

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****March 10, 2000**

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, March 10, 2000 at 10:53 am. The meeting was presided over by President D. Vernon Dalton.

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

ACTION ITEMS:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of February 17, 2000 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

SAFETY FIRST VERSE:

When in an area where safety equipment is required, it is your responsibility to wear and use the proper equipment.

CEO[[#146]]s REPORT:

SERP (Special Early Retirement Program) [[#150]] An executive session was called.

A lunch recess was called at 12:30 pm. The meeting was called back to order at 1:10 pm.

Executive Session continued.

Following the executive session, IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE OFFERING THE SPECIAL EARLY RETIREMENT PROGRAM TO QUALIFYING EMPLOYEES AND TO APPROVE THE FOLLOWING TWO RESOLUTIONS:

WHEREAS, Wells Rural Electric Company and Quantum Resources, Inc. is a participating employer in NRECA sponsored defined benefit plan, the Retirement & Security Program;
and

WHEREAS, the Board of Directors of Wells Rural Electric Company now desires to offer unreduced early retirement benefits on a one-time basis to certain eligible employees and by

executing the appropriate Addendum to the Adoption Agreement;

NOW THEREFORE BE IT RESOLVED that the Board Directors here authorizes and directs the adoption by the Participating System of a Special Early Retirement Plan (SERP) pursuant to Paragraph 7.07a and 7.07b of the Specifications, providing eligible Participants with additional Years of Benefit service in calculating the Participant[**[[#146]]**s retirement benefit, and paying benefits under the Program without the actuarial reduction provided in Paragraph 21.01 of the Specifications. Eligible participants are all participants who satisfy the Eligibility Requirements during the Window Period.

BE IT FURTHER RESOLVED, that the Chief Executive Officer be directed to prepare and execute all documents and communications required for proper implementation of the SERP to include the Addendum to the Adoption Agreement now in effect to reflect:

Eligibility Requirements: Rule of 58, age 50 for group 001 (Wells REC)

Eligibility Requirements: Minimum age 50, for group 002 (Quantum Resources, Inc.)

Window Period: April 1, 2000 through April 30, 2000

SERP Retirement Date: May 1, 2000

BE IT FURTHER RESOLVED, that the Chief Executive Officer be directed to notify the Plan Trustee by duly executed appropriate agreement form that the Cooperative will assume the past service adjustment cost of those eligible employees who elect to retire under the SERP as offered.

HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

WHEREAS, Wells Rural Electric Company, (the "Cooperative") has selected a Temporary Suspension of Actuarial Reduction (TSAR) on its Adoption Agreement of the Retirement and Security Program for Employees of National Rural Electric Cooperative Association and Its

Member Systems (the "R&S Program"), sponsored and administered by the National Rural Electric Cooperative Association (NRECA), and

WHEREAS, employees of the Cooperative meeting eligibility requirements may elect enhanced retirement benefits under the provisions of the TSAR during a window period, and

WHEREAS, NRECA and the R&S Program are willing to provide the TSAR benefit to such employees in consideration of this Hold-Harmless and Indemnification Agreement and other consideration provided to the R&S Program.

NOW, THEREFORE, the parties agree as follows:

1. Indemnification. The Cooperative hereby agrees to indemnify and hold the R&S Program and NRECA and their officers, directors and employees harmless from any and all liability, loss, damage, or expense that they any incur under, or by reason or defense of, any and all claims and demands whatsoever that may be asserted against them arising out of, or in connection with, the provision of a Temporary Suspension of Actuarial Reduction as elected

by the Cooperative in its Adoption Agreement for the R&S Program.

2. Payment. Should any such liability, loss, damage, or expense be incurred, the amount thereof, including reasonable attorney[[#146]]s fees, shall be payable by the Cooperative immediately and without demand.

3. Continuing Effect. This Hold-Harmless and Indemnification Agreement shall continue in full force and effect without any regard to changes or modifications by the Cooperative to its Adoption Agreement in the R&S Program and without regard to the Cooperative[[#146]]s termination of future participation in the R&S Program. This Agreement shall inure to the benefit of the R&S Program and NRECA and its officers, directors and employees and their respective heirs, estates and assigns.

Cost of Service Study - Dan, Clay and Don Angell presented the Cost of Service Study. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY MARY WRIGHT AND PASSED UNANIMOUSLY TO APPROVE THE COST OF SERVICE STUDY AS PRESENTED.

Greater Nevada Credit Union [[#150]] Dan reported the Greater Nevada Credit Union has asked Wells Rural Electric to waive the rent for their offices located in Wendover, Wells and Carlin. It was explained that these three area offices are struggling to continue keep their doors open. Following a discussion, it was the consensus of the board to collect additional information on market rates for office space in the three areas.

Two-Year Work Plan [[#150]] Dan presented a resolution for signature accepting the Two-Year Work Plan, which was approved at the February 17, 2000 meeting. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE FOLLOWING RESOLUTION.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does approve the 2000 and 2001 Construction Work Plan, prepared by the WREC Engineering department, and be it further resolved that the Chief Executive Officer is authorized and directed to contract out the required work necessary to complete all construction within the planned construction period.

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 ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 39 NEW MEMBERSHIPS AS REVIEWED: WELLS [[#150]] 2; CARLIN [[#150]] 11; WENDOVER, NV [[#150]] 17 AND WENDOVER, UT [[#150]] 9.

INFORMATIONAL ITEMS:

STUDIES UPDATE:

Strategic Plan [[#150]] There was nothing to report at this time.

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

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

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

ConNEXTions **[[#150]]** Dan reported on services offered by ConNEXTions.

Committee for Uniform Business Practices **[[#150]]** This information was provided in the FYI basket.

WREC Audit **[[#150]]** Dan reported the auditors report would be given during the April board meeting.

POWER SUPPLY:

Don Angell reported on the following power supply issues; BPA Subscription/Rate Case, Newmont Issues, Wendover Power Factor, Transmission/FERC, Nevada Restructuring, Federal Restructuring, and Distributed Generation.

QUANTUM RESOURCES, INC.

There was nothing to report at this time.

OTHER BUSINESS

There was no further information to discuss.

EXECUTIVE SESSION

The board held an executive session.

As there was no further information to discuss, the meeting was adjourned at 4:35 pm.

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

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

March 10, 2000

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, March 10, 2000 at 9:00 am. The meeting was presided over by President, D. Vernon Dalton.

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

Approval of Minutes - The minutes of the regular meeting of February 17, 2000 were approved as written.

ADDITIONS TO AGENDA:

There were no additions.

EXECUTIVE SESSION

An executive session was not held.

SHORT TERM GOALS

Dan and Clay reported establishing five short-term goals for Quantum. They will update the board periodically on the progress of the goals. Discussion ensued.

FINANCIAL REPORT

Dan and Clay presented the updated financial information through January 2000. Discussion followed.

Dan reported the auditors report will be given in April.

BUSINESS PLAN CONSULTANTS

Dan reported CADP is not interested in putting together a business plan and that NRECA said they would do one, but it wouldn't be in the near future.

OTHER BUSINESS:

Discussion on the reputation and workmanship of Quantum Resource's took place. Board members expressed their concerns.

As there was no further business to come before the board, the meeting was adjourned at 10:24 am.

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

mPDF error: