

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

15 APRIL 1966

A regular meeting of the Board of Directors of the WELLS RURAL ELECTRIC COMPANY was held at the Wagon Wheel in Wells, Nevada on 15 April 1966 at 1:15 P.M.

The meeting was called to order by Robert R. Wright, President, who presided; and Clarence Swett acted as secretary of the meeting.

Upon calling the roll the secretary reported the following directors present: ROBERT R. WRIGHT, ARTHUR GROCK, EYER BOIES, MATT SMITH, C. C. READ, OLIVER SHARP, BLAINE SHARP, CLARENCE SWETT, AND THOMAS ACHURRA. VERNON DALTON and JAMES BALLARD were not present.

Also, present were GEORGE L. BLACKETT, Manager, and James R. Cavanaugh, Auditor.

Mr. Wright asked if there were any corrections or omissions to the minutes of the last board meeting. There were none, minutes stand approved.

A delegation from Crescent Valley, also known as Beowawe, headed by Mr. Art Seltzer were invited to come in by Mr. Wright. Approximately 10 people were in the delegation: Mr. Bill Caldwell, Mr. Rodriguez, Mr. James, Mr. & Mrs. Biggs, Mr. Fred Kopp, Mr. Byler, Mr. Wakefield, Mr. Walker, and June Henigan.

The delegation are interested in having electric power served to their area. Discussion was held concerning how many property owners would be served, Miles of line needed, what type of phase line needed, (whether Sierra Pacific had been contacted), size of pumps that would be used, average cost to individual (now) on diesel engines, actual economy of area whether agriculture, mining, recreation-tourism. Bell Telephone has put a line in that area. Sierra Pacific has franchises on part of the area that want power.

Suggested that possibly Mr. Liquin's survey would have to be upgraded. Mr. Blackett was advised to tell Mr. Murphy, Wells Rural Electric Company Engineer, to make an engineering study. Needed to know also, map of area, location of land owned, minimum and maximum area to be served.

The delegation were excused by Mr. Wright to go over and check with Mr. Murphy, in the WREC office, on some of the details. The above subject shall be on the agenda for the next board meeting. Mr. Wright thanked them for coming.

Board members will try to plan a trip into the area, Crescent Valley, by the end of the month.

Mr. Blackett was requested to write a letter to Newmont and to Duval about the area.

Mr. Cavanaugh was introduced to the Board of Directors and invited to explain the audit. Some of the points:

1. Continuing Property records need to be completed.
2. Work Orders have to be CERTIFIED if the Wells Rural Electric Company wants to borrow money from the R.E.A.
3. Accounts Receivable; suggested that an increase be made in the rate percent of bad debts.
4. Show arrears on statements, like the Railroads and Government accounts.

Mr. C. C. Read and Mr. Matt Smith suggested that all customers be treated the same.

Mr. Cavanaugh continued his report.

5. Insurance program good.
6. Financial condition, good, strong.
7. Suggested changing percent of Management, bookkeeping, work orders, directors expense---charge 50 percent to Wells and 50 percent to Wendover.
8. Account number 930 needs to be broken down to several accounts (sub)
9. Noted several erasures on accounts receivable, practice must stop.
10. Suggested, increase bad debt to 3 percent.

Mr. Cavanaugh reported that he hoped that Nevada would change its law toward CPA's through the legislature. Nevada is the only state that requires a CPA to be a resident.

Mr. Wright thanked Mr. Cavanaugh for coming down from Boise, and appreciated him going through the audit; that the board learned more and understood it better.

LONG RANGE ENGINEERING PLAN was brought up for discussion. Do not have Mr. Leary's approval, as yet.

MANAGER's report:

1. Federal Power Commission.
2. Line Change progressing quite well.
3. Nothing new on Bonneville, Ltd.
4. Radio installed on Pequop, seemed to be working quite well.
5. New building location and plan. Plans mailed last Monday, but not received yet.
6. No new word on Lee Indians. Also, no reply to Mr. Blackett's letters. Some word, not official, that they would try to build the line themselves. Mr. Blackett has no idea who would build, where they would receive power. No action taken.
7. Report on Ibapah area. Mr. Murphy and Mr. Blackett made a survey of that area, driving from Ferguson, to Ibapah, to Gold Hill and back to Wendover. All told service to that area would approximately require 188 miles of line and might service 85 consumers. Possibly another substation at Wendover would be needed. Approximate cost \$550,000.00, and approximately \$54.00 per consumer per month. Discussion followed.

Mr. Blackett was informed to write a letter to them (Ibapah) and tell them what the costs would be. The figures are tentative, though.

8. Work on the Annual Meeting. Discussion followed. Mr. Blackett is to prepare the Annual Meeting.

A letter from Mr. Aultz was read. MOTION made by Mr. Thomas Achurra and seconded by Mr. Clarence Swett that we pay Mr. Aultz \$175.00 for the board appraisal. Carried.

Mr. Bob Vaughan reported on THE AGREEMENT TO PURCHASE 4 lots (100' x 150') from Leo Quilici. Title is free and clear, contracts are drawn up, price \$12,000.00. Cash on closing with DEED on closing and TITLE POLICY.

Mr. Lee Pratt will report to Mr. Bob Vaughan on the hearings at Moon Lake, he is aware of the problems. It was suggested that Mr. Bob Vaughan call Lee Pratt after hearings and get the information that would affect us.

MOTION made by Eyer Boies and seconded by Blaine Sharp that Wells Rural Electric Company adopt the resolution to make application with the Public Service Commission of the State of Utah for a CERTIFICATE OF PUBLIC CONVENIENCE & NECESSITY. Certificate attached. Motion carried.

Board members may look over the changes and/or additions in the By-Laws provided by Bob Vaughan. Tabled until next meeting.

Application for exemption on taxes has been filed, and forwarded on to San Francisco (per Mr. Blackett).

Short report on Right-of-ways by Mr. Bob Vaughan.

Bonneville, Ltd. RACHET CLAUSE was discussed.

Mr. Bob Vaughan and Mr. George Blackett shall plan a full day given to analysis of problems.

1 MOTION made by Oliver Sharp and seconded by Clarence Swett to approve the applications for membership; one from Wells, and 6 from Wendover. Motion carried.

Mr. Oliver Sharp tendered his resignation, due to his moving to Colorado. He will not be here for the May meeting. Mr. Sharp was appointed to the Board in 1962 and will have served 4 years by this Fall.

MOTION made by Mr. Clarence Swett and seconded by Mr. Arthur Grock that Mr. Oliver Sharps' resignation be accepted. Motion carried.

MOTION made by Mr. Matt Smith and seconded by Mr. C.C. Read that Mr. Ray Crawford be appointed to fill Mr. Oliver Sharps' chair. Motion carried.

Mr. Wright thanked Mr. Oliver Sharp for his work on the Board, and wished him well.

Noted by Mr. Wright that the Employee Relations Committee to meet with Mr. Blackett, Manager. This Committee is to meet every 6 months; past due as of now. Arthur Grock, Clarence Swett, and Thomas Achurra were appointed by Mr. Wright to meet with Mr. Blackett. NOTE: Meeting will have to be in the evening, due to the appointee's time and work schedule.

Mr. Blackett requested that the Board members make out their expense billings accurately, so that they would be paid the correct amount.

MOTION made by Mr. Matt Smith and seconded by Mr. Eyer Boies that permanent sheets be made up on New Building Program, Power Use Man, Retail Program, Rate Study and New Power Source. Motion carried.

Mr. C. C. Read wants the 10 percent penalty on past due or accounts in arrears put on next months' agenda.

Mr. Paul Vietti came into Mr. C. C. Reads' store and reported how very impressed he was with Wells Rural Electric Company's crew.

Mr. Blackett commented that the crew were out at Reynolds place on line change, today.

Mr. Blackett reported that Mr. Ross Clay met with Fred Toombs day before yesterday about Power Use business. Mr. Blackett hopes to get Mr. Toombs to Twin Falls, Idaho and up to Raft River to ascertain how they are doing things. Mr. Toombs will work up a proposal on what to do in this area. Also, sales and service in this area will be considered. Mr. Toombs will move back here to Wells in 6 months or so.

Mr. Toombs is to find out what Bonneville, Ltd. plans are. They are increasing their men, per Mr. Clarence Swett. They are more interested in Magnesium than in Potash, so sated Mr. Blackett.

It will be noted that the Financial Statement shows we are in the RED as of last month, this is due greatly to Bonneville using less power.

Tom Achurra mentioned that some people in his area got meter reading cards and some did not. Mr. Blackett reported that there seemed to be a mix-up in mailing, whether in the office or in the post office, he did not know which.

Discussion on the audit report, that cost \$1500.00. Mr. Blackett stated that Mr. Jim Reilly did most of the work and that the auditors reported from the information furnished. The 1964 audit cost Wells Rural Electric Company around \$5000.00. It was suggested that instructions be written up; what Wells Rural Electric Company wants the auditors to do.

Matt Smith stated that he got more out of this audit than in the past. Mr. Wright agreed that he got a lot out of this report, also.

It was stated that the trouble in license may be the biggest problem in an audit.

Mr. Wright wants a good audit, concurred by all Board Members.

Matt Smith, Eyer Boies, Vernon Dalton were appointed by Mr. Wright to work as a committee to check on audit and auditor--- either to get a new one or keep the same one.

Meeting adjourned 5:05 P.M.

APPROVED:

Robert R. Wright  
Robert R. Wright, President

Clarence C. Swett  
Clarence C. Swett, Secretary

(55)

WELLS RURAL ELECTRIC COMPANY

WELLS, NEVADA 89835



MEMBERSHIP TO BE APPROVED 15 APRIL 1966

WELLS

Allen L. Mills or H. Sharon Mills

WENDOVER

Shirley Bolton

Thelma G. Leland

Dick Luby

Johnny Mote

Alva R. Norris

Claire Tuttle


Total Memberships 1049  
Active Wells 434  
Active Wendover 187  
Inactive Wells 279  
Inactive Wendover 149

C E R T I F I C A T E

I, CLARENCE SWETT, do hereby certify that: I am the Secretary of WELLS RURAL ELECTRIC COMPANY (hereinafter called the "Corporation"); the following is a true and correct copy of the resolution duly adopted by the Board of Directors of the Corporation at the regular meeting held April 15, 1966, and entered in the minute book of the corporation; the meeting was duly and regularly held in accordance with the by-laws of the corporation; and the following resolution has not been rescinded or modified:

RESOLVED: That WELLS RURAL ELECTRIC COMPANY make application with the Public Service Commission of the State of Utah for a Certificate of Public Convenience and Necessity and to be granted a certificated area for all areas presently served by the Company, as well as all areas adjacent thereto which may be deemed required for normal expansion of service; and that all of the officers of the Company, as well as Vaughan, Hull, McDaniel and Marfisi, Attorneys at Law of Elko, Nevada, and Clyde, Mecham and Pratt, Attorneys at Law of Salt Lake City, Utah, are hereby authorized to file on behalf of the Company all necessary petitions and applications for the same, and to support the same by documentary and oral evidence, and to make such appearances and take such action as may be required in the premises.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the corporation this 15th day of April, 1966.

  
SECRETARY

(CORPORATE SEAL)

C E R T I F I C A T E

I, CLARENCE SWETT, do hereby certify that: I am the Secretary of WELLS RURAL ELECTRIC COMPANY (hereinafter called the "Corporation"); the following is a true and correct copy of the resolution duly adopted by the Board of Directors of the Corporation at the regular meeting held April 15, 1966, and entered in the minute book of the corporation; the meeting was duly and regularly held in accordance with the by-laws of the corporation; and the following resolution has not been rescinded or modified:

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the corporation this 15th day of April, 1966.

  
SECRETARY

(CORPORATE SEAL)

*See with*  
*12-11-66 as Board*  
*Minutes*

PROPOSED BY-LAW CHANGE

24 MARCH 1966

Directors continue to serve and be elected at large. (No Districts)

Cumulative balloting will be allowed.

No proxies will be accepted.

No full time employee of Wells Rural Electric Company may serve as a Director.

No one may be allowed to run for Board if he shall become 70 years of age.

No one may serve on the Board past their 70th birthday.

The number of Directors shall remain at eleven.

Directors shall be nominated by mail.

Directors shall be elected by mail.

The nominating committee shall inform the membership that nominations are open the 10th of August and that any nominations must be sent to the Company's office in-care of the nominating committee no later than September 10th.

The nominating committee shall make certain the all nominees are eligible to serve as Directors. The committee will then draft an appropriate biography of the nominees and mail a copy of these to the membership the day following the September Director's meeting. The incumbent Directors will be identified. None of the nominees will be listed in alphabetical order but rather in a random order derived by drawing their names from a hat or similar device.

And, also, at this time a mail out shall be sent to each member including the approved ballot, a stamped envelope addressed to our attorney's office in Elko, voting procedure (which would include instructions regarding cumulative voting), and the final acceptance date. Final acceptance date for ballots shall be 12:00 P.M. of the first Friday in October.

The Company attorney shall assist the election committee in tallying the ballots at this time in the attorney's Wells office. The election committee chairman will proceed to inform the president of the Board of Directors of the election results. The President will inform the successful candidates of their election.

PROPOSED BY-LAW CHANGES  
BY RESOLUTION 1966  
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Article II, Section 10 pertaining to Board action without  
consent of directors without a formal meeting be eliminated.  
Except Article C with the exception of Section II (a) re-  
garding directors being allowed to hold full-time elected  
public office. (OK)

RESOLUTION  
OF  
BOARD OF COUNTY COMMISSIONERS  
OF  
TOOELE COUNTY, UTAH

WHEREAS, the Board of County Commissioners of Tooele County, Utah, did on the 5th day of November, 1945, by unanimous vote, adopt and pass Ordinance No. 28, an ordinance granting to Wendover Power and Light Company, its successors or assigns, for the term of fifty years from the date of the passage hereof, the authority, right, privilege, and franchise to locate, construct, operate, and maintain works, poles, wires, subways, conduits, underground conduits, telephone wires, electric conductors, cross-braces, cross-arms, feeders and all other necessary or proper appurtenances and appliances for lights, power and heating in and through the town of Wendover and within a radius of twenty-five miles thereof for the purpose of furnishing the same for all purposes for which it may be adapted to the said County of Tooele and the residents and inhabitants in the town of Wendover and within a radius of twenty-five miles thereof, and all other persons and corporations desirous of using the same, along, in, across, over, upon and under the highways, streets, alleyways, avenues, lanes, bridges, and public places of said County of Tooele, as the same now exist or may hereafter be acquired, opened, laid out, or extended, and providing for the terms and conditions under which said authority and franchise is given and granted; and

WHEREAS, the Grantee, pursuant to the terms of Section 5 of said Ordinance, did unconditionally accept the terms thereof; and

WHEREAS, the franchise granted pursuant to Ordinance No. 28 has been in full force and effect and used by the Grantee therein, its successor and assigns continuously up to and including the date hereof; and

WHEREAS, Wendover Light and Power Company did, by that certain Deed and Bill of Sale dated the 26th day of April, 1962, which Deed and Bill of Sale is recorded in Book 32 of Records, Pages 83 to 93 inclusive, Records of the Tooele County Recorder, Tooele, Utah, transfer and assign all of said Company's interest in and to said franchise to Wells Rural Electric Company, a corporation duly created, organized and existing under and by virtue of the laws of the State of Nevada, with specific reference to the transfer of said franchise being contained in Paragraph VII on Page 4 of said Deed and Bill of Sale; and

WHEREAS, Wells Rural Electric Company acquired said franchise granted by Ordinance No. 28 at the time of acquiring the facility of Wendover Light and Power Company, all of which were conveyed to Wells Rural Electric Company pursuant to the aforementioned Deed and Bill of Sale; and

WHEREAS, the Public Service Commission of Utah, by its order issued the 1st day of March, 1962, permitted Wendover Light and Power Company to cease and discontinue its operation; provided, however, that the order became effective only upon the filing with said Commission of a declaration signed by Wendover Light and Power Company and Wells Rural Electric Company that the agreement for the acquisition of the facility by Wells Rural Electric Company had been fully consummated and that Wells Rural Electric Company had possession of all the property subject of the sale and that Wells Rural Electric Company was ready to continue, without interruption, electric service in the Wendover, Utah, area; and

WHEREAS, the terms of the order of the Public Service Commission were fully complied with and that thereafter and continuously up to and including the present date Wells Rural Electric Company has provided electric service in the Wendover, Utah, area; and

WHEREAS, Wells Rural Electric Company has requested the Board of County Commissioners of Tooele County, Utah, to formally approve the transfer of the franchise and rights granted pursuant to Ordinance No. 28 from Wendover Light and Power Company to Wells Rural Electric Company;

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Tooele County, Utah:

That the assignment and transfer of all rights of Wendover Power and Light Company pursuant to Ordinance No. 28 of the County of Tooele, State of Utah, to Wells Rural Electric Company, a corporation, duly created, organized and existing under and by virtue of the laws of the State of Nevada, be and the same is hereby approved, ratified and confirmed.

That copies of this Resolution be duly certified by the Clerk of the Board of County Commissioners of Tooele County, Utah, for recording or presentation to public bodies and agencies.

Passed this 4th day of April, 1966.

Commissioners voting AYE

1st GEORGE WILLIS SMITH

1st R. STERLING HALLADAY - GEO. BIEYANIS

Commissioners voting NO

151 GEORGE WILLIS SMITH  
CHAIRMAN OF THE BOARD OF COUNTY  
COMMISSIONERS OF TOOELE COUNTY,  
UTAH

ATTEST:

151 J. REX KIRK, SR.  
CLERK OF THE BOARD OF COUNTY  
COMMISSIONERS OF TOOELE COUNTY,  
UTAH