

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****May 19, 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, April 21, 2000 at 9:45 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, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith, and Mary A. Wright.

Staff members present were Clay R. Fitch, Chief Executive Officer. Also present were Amanda Bourne, Executive Secretary, and Don Angell, Engineering Consultant. Buddy Welsh, Manager, Finance and Administration, Jim Su[[#146]]euga, Manager of Customer Service and Kerry Robinson, Engineering Supervisor.

ACTION ITEMS:**APPROVAL OF MINUTES:**

The minutes of the regular meeting of April 21, 2000 were approved as corrected:

Following a lengthy discussion regarding the sale of the Professional Building, IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY S. J. SMITH TO PLACE THE BUILDING FOR SALE.

Following further discussion, MARY WRIGHT ~~RESCINDS~~ WITHDREW HER MOTION. IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY S. J. SMITH TO PUT THE PROFESSIONAL BUILDING FOR SALE FOR \$200,000.00 WITH A MINIMUM F \$175,000.00

Following further discussion, S. J. SMITH MOVED TO AMEND THE MOTION TO REMOVE THE MINIMUM PRICE OF SALE. AMENDED MOTION WAS SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY.

~~IT WAS ON MOTION BY S. J. SMITH, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE PLACING THE WELLS PROFESSIONAL BUILDING FOR SALE FOR \$200,000.00.~~

ADDITIONS TO AGENDA:

Due to a conflict with the June board meeting, IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY GERALD ANDERSON AND PASSED UNANIMOUSLY TO APPROVE CHANGING THE REGULARLY SCHEDULED MEETING TO WEDNESDAY, JUNE 21, 2000.

President Dalton read a thank you card from Daniel Kessler.

There were no further additions to the agenda.

SAFETY FIRST VERSE:

It is not the fall from the ladder that hurts you; it is the sudden stop at the bottom that does it every time.

CEO[[#146]]S REPORT:

2nd Half 1999 Budget [[#150]] The 2nd Half 1999 Budget was presented to the board. Clay proposed to the board developing an annual budget, which would be reported twice during the year. Following a discussion, the board agreed, with the first annual budget being due in July.

The board discussed a possible financial audit of Wells Rural Electric. IT WAS ON MOTION BY ROBERT HARRIS, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE CONTACTING AN AUDITOR TO PROVIDE AUDITING OPTIONS THAT WOULD PROVIDE INFORMATION COVERING INTERNAL CONTROL.

A recess was called at 10:15 am. The meeting was called back to order at 10:35 am.

It was asked to move the Director Expense Report to follow the Budget Report. There were no objections.

Staff members reported on department budgets and proposed savings.

A lunch recess was called at 12:14 pm. The meeting was called back to order at 1:20 pm. Mary Wright was absent.

Budget reports continued.

Following the budget reports and discussions; IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE ELIMINATING THE WATTS HAPPENING MEMBER NEWSLETTER. It was agreed that a plan to phase out the newsletter would be developed and that Wells Rural will be combining the information from the Watts Happening Newsletter and the Ruralite and only publishing the Ruralite.

IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY DARREL ERIKSEN TO NOT RE-JOIN TOUCHSTONE ENERGY.

Following a discussion, ROBERT HARRIS AMENDED AND PAUL NEFF SECONDED THE MOTION TO NOT BUDGET FOR TOUCHSTONE DUES AND FOR STAFF TO LOOK FOR WAYS TO MAKE OTHER CONNECTIONS TO TOUCHSTONE. THE MOTION AND WAS PASSED UNANIMOUSLY.

The board agreed to not renew the following subscriptions/membership dues:

- Committee for Citizen Awareness
- National Endangered Species Act Reform Coalition
- Cooperative Research Network
- Touchstone
- RE Magazine (except for board and key staff)

Nominating/Election Committee [[#150]] The board submitted names of members for consideration to serve on the 2000 Nominating/Election Committee. Of the names submitted the following were nominated: Estella Durazo of Carlin; Steve Safford of Clover Valley; and Marge Warmbrodt of Wendover, with Dorothy Elton of Wells and Carol Hunter of Wendover as alternates. IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY ROBERT HARRIS AND PASSED

UNANIMOUSLY TO APPROVE THE 2000 NOMINATING/ELECTION COMMITTEE.

IT WAS ON MOTION BY S. J. SMITH, SECONDED BY ORLIN KIDNER AND PASSED UNANIMOUSLY TO GIVE THE CHIEF EXECUTIVE OFFICER AUTHORITY TO CHOOSE A REPLACEMENT OF A COMMITTEE MEMBER IF HE/SHE IS UNABLE TO SERVE.

Scholarship Committee Report **[[#150]]** Chairman, Orlin Kidner reported on the scholarship interviews and made the following recommendations for the academic and vocational scholarship awards.

- Academic Award **[[#150]]** Magdaleno Llamas of Wells
- Christina Chin of Carlin
- Brittney Dean of Wendover, NV as Alternate
- Vocational Award - Hector Ruiz of Wendover, UT
- Gregory Reber of Wells
- Vanessa Marie Starr of Carlin as Alternate

IT WAS ON MOTION BY PAUL NEFF, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE THE SCHOLARSHIP COMMITTEE **[[#146]]**'S RECOMMENDATION FOR THE 2000 SCHOLARSHIP AWARDS.

Director Expense Report **[[#150]]** The Director Expense Report comparing 1998 and 1999 was handed out to the board for their review. A discussion followed.

Merkley and Hankins Bankruptcy **[[#150]]** IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE DISCOUNTING OF CAPITAL CREDITS TO THE ESTATE AS DESCRIBED IN THE ATTACHED LETTER FROM WREC **[[#146]]**'S ATTORNEY, ROBERT O. VAUGHAN.

Tariff Approval **[[#150]]** Following review and discussion on Tariff 9, 10 and 11, IT WAS ON MOTION BY ORLIN KIDNER, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE TARIFF 9 AS PRESENTED.

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO APPROVE TARIFF 10 AS PRESENTED.

IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE TARIFF 11 AS PRESENTED.

SAFETY MINUTES:

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

NEW MEMBERSHIPS:

IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE 53 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 1; CARLIN **[[#150]]** 17; WENDOVER, NV **[[#150]]** 24 AND WENDOVER, UT **[[#150]]** 11.

INFORMATIONAL ITEMS:

STUDIES UPDATE:

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

Cost of Service Study **[[#150]]** This information was mailed with the agenda.

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

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

A recess was called at 3:25 pm. The meeting was called back to order at 3:40 pm.

POWER SUPPLY:

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

Mary Wright returned to the meeting at 4:05 pm.

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

Professional Building **[[#150]]** Clay reported that the potential buyers of the Wells Professional Building must select their own appraiser. Clay will report to the board in June on any progress.

Member Survey **[[#150]]** A discussion was held.

Monthly Board Agenda **[[#150]]** After a discussion the board agreed to consider options that would make the agenda more informative and would include enough information for the directors to make a decision on action items. We will attempt to meet these new requirements with the June agenda.

Long-Range Planning **[[#150]]** Clay and the board discussed the need to revise the Strategic Plan. It was agreed that staff and board of directors would each do their own environmental assesment, and would than compile the two. IT WAS ON MOTION BY VERNON SCOTT, SECONDED BY S. J. SMITH AND PASSED UNANIMOUSLY TO HIRE A FACILITATOR TO WORK WITH THE BOARD ON A STRATEGIC PLAN.

Legislative Conference Washington DC **[[#150]]** A report was given by those who attended the Legislative Conference.

QUANTUM RESOURCES, INC.

There was nothing to report at this time.

OTHER BUSINESS

Clay suggested having Larry King of BPA make a presentation at the July board meeting. There were no objections. 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 6:10 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.**

May 19, 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, May 19, 2000 at 9:00 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, Lois Nannini, Paul Neff, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright.

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 April 21, 2000 were approved as written.

ADDITIONS TO AGENDA:

There were no additions.

EXECUTIVE SESSION

An executive session was not held.

FINANCIAL REPORT

Clay presented the updated financial information through March 2000.

Following a discussion, the board asked Clay to prepare scenarios on how to offset Quantum[[#146]]s current cash flow concerns.

IT WAS ON MOTION BY PAUL NEFF, SECONDED BY ROBERT HARRIS AND PASSED UNANIMOUSLY TO APPROVE HAVING THE COMPANY ATTORNEY REVIEW AND MAKE RECOMMENDATIONS ON BRINGING THE SOUTHERN NEVADA PROJECTS TO A CONCLUSION.

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/Treasurer

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