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**MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY**

November 20, 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 Monday, November 20, 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, Howard Wright and Mary A. 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 October 20, 2000 were approved as written.

ADDITIONS TO AGENDA:

There were no objections to add the following:

- Approval of SERP Accounting Methodology
- Vacation Pay

SAFETY FIRST VERSE:

Hearing loss is irreversible. Always use protection around excessive noise levels.

ACTION ITEM REPORT:

Rule 9 **[[#150]]** The board reviewed current revenue contributions against proposed revenue contributions. Following a discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY PAUL NEFF AND PASSED UNANIMOUSLY TO APPROVE THE PROPOSED REVENUE CONTRIBUTIONS AS PRESENTED.

SERP Accounting Methodology **[[#150]]** Clay explained the proposed accounting method to pay off the following debts; 2000 SERP of \$820,459.31; 1996 SERP of \$95,833.53 and the 1978 Upgrade of \$31,355.40. A discussion ensued. It was requested to postpone until the December board meeting. There were no objections.

Vacation Pay **[[#150]]** Clay made a request to be paid for one-half of his remaining seventeen days of vacation in lieu of taking the time off. IT WAS ON MOTION BY LOIS NANNINI, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE REIMBURSING CLAY FOR ONE-HALF OF HIS REMAINING VACATION HOURS.

Strategic Plan **[[#150]]** Vernon reported the Strategic Planning meeting with Clay and Greg Boudreaux of NRECA went very well. The board and Clay spent a day compiling the two drafts into a final plan. IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE THE STRATEGIC PLAN.

IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY JERRY ANDERSON AND PASSED UNANIMOUSLY TO APPROVE THE CEO GOALS.

Policy 4-4 Board Members Serving on other Boards **[[#150]]** IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY HOWARD WRIGHT AND PASSED WITH NINE IN FAVOR AND 1 OPPOSED TO TABLE DISCUSSION.

ECO Franchise **[[#150]]** Clay presented the board with information collected from member data entered into ECO **[[#146]]**s software package. The board discussed researching other fuel cells before making a final decision to invest in ECO. ECO offers a program where WREC could purchase exclusive selling rights within our service territory for their fuel cell. The cost to hold the selling rights for one year is \$2,700.00, of which would be used towards the first fuel cell purchased. Discussion continued. IT WAS ON MOTION BY MARY WRIGHT, SECONDED BY PAUL NEFF AND PASSED WITH SEVEN IN FAVOR AND TWO OPPOSED TO APPROVE THE \$2,700.00 EXPENDITURE TO HOLD THE SELLING RIGHTS TO WREC **[[#146]]**S SERVICE TERRITORY FOR ECO **[[#146]]**S FUEL CELLS.

UREA Update **[[#150]]** The board appointed Clay Fitch to serve as board member and Gerald Anderson as alternate to the UREA board.

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 ORLIN KIDNER AND PASSED UNANIMOUSLY TO APPROVE 59 NEW MEMBERSHIPS AS REVIEWED: WELLS **[[#150]]** 13; CARLIN **[[#150]]** 12; WENDOVER, NV **[[#150]]** 18 AND WENDOVER, UT **[[#150]]** 16

INFORMATIONAL ITEMS:

DEPARTMENT OR OTHER REPORTS

The following reports were included as information in the agenda:

- Strategic Plan
- Outage
- Finance and Administration **[[#150]]** A budget summary for diversified services was handed out.
- Member Services
- Office Services
- Operations
- Marketing and Diversified Services
- Christmas Party

Robert Harris attended the meeting at 11:15 am.

Status of Articles of Incorporation **[[#150]]** Clay reported over 800 ballots has been received back from members. The board discussed questions and concerns raised by members regarding the ballot and changes to the Articles. IT WAS ON MOTION BY HOWARD WRIGHT, SECONDED BY JERRY PARKIN TO MAIL A LETTER TO THE MEMBERS EXPLAINING THE CHANGES TO THE ARTICLES OF INCORPORATION.

Following further discussion, HOWARD WRIGHT AMENDED THE MOTION, JERRY PARKIN SECONDED TO SEND THE LETTER EXPLAINING THE ARTICLES OF INCORPORATION TO ONLY THOSE MEMBERS WHO HAVE NOT RETURNED A BALLOT. THE MOTION WAS PASSED WITH SIX IN FAVOR AND 4 OPPOSED.

It was agreed to include a ballot with the above letter.

IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY ROBERT HARRIS TO MOVE THE REGULARLY SCHEDULED DECEMBER BOARD MEETING TO FRIDAY, DECEMBER 8TH IN WENDOVER. MOTION FAILED WITH A VOTE OF FOUR IN FAVOR AND SIX OPPOSED.

BOARD REPORTS

Mary Wright reported on the NWPPA Annual Meeting.

Vernon Dalton reported on CFC **[[#146]]**s Independent Borrower **[[#146]]**s Conference.

Paul reported the NV Cattleman **[[#146]]**s Assoc. passed a resolution at their annual meeting to not support deregulation in NV.

Mary left the meeting at 1:30 pm.

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

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

The following reports were included in the agenda:

- Key Accounts
- Electric Power Committee
- Wells Professional Building **[[#150]]** Clay reported. He made a recommendation to the board to have the company attorney handle the contract and details of sale. There were no objections.

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

- December - Capital Budget
- January - Approval of the 10-year Financial Forecast Planning and Assumptions
- Rule 9
- February - Operations Planning Report

POWER SUPPLY **[[#150]]** Don Angell reported on the following power supply topics:

- BPA Subscription/Rate Case
- Newmont Issues
- Wendover Power Factor

- Nevada Restructuring
- Federal Restructuring
- Distributed Generation
- Other

OTHER BUSINESS

There was no further business to discuss.

EXECUTIVE SESSION

An executive session was not held.

As there was no further information to discuss, the meeting was adjourned at 2:04 pm.

D. Vernon Dalton, President Lois Nannini, Secretary/Treasurer

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