

**HTML contains invalid UTF-8 character(s)****MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF  
WELLS RURAL ELECTRIC COMPANY****August 18, 2000**

The regular meeting of the Board of Directors of Wells Rural Electric Company was held in Wendover, Nevada in the Boardroom of the Wendover office and called to order Friday, August 18, 2000 at 10:45 am. The meeting was presided over by President D. Vernon Dalton.

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

Staff members present were Clay R. Fitch, Chief Executive Officer. Also present was Amanda Bourne, Executive Secretary. Don Angell, consultant and Kent Peterson, City Manager of West Wendover attended portions of the meeting.

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

The minutes of the regular meeting of July 21, 2000 were approved as written.

**ADDITIONS TO AGENDA:**

There were no objections to add the following item:

- Sale of Wells Professional Building

**SAFETY FIRST VERSE:**

When safety glasses are needed, neither contact lenses, regular prescription glasses, or sunglasses provide acceptable eye protection.

**ACTION ITEM REPORT:**

Voting Delegates **[[#150]]** The following are voting delegates and alternates for:

- Region IX Gerald Anderson, voting delegate Paul Neff, alternate
- NRECA Gerald Anderson, voting delegate Orlin Kidner, alternate
- CFC Orlin Kidner, voting delegate Gerald Anderson, alternate
- NRTC Paul Neff, voting delegate Gerald Anderson, alternate

Ballot Approval - IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE DIRECTOR ELECTION BALLOT AS PRESENTED.

BPA/WREC Power Supply **[[#150]]** Clay explained BPA has placed a moratorium on all new subscription contracts until August 25, 2000. The board discussed action to take if the contract becomes available for signature prior to the September board meeting. IT WAS ON MOTION BY MARY

WRIGHT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE AUTHORIZING PRESIDENT D. VERNON DALTON TO SIGN THE CONTRACT.

Purchase of 4-H Beef **[[#150]]** IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE PRESIDENT D. VERNON DALTON TO PURCHASE A BEEF FROM THE ELKO COUNTY FAIR.

Sale of Wells Professional Building **[[#150]]** Clay read a letter from the Elko County Commissioners Office. The letter explained that the appraisal they had done on the Wells Professional Building came in at \$190,000.00. They made an offer of \$150,000.00. A discussion ensued. IT WAS ON MOTION BY S. J. SMITH, SECONDED BY MARY WRIGHT TO MAKE A COUNTER OFFER TO SELL THE WELLS PROFESSIONAL BUILDING FOR \$175,000.00.

After further discussion, S. J. SMITH WITHDREW HIS MOTION, AND MARY WRIGHT WITHDREW HER SECOND.

IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO APPROVE SELLING THE WELLS PROFESSIONALS BUILDING AND TO MAKE A COUNTER OFFER TO THE ELKO COUNTY COMMISSIONERS FOR \$190,000.00, WITH \$150,000.00 DUE AT TIME OF SALE AND THE REMAINING \$40,000.00 TO BE PAID BY A NOTE WITH TERMS AND CONDITIONS ACCEPTABLE TO BOTH PARTIES. A letter will be sent to the Elko County Commissioners office with the counter offer.

#### SAFETY MINUTES:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE SAFETY MINUTES AS WRITTEN.

#### NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE 85 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 14; CARLIN **[[#150]]** 24; WENDOVER, NV **[[#150]]** 38 AND WENDOVER, UT **[[#150]]** 9.

#### INFORMATIONAL ITEMS:

Kent Peterson, City Manager of Wendover, UT gave a presentation to the board regarding transmission facilities and the city infrastructure. He brought attention to a number of areas within the city where the development of curb, gutter and sidewalks are becoming a problem with some of WREC**[[#146]]**'s distribution facilities. Mr. Peterson commended the professional staff at Wells REC on what a great job they do and are always a pleasure to work with.

Transformer Problems and Newmont **[[#150]]** Clay reported on the latest outage at Newmont regarding two failed load tap changers (LTC). The LTCs**[[#146]]** are from Magnatech Manufacturing and the failure is being investigated.

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

#### DEPARTMENT OR OTHER REPORTS

The following reports were included as information in the agenda:

- Strategic Plan
- Outage
- Office Services
- Operations
- Finance and Administration

Strategic Plan **[[#150]]** The board discussed a possible date to have a facilitator present to put together the staff/board combined Strategic Plan. Clay was instructed to contact and schedule a facilitator.

## BOARD REPORTS

A discussion was held on Wells Rural Electric scholarships and the eligibility of students who are home schooled.

## POWER SUPPLY:

Don Angell reported on the following topics: BPA Subscription/Rate Case; Newmont Issues; Wendover Power Factor; Nevada Restructuring; Federal Restructuring; and Distributed Generation.

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

CEO Activities **[[#150]]** Clay reported.

Denison Culture Model **[[#150]]** Clay reported the survey is almost complete and he hopes to have the results at the September board meeting.

Payroll Report **[[#150]]** Clay reported on a handout which compared payroll before SERP and after SERP.

CEO Evaluation **[[#150]]** The board agreed to a meeting on Tuesday, September 26<sup>th</sup> with Greg Boudreaux as a facilitator to discuss evaluating the CEO. The meeting will be held in Palm Springs, CA at Region IX.

Region IX **[[#150]]** Information was included with the agenda.

Legal Council **[[#150]]** Clay reported attorney Robert Vaughan will be attending the September board meeting.

Miscellaneous Dues **[[#150]]** A handout was given to the board for review and comments on the current and deleted membership dues and subscriptions. A discussion followed. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY PAUL NEFF TO JOIN UTAH RURAL ELECTRIC ASSOCIATION (UREA) FOR A \$3,000.00 MEMBERSHIP FEE.

Following a discussion, IT WAS ON MOTION BY PAUL NEFF, SECONDED BY JERRY PARKIN TO TABLE THE MOTION TO JOIN UREA. The board asked Clay to approach UREA and negotiate a possible associate member.

Utility Golf Tournament **[[#150]]** Clay reported.

Staff Retreat **[[#150]]** Clay reported.

Future Board Meetings **[[#150]]** Clay reported the following topics will be covered in future board

meetings:

September - Strategic Plan

Legal Council

Annual Meeting (September 16<sup>th</sup>)

October - Tom Strait presentation

#### QUANTUM RESOURCES, INC.

There was nothing to report at this time.

#### OTHER BUSINESS

There was nothing to report at this time.

#### EXECUTIVE SESSION

An executive session was held.

As there was no further information to discuss, the meeting was adjourned at 3:20 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.**

**August 18, 2000**

The regular meeting of the Board of Directors of Quantum Resources, Inc. was held in Wendover, Nevada in the Boardroom of the Wendover office and called to order Friday, August 18, 2000 at 10:00 am (mdt). The meeting was presided over by President, D. Vernon Dalton.

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

Staff members present were Clay R. Fitch, Chief Executive Officer. Also present was Amanda Bourne, Executive Secretary.

#### **ACTION ITEMS:**

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

#### ADDITIONS TO AGENDA:

There were no objections to add the Sale of QRI to the agenda.

#### FINANCIAL REPORT

Clay presented the updated financial information through June 2000.

### SALE OF QUANTUM RESOURCES, INC.

Clay reported that W. R. Henderson and Quantum Resources, Inc. have reached an agreement on the Contract of Sale of Quantum Resources, Inc. The board discussed the contract. IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE SALE OF QUANTUM RESOURCES, INC.

With the sale of Quantum Resources, Inc., the following documents were approved and signed:

IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO APPROVE THE NOTICE OF REVOCATION OF CORPORATION INDEMNIFICATION. (Attachment A)

IT WAS ON MOTION BY S. J. SMITH, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE TERMINATION OF CONTINUING AGREEMENT OF INDEMNITY. (Attachment B)

IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE THE SALE AND ASSIGNMENT OF SHARES OF QUANTUM RESOURCES, INC. (Attachment C)

IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE TERMINATING THE MEDICAL AND DENTAL INSURANCE POLICY ON THE GROUP 2 PLAN AS PERMITTED BY LAW.

IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE TERMINATING THE RETIREMENT PLANS OF THE GROUP 2 PLAN.

### OTHER BUSINESS

As there was no further business to come before the board, the meeting was adjourned at 10:30 am.

The Board of Directors submitted their resignations as directors of Quantum Resources, Inc.

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

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