

HTML contains invalid UTF-8 character(s)**MINUTES OF THE REGULAR BOARD MEETING OF THE BOARD OF DIRECTORS OF
WELLS RURAL ELECTRIC COMPANY****April 21, 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 9:00 am. The meeting was presided over by President D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Jerry Parkin, Vernon Scott, S. J. Smith, and Mary A. Wright. Robert Harris, and Paul Neff were 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 March 10, 2000 were approved as written.

ADDITIONS TO AGENDA:

It was asked to report on member contacts. It was also asked to hold the Wells Rural board meeting first, with the Quantum board meeting following. There were no objections.

SAFETY FIRST VERSE:

Accident prevention starts with you. Make sure you are not the cause of an accident.

AUDIT REPORT: Mr. Robert Cobb of Bolinger, Segars, Gilbert & Moss, LLP gave a detailed combined 1999 audit report. Board was given copies of letters, which were sent to the CEO of Wells Rural and Quantum Resources, which outlined a number of areas that need to be addressed. Following a thorough discussion, IT WAS ON MOTION BY JERRY PARKIN, SECONDED BY VERNON SCOTT AND PASSED UNANIMOUSLY TO APPROVE THE 1999 COMBINED AUDIT.

A recess was called at 10:45 am. The meeting was called back to order at 11:00 am.

CEO[[#146]]s REPORT:

SERP (Special Early Retirement Program) [[#150]] Dan reported the employees who were offered the SERP have until Friday, April 28th to make their final decision whether to accept or decline the offer. Dan informed the board he has accepted the offer for special early retirement.

Orlin Kidner left the meeting at 11:10 am.

NWPPA Annual Meeting [[#150]] Dan reported this year[[#146]]s annual meeting will be held in Lake Tahoe, May 22nd through the 25th and the board needed to select a voting delegate. Following a

discussion, IT WAS ON MOTION BY GERALD ANDERSON, SECONDED BY S.J. SMITH AND PASSED UNANIMOUSLY TO APPROVE APPOINTING CLAY FITCH AS THE VOTING DELEGATE FOR NWPPA [[#146]]S ANNUAL MEETING.

CFC Integrity Fund [[#150]] Dan asked the board to consider making a donation of 5% of CFC [[#146]]s returned capital credits to CFC. Following a discussion, IT WAS ON MOTION BY DARYL ERIKSEN, SECONDED BY JERRY PARKIN AND PASSED BY A VOTE OF FIVE IN FAVOR AND 2 OPPOSED. LOIS NANNINI AND MARY WRIGHT OPPOSED.

Tariff Approval [[#150]] This report will be given during the May board meeting.

Member Survey [[#150]] A sample of a member survey was handed out to the board for their review/comments at the May board meeting. It was reported NRECA [[#146]]s costs to conduct and tally the survey would be between \$10,000 and \$11,000. The survey would be conducted by telephone. A discussion followed.

Legislative Conference [[#150]] President Dalton asked permission for he and director Mary Wright to attend the Legislative Conference in Washington D.C. in May. There were no objections.

Member Contacts [[#150]] It was reported that a member expressed his opinion on the gas issue. The member said he would object to Wells Rural acquiring the propane company and thought that natural gas was available in Knowles, Utah (east of Wendover).

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 JERRY PARKIN AND PASSED UNANIMOUSLY TO APPROVE 47 NEW MEMBERSHIPS AS REVIEWED: WELLS [[#150]] 2; CARLIN [[#150]] 12; WENDOVER, NV [[#150]] 25 AND WENDOVER, UT [[#150]] 8.

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

CEO [[#146]]S REPORT:

WREC Annual Meeting [[#150]] Dan reported this year [[#146]]s annual meeting will be held on September 26th with Dr. Charles Petti as the speaker.

New Computer Programming and Billing Format [[#150]] Dan and Clay reported.

Professional Building **[[#150]]** 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 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 OF \$175,000.00

Following a discussion, S. J. SMITH MOVED TO AMEND THE MOTION TO REMOVE THE MINIMUM PRICE OF SALE.

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.

Budget Report **[[#150]]** This was delayed until the May board meeting so it will reflect a number of areas being looked at to control costs and to include the SERP numbers.

Summer School **[[#150]]** Gerald Anderson asked for approval to attend the June session of summer school. There were no objections.

Scholarship Committee **[[#150]]** Dan reported there are 48 applicants for this year**[[#146]]**s scholarships. There will be interviews held on May 9th in Carlin and May 10th in Wendover.

Patronage Capital Credit Checks **[[#150]]** Dan reported this year**[[#146]]**s capital credit checks will be mailed to the members on May 1st and any checks over \$500.00 will be hand delivered.

Nominating/Election Committee **[[#150]]** Dan asked if the board would supply names of people at the May board meeting to serve on this year**[[#146]]**s Nominating/Election Committee. The board discussed alternate ways for the committees to meet, to eliminate some travel.

ESIDA Board **[[#150]]** Dan reported ESIDA is talking of charging the large customers to be on their board. A discussion followed.

A lunch recess was called at 12:20 pm. The meeting was called back to order at 1:30 pm.

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

Dan reported the Annual Director Expense Report would be given in May.

Mary Wright expressed an interest of the board holding meetings in other areas and invited the board to consider holding a board meeting at Mary**[[#146]]**s River Ranch in Deeth. She suggested in June.

The directors who attended the NRECA Annual Meeting reported. A handout was given to the board titled "You Bet Your Power Supply".

There was no further information to discuss.

A recess was called at 2:35 pm. The meeting was called back to order at 2:55 pm.

It was asked to hold the Quantum Board meeting before the executive session. There were no objections.

A recess was called at 2:57 pm. The meeting was called back to order at 3:38 pm.

EXECUTIVE SESSION

The board held an executive session. Due to the retirement of Chief Executive Dan Kessler, following the executive session, it was the consensus of the board to offer the Chief Executive Officer position to Clay Fitch. Clay Fitch accepted.

As there was no further information to discuss, the meeting was adjourned at 5:45 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.

April 21, 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, April 21, 2000 at 2:55 pm. The meeting was presided over by President, D. Vernon Dalton.

Directors present were: Gerald Anderson, D. Vernon Dalton, Daryl Eriksen, Orlin Kidner, Lois Nannini, Jerry Parkin, Vernon Scott, S. J. Smith and Mary Wright. Robert Harris and Paul Neff were 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 March 10, 2000 were approved as written.

ADDITIONS TO AGENDA:

There were no additions.

EXECUTIVE SESSION

An executive session was not held.

QUANTUM RESOURCES, INC. vs. OAKVIEW CONSTRUCTION

Dan and Clay reported on the agreement made between Quantum Resources, Oakview Construction and

Silverstate Supply.

FINANCIAL REPORT

Dan and Clay presented the updated financial information through February 2000. Discussion followed. Clay reported changes will be made to the statements so they will match the format given in the audit.

Orlin Kidner came in to the meeting at 3:05 pm.

Discussion continued on the financial report.

OTHER BUSINESS:

As there was no further business to come before the board, the meeting was adjourned at 3:37 pm.

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

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