

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****February 17, 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 Thursday, February 17, 2000 at 9:46 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 January 21, 2000 were approved as written.

ADDITIONS TO AGENDA:

There were no additions to the agenda.

SAFETY FIRST VERSE:

Signs and rules are designed to warn you of potential hazards. Pay attention to all signs and take the time to read them. Doing so may avoid an accident and save your life.

BYLAWS:

The board reviewed attorney Robert Vaughan[[#146]]s changes, which were a result of the Bylaw Committee[[#146]]s meeting of January 31, 2000. IT WAS ON MOTION BY S. J. SMITH, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE BYLAWS AS WRITTEN.

CEO[[#146]]s REPORT:

Cost of Service Study [[#150]] Dan reported he would not have any recommendations until the March board meeting.

Boardroom Chairs [[#150]] IT WAS ON MOTION BY PAUL NEFF, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO NOT PURCHASE NEW BOARDROOM CHAIRS.

The board recessed at 10:25 am and was called back to order at 10:45 am.

Work Plan 2000 [[#150]] 2001 [[#150]] Mike Cromie, Manager of Operations presented a Power Point presentation of the two-year work plan. Following a discussion, IT WAS ON MOTION BY ROBERT

HARRIS, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE WORK PLAN 2000 **[[#150]]** 2001 AS PRESENTED.

Policy 7-2 **[[#150]]** Dan presented the changes to Policy 7-2. Following a discussion and a recommendation to change a portion of grammar, IT WAS ON MOTION BY PAUL NEFF, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE POLICY 7-2 WITH RECOMMENDED CHANGES. Attached

Report on Retreat Issues **[[#150]]** Dan reported on the Nevada Electric Restructuring. A report was handed out to the board.

Wage & Salary Report **[[#150]]** Dan explained how staff determines the "minimum, market, and maximum" levels in the wage and salary scale. A handout was given to the board.

A lunch recess was called at 11:55 am. The meeting was called back to order at 1:05 pm.

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]]** 9; CARLIN **[[#150]]** 17; WENDOVER, NV **[[#150]]** 11 AND WENDOVER, UT **[[#150]]** 2.

INFORMATIONAL ITEMS:

Gas Issue **[[#150]]** Director Paul Neff asked the board to reconsider their previous decision on the propane acquisition and would like to continue researching the possibilities of a propane company. The board discussed the issue at length, at which time Director Lois Nannini asked to go on record that she "never paralleled the propane acquisition to the board elections.

President Dalton read the resolution, which was passed at the January board meeting. It was determined that the board can continue discussions and research regarding the gas issue and additional information is needed before the board makes any final decision regarding the issue.

Following further discussion, IT WAS ON MOTION BY PAUL NEFF AND SECONDED BY S. J. SMITH TO INFORM WELLS PROPANE COMPANY THAT THE BOARD IS STILL INTERESTED AND IS LOOKING INTO FURTHER INFORMATION.

President Dalton suggested having a facilitator brought in to aid further discussions and answer questions regarding the propane acquisition. The board agreed. President Dalton will contact NRECA for potential facilitators.

Dan handed out testimonials of other cooperatives that are currently in the propane business.

PAUL NEFF WITHDREW HIS PREVIOUS MOTION AND S. J. SMITH WITHDREW HIS SECOND.

It was agreed that Dan will notify Wells Propane Company that Wells REC would like to keep the "door open" and are looking at other propane options as well.

Trout Creek Hydro Report **[[#150]]** Mike Cromie, Manager of Operations reported.

STUDIES UPDATE:

Strategic Plan **[[#150]]** The quarterly update was handed out to the board and discussed.

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

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

CEO[[#146]]S REPORT:

CoNEXTions **[[#150]]** A handout of CoNEXTion[[#146]]s programs and services was given to the board.

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

Ruralite **[[#150]]** Dan reported Ruralite Services has dropped their Job Training and Safety program and is strictly a magazine entity.

Cost Control **[[#150]]** Dan reported on the ongoing restructuring efforts. Staff is collecting information on employees who qualify for SERP (Special Early Retirement Program). To qualify an employees age and number of years of employment must equal sixty-five. Dan will report to the board when the information is received.

POWER SUPPLY:

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

QUANTUM RESOURCES, INC.

Dan presented a General Indemnity Agreement from Nationwide Insurance for signature. He explained the agreement remains the same as the one previously signed and that Nationwide purchased Allied Insurance Company and are requiring new-signed agreements.

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 3:35 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.

February 17, 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 Thursday, February 17, 2000 at 9:05 am. The meeting was presided over by Vice President Orlin Kidner.

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 and Jim Sue[[#146]]uga. Also present was Amanda Bourne, Executive Secretary.

ACTION ITEMS:

Approval of Minutes - The minutes of the regular meeting of January 21, 2000 were approved as written.

ADDITIONS TO AGENDA:

Dan asked to add Policy 7-2 to the action items. The board agreed to this addition.

EXECUTIVE SESSION

An executive session was not held.

POLICY 7-2

Following a discussion and a recommendation in grammar change, IT WAS ON MOTION BY PAUL NEFF, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE POLICY 7-2. Attached

FINANCIAL REPORT

Dan and Clay presented the updated financial information through December 1999. Discussion followed.

President D. Vernon Dalton arrived at 9:25 am and presided over the remainder of the meeting.

A Preliminary Statement of Operations was handed out to the board and discussed. It was explained the auditors will review the statement in March and a final report will be made at that time.

BUSINESS PLAN CONSULTANTS

Dan reported staff is trying to secure three consulting firms to complete a new business plan. He reported that very few firms specialize in small businesses. A discussion followed.

OTHER BUSINESS:

As there was no further business to come before the board, the meeting was adjourned at 9:45 am.

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

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