed and approved.

The Next \$ Foundation Board of Directors meeting was adjourned at 9:42 am.

The Wells Rural Electric meeting was called back to order at 9:43 am.

Purchase 4-H Beef **[[#150]]** The board discussed the purchase of a 4-H market steer at the Elko County Fair. A portion of the beef will be used for the dinner after the annual meeting with the remaining used as door prizes. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO PURCHASE ONE MARKET STEER FROM THE LIVESTOCK SALE AT THE ELKO COUNTY FAIR. Vernon Dalton will attend the sale and make the purchase.

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 53 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 1; CARLIN **[[#150]]** 23; WENDOVER, NV **[[#150]]** 23; AND WENDOVER, UT **[[#150]]** 6.

INFORMATION ITEMS:

STUDIES UPDATE:

Strategic Plan **[[#150]]** Dan reported staff would be meeting in October to go over the new plan and will make a presentation to the board at the November board meeting.

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

Outage Report **[[#150]]** This information was mailed with the agenda. A discussion on the area fires and damages ensued. It was reported that all poles, which are fire damaged, are checked and treated by Osmose, and the damages are covered by insurance.

A recess was called at 9:55 am. The meeting was called back to order at 10:20 am.

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

Y2K Final Report **[[#150]]** The Y2k Readiness Audit and the Contingency Plan were handed out to the board. Tommi Reynolds, Thad Ballard, Mike Cromie, Lynn Brodsho and Jeff Cromie reported. Topics covered were; communications, operations, office services and information services. A discussion followed.

Primestar/DirecTV **[[#150]]** Dan reported DirecTV has bought out Primestar. He has contacted NRTC regarding the possibility of Quantum Resources converting Primestar services to DirecTV.

40th WREC Annual Meeting **[[#150]]** This year**[[#146]]**s theme for the annual meeting is "Shaping the Future". The meeting is scheduled for Saturday, September 18th at the Wells High School. It was reported that Brian Townsend of Alabama is the keynote speaker and the Wells History books will also be handed out.

ACRE Report **[[#150]]** Membership statistics for the past three years was handed out and reviewed.

Annual Picnic **[[#150]]** Dan reminded the board of the picnic following the board meeting at the Wells City Park.

Utility Golf Tournament **[[#150]]** The Annual Utility Golf Tournament is scheduled for Friday, August 27th at the Chimney Rock Golf Course in Wells. Board members interested in participating were encouraged to contact Buddy Welsh or Dan.

NREA Annual Meeting **[[#150]]** This year**[[#146]]**s meeting will be held in Ely, September 8th **[[#150]]** 10th. It was the consensus of the board to elect Dan Kessler as the voting delegate for the NREA meeting.

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.

A lunch recess was called at 12 noon. The meeting was called back to order at 1:00 pm.

CEO**[[#146]]**S REPORT **[[#150]]** continued:

UREA/NREA Youth Energy Seminar Participants **[[#150]]** Participants from this year**[[#146]]**s youth

camps reported on their experiences at camp and thanked the board for making the camp possible. They encouraged the board to continue sending students because it is such a worthwhile camp.

Gas Acquisition **[[#150]]** Don Angell and Dan reported an in-depth study of Wells Propane is on-going. The study is covering; employee wage and benefit structure, co-op structure and the Elko/Spring Creek growth projections with regards to economics and demographics. The study will be used to make a counter offer and business plan. A discussion ensued. (Daryl Eriksen excused himself during the Gas Acquisition discussion).

Mr. Robert Vaughan, Attorney came into the meeting.

Allegiance Capital Corporation **[[#150]]** The next matter to come before the meeting related to amendments to Policy No. 11-1 to correct, update and improve the terms and procedures relating to full and equitable consideration of any inquiries or offers made to acquire all or any significant portions of the Cooperative**[[#146]]**s assets. The changes were recommended and described by counsel. Following a discussion, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING RESOLUTION: (Policy 11-1 attached.)

RESOLVED: That paragraphs A, C, C-6, of Section IV of Policy No. 11-1 be amended and paragraph C-8 be added to Section IV, all to read and provide as follows:

If an offer is received by the Cooperative and such offer is not a Qualifying Offer (as defined in paragraphs C 1-7, below), it shall be considered an "Inquiry". The recipient of any Inquiry shall notify the person, corporation, or other entity submitting the Offer of Inquiry, (the "Interested Party") that, under the terms of this Policy, the Board of Directors shall not consider an Inquiry or Offer unless it qualifies as a Qualifying Offer, as defined in Paragraphs C 1-7, of this Section IV.

The Board of Directors shall consider only offers which meet all of the criteria listed in this paragraph, in which case it shall be considered a Qualifying Offer. If at any time it is determined that an offer does not meet all of the criteria in this paragraph, it shall be rejected by the Board, and the person, corporation, or other entity submitting the offer, the "Interested Party" shall be notified of the rejection. The Interested Party, however, shall be given an opportunity to submit additional information to meet these criteria within a reasonable period of time, not to exceed three (3) months.

A Qualifying Offer must provide that the Interested Party will not issue any press releases or discuss the Inquiry or the Qualifying Offer with the media without prior written consent of the Cooperative in each instance. The Qualifying Offer must contain a provision that the Interested Party will refrain from issuing misleading statements or advertising.

A Qualifying Offer must include a Confidentiality Agreement with the Interested Party providing that all information provided by the Cooperative and all information received from the Interested Party shall remain confidential and not subject to any media, member, or public disclosure.

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

OTHER BUSINESS:

A discussion on high bill complaints and the steps taken by WREC were discussed.

IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING RESOLUTION:

RESOLVED: that the Board of Wells Rural Electric Company authorizes all board meetings hereinafter, beginning September 17, 1999 to begin at the regular time of 9:00 am, until otherwise agreed upon by board members.

As there was no further business to come before the board, the meeting was adjourned at 2:25 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.

August 20, 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, August 20, 1999 at 2:26 pm. The meeting was presided over by President D. Vernon Dalton.

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

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 July 12, 1999 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

EXECUTIVE SESSION:

An executive session was not held.

CEO[[#146]]s REPORT:

Policy 7-2 [[#150]] Dan reviewed changes of Policy 7-2 with the board. Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE POLICY 7-2 AS PRESENTED WITH THE EFFECTIVE DATE AS SEPTEMBER 1, 1999. (Policy 7-2 Attached).

Purchase 4-H Market Lamb [[#150]] Following a discussion, IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE PURCHASING A MARKET LAMB AT THE ELKO COUNTY FAIR.

FINANCIAL REPORT:

Dan and Clay reported on the quarterly financials of Quantum.

OTHER BUSINESS:

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

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

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