

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

19 APRIL 1968

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held in the Company office in Wells, Nevada on 19 APRIL 1968 at 1:00 P.M.

The meeting was called to order by James L. Ballard, Vice President, who presided and Clarence Swett, Secretary, acted as Secretary of the meeting.

Upon calling the roll the Secretary reported the following Directors present: JAMES L. BALLARD, EYER BOIES, MATT SMITH, VERNON DALTON, RAY CRAWFORD, TOM ACHURRA, C. C. READ, ART GROCK AND CLARENCE SWETT.

Also present were: Manager Blackett, Fred Toombs and F.T. Murphy. Absent were: Robert Wright and Larinda Wines.

The minutes of the previous meeting were approved as written.

Vernon Dalton asked that Director's pay be added to the agenda.

29 MOTION made by Vernon Dalton and seconded by Tom Achurra that the twenty one new memberships from Wells and eight from Wendover be approved. Motion passed.

Manager Blackett reported that a call from the Federal Power Commission told us that Idaho Power Company had submitted two exhibits on their power cost. One was their own study and the other one was made by an independent concern. The independent study closely followed the Federal Power Commission report.

The office building has been completed and new furniture has been ordered. Delivery date is not known.

Disposal of old furniture was discussed. It was decided to ask Kelly Company to make an appraisal and set prices.

Fred Toombs reported on Power Use. The Service Department is in operation and seems to be going quite well. Considerable activity is still noticed in the Contact Area. Much interest is developing in the new Irrigation Rate. A possibility of connecting lines 4 and 5 together with 8 miles of line was discussed. Five stock water pump will be serviced. There is also the possibility of a 75 HP irrigation installation. Some work is being done on the mine property South of Wells at the chicken ranch.

A letter from REA was read approving the new Irrigation Rate. Manager Blackett read additions to the rate giving time for payment of minimum charge, season and off-peak provisions.

Vernon Dalton felt that Irrigation Rate should be put into effect without prior REA approval and stated that this was included in his previous motion.

C. C. Read pointed out that the proposed rate is unfavorable to the Company from a revenue standpoint and that he might enter a protest with the Public Service Commission.

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MOTION made by C. C. Read to adopt Kampmeier's rate for pumping. Seconded by Ray Crawford. Motion not passed.

After discussion it was decided to leave the REA Irrigation Rate in effect.

Small Commercial Rate was brought up for discussion. Revision would cost about \$8,000.00 per year.

Vernon Dalton said that the rate revision was to have been put into effect without REA approval. That other Coops do this and get away with it.

MOTION made by Matt Smith that the revised Small Commercial rate be adopted subject to the approval of the Public Service Commissions only. Seconded by Tom Achurra. Approved unanimously.

Al Huber was present to discuss the Audit Report. He pointed out the advantages of data processing systems in speeding up office work. They will give more information than it is now possible to obtain. It would relieve office worker of some of the detail work and allow time for other work such as property records, work orders, etc. There would be no savings in office cost using this system.

Mr. Huber noted that there was an improvement in current accounting procedure over previous years.

Manager Blackett read a letter from Senator Bible regarding the wheeling agreement between Idaho Power and BPA. He thinks the agreement is very favorable and will help us in the future.

Bob Lee of BPA called and wants to meet with us 30 APRIL 1968 regarding our request to receive power from them.

Diesel engine is to be listed with surplus machinery dealers on commission basis.

The alterations to the Wendover Office building have been completed. The yard has been fenced and Fred Toombs said the work was excellent. Tearing down of the apartments has not been completed but will soon be.

Discussion on three phasing line 7. It cannot be done in time for irrigation this year but could be ready for next year's irrigation season provided firm contracts can be secured for pumps.

The North Fork Tuscarora area was discussed. REA feels that we should serve the area and is reluctant to loan money to Nevada Power. We are to receive a letter regarding this.

On construction work Mr. Murphy reported that right of way was cleared with parties involved.

Substation metering installed and waiting for a good day to check it out.

Reported on accident at substation. Power should have been turned off before work started.

Mr. Murphy reported on work completed and that he was working on three stock water pumps in the Jiggs area and two at the Winecup Ranch.

Bonneville Potash pumps - bids have been received but there is discussion over type of conductor to be used. Will have a ten year contract with annual minimum of \$3,242.00.

Mr. and Mrs. Jack Rand were here from Pine Valley with a request for power. This is to be looked into. This is outside our service area and would require certification.

MOTION made by Vernon Dalton that effective 19 APRIL 1968, Director's pay be set at \$25.00 per meeting or day and be raised annually the same percentage as employees cost of living increase. Seconded by Ray Crawford. Motion passed.

Manager Blackett requested that another office employee be authorized to sign checks so that it would not be necessary to have a Director's signature. This is very inconvenient at times.

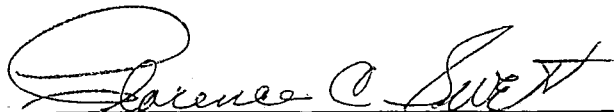
MOTION made by Vernon Dalton that George Blackett and Bud Calton be authorized to sign WREC checks. George Blackett or Bud Calton signature with any Director's signature will also be acceptable. Seconded by Matt Smith. Motion passed.

Manager Blackett reported that work orders to be sent in for loan funds were about ready. REA is reluctant to advance funds at this time and are requesting advance payments be made in order to improve their financial picture. We have \$251,000.00 left in the loan account with over \$300,000.00 in work orders, new office building and line extension on Salt Flats.

Bad debts of \$576.60 were approved to be written off. This consisted of \$164.93 from Wells and \$411.67 from Wendover after deducting deposits. MOTION made by Eyer Boies, seconded by Vernon Dalton. Motion passed.

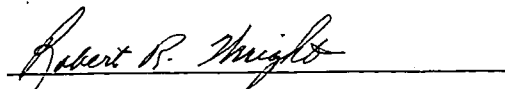
Copies of existing policies were presented to the Board. These are to be considered and those that are thought to be no longer useful will be deleted so that the policy manual can be made up.

Meeting adjourned at 5:45 P.M.



Clarence C. Swett, Secretary

APPROVED BY:



Robert R. Wright, President

WELLS RURAL ELECTRIC COMPANY

WELLS, NEVADA 89835

MEMBERSHIPS TO BE APPROVED APRIL 19, 1968

Wells

1. Charles Basso
2. Ken Birdzell
3. B. A. Boden
4. Mike Booton
5. Clifford M. Carr
6. Dennis Flat Water Works
7. Ben Dye
8. John P. Jones
9. Richard Martin
10. Imogene Meeks
11. Ken Rasley
12. Ronald Reser
13. M. D. Rogers
14. Elmer B. Salinas
15. Warren Scott
16. Silver State Construction Company
17. John Sullivan
18. Arthur H. Topken
19. D. E. Whalen
20. Lowell M. White
21. Gary F. Wirt

WENDOVER

1. James Backes
2. Howard Cronk
3. Robert E. Crouch
4. Mark B. Drazich
5. E. L. Johnson
6. Melvin Minner
7. Garth L. Oliverson
8. B. T. Price