

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

December 17, 1976

The meeting was called to order at 1:00 p.m. in the board room. President James Ballard presiding.

Directors present were: Clarence Swett, Jim Ballard, Vernon Dalton, Gene Pengelly, Bob Wright, Glenn Wadsworth, John Krenka, Bill Gibbs, Ray Crawford, and Art Grock. Present from the staff were: John Mohlman, Bud Calton, and Bobbi Samuels.

There were two corrections to the minutes of the November 19th meeting. They should read 5.5% instead of 5/5%. One sentence was changed to read: If they do this, the company will lose revenue due to less meters. The minutes were approved as corrected.

Jess Urresti gave a report on the Appliance Department and the Safety Department. He noted that safety meetings are held once a month.

Smoke Alarms: Jess Urresti has been getting price quotes from different manufacturers for smoke alarms. The best price we have received so far is \$20.00 per unit from Westinghouse. This is for a battery unit. The board felt that these alarms were a good idea.

Pine Valley - Carlin: John Mohlman talked to Roy Schurtz and told them that we do want to supply power to Pine Valley, but we will probably not be able to supply them unless we add Carlin too. There aren't enough customers in Pine Valley alone to make it feasible to add just that area. Bob Wright felt that we should write BPA to ask Idaho Power for a point of delivery for Pine Valley and Carlin. Idaho Power has stated they will tap the Sierra Pacific line at Elko. We have received no formal notification of this as of yet.

Construction: No new news.

Raft River Intertie: A letter has been sent to BPA regarding when Idaho Power will reinforce this line. No reply has been received yet.

Rates, Rules, and Regulations: The Nevada PSC has notified us that since we serve all members we do not fall under their jurisdiction as far as rates are concerned. They reserved the right to check our records at anytime to make sure we are 100% membership.

Hydro Plant: Clarence Swett reported that the road has been graded up to the ditch. The City of Wells will take possession and maintain the hydro once it is in place. CLARENCE SWETT MOVED THAT WE PAY UP TO \$2500 OF THE REMAINING COST FOR MOVING THE HYDRO. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED. This will be effective July 1.

Annual Meeting: Bessie Winchell will serve on the committee from Art Grock's area.

REA Loan: We received a letter from REA on December 7 stating that they have received the loan application. They had a question concerning employee appliance accounts receivable. They thought these accounts would be considered overdue. This policy was explained to them.

Rate Study: John Mohlman feels that we should get professional help this time for a rate study. We have received cost estimates from 3 companies.

Miner & Miner	\$7600
N.R.E.C.A.	3500 - 3850
R. W. Beck	7500

Lee Engineering did not give us a price quote. The Miner & Miner quote included a Cost of Service Study (to determine if our rate structures are

appropriate). They estimated it would take 60 to 90 days, and they have had experience before the Utah PSC. NRECA said it would take them from 10 to 12 days and they have no experience before the Utah PSC. They would charge us \$350/day while before the PSC. Lee Engineering felt that it would not take much mathematical computation for this rate increase. He said he would like to talk to John personally about the study. R. W. Beck's quote includes just a rate study plus \$250/day additional while before the PSC. John talked to Golden Gardiner of Raft River and they just went through the rate study and cost of service study and it cost them \$12,000. John feels we should get someone with Utah PSC experience, but he doesn't feel we can afford to pay that much. John feels that the rate increase is still 3 months away. VERNON DALTON MOVED THAT THE BOARD GIVE THE MANAGER THE AUTHORITY TO HIRE A PROFESSIONAL RATE CONSULTANT USING HIS DISCRETION AS TO WHOM HE THINKS IS THE BEST. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED.

By-Laws: At the request of the Board, the corporation counsel had previously submitted an analysis of the existing By-Laws and the REA recommended By-Laws and made certain recommendations. Board members had given this individual study and had further instructed the corporation counsel as to the final form of each By-Law provision. A copy of the By-Laws in revised form has been distributed to all board members and the original presented to the meeting. After a complete discussion of the matter, BOB WRIGHT MOVED TO ADOPT THE REVISED BY-LAWS, EFFECTIVE DECEMBER 17, 1976. BILL GIBBS SECONDED THE MOTION AND THE MOTION CARRIED BY A VOIE OF 10 TO 0.

Wendover Apartment: The first medic has turned down the job and Wendover is looking for another person.

Wendover Warehouse: Jess Urresti, Jesse Sharp, and Dave Shelton looked at the warehouse and the garage and Mr. Shelton's estimate for repairing both buildings is \$4,524.15. This includes new flourescent light fixtures, re-wiring, shelves, new garage door, compressor, heater, bench grinder, new insulation, new plaster board, and paint. We will have to wait until we get some money to have this work done.

EBLI Insurance: Bud reported that the EBLI insurance for \$100,000 per occurrence with \$1000 deductible will cost \$125 per year or \$10.42 per month. On the Fiduciary Liability Insurance for \$1 million per occurrence for \$99 per year. GENE PENGELLY MOVED THAT WE TAKE OUT THE EBLI AND FLI INSURANCE. RAY CRAWFORD SECONDED THE MOTION AND THE MOTION CARRIED.

NRECA Annual Meeting: We were informed by the Atlanta American that they would not honor the reservations we had with them. We have now secured reservations at the Inntown Motor Hotel.

Settlement with Idaho Power: Bob Wright gave a report on the trial which was held December 6 & 7 in Reno. There were some problems to begin with, but he felt that in the end it turned out in our favor. The attorneys were given 30 days to file briefs and 15 days to answer the briefs. We will receive word of the decision sometime after those 45 days are up.

Minutes of the meetings: The board discussed ways to get the highlights of the minutes to our consumers. They decided this should be included in our Public Relations program and we will wait until we hire a Public Relations firm to find ways to get the minutes out.

Engineering Report: Work is progressing on several irrigation pumps and a tap has been staked for Clover Valley Fire Station. Preliminary work has been done on rebuilding the Starr Valley line.

Retirement Policy: Bud Calton reported that the board passed a motion sometime ago that would make employees eligible for our retirement policy after they have been here one month. Bud said he felt employees should not be eligible for any benefits until after their probationary period of 3 months is over. VERNON DALTON MOVED THAT EMPLOYEES HAVE TO BE HERE FOR THREE MONTHS BEFORE THEY ARE ELIGIBLE FOR THE RETIRMENT POLICY. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED.

Employee and Director Institutes and Schools: John Mohlman reported that this will be a new item on the agenda and any employee or director will make up a written report of his trip.

Paid Holidays: John thinks there should be some type of policy which states that an employee has to work the day before and after the holiday or be on sick leave or vacation time on those days to get paid for the holiday. The case in point being Bill Baum. He was paid for Thanksgiving and has not worked since October. GENE PENGELLY MOVED THAT WE CHANGE OUR POLICY TO STATE THAT AN EMPLOYEE HAS TO WORK THE DAY BEFORE AND AFTER OR BE ON VACATION OR SICK LEAVE IN ORDER TO GET PAID FOR A HOLIDAY EFFECTIVE DECEMBER 17, 1976. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED.


John Mohlman has told Bill Baum that he will be terminated as of December 31, 1976. The doctors have told Bill that it might be 6 months before he could come back to work. Randy Dedman has applied for a job here and will be in to talk to John on December 27.

Manager's Report: John read a letter from the Elko County Fair and Recreation Board asking us to not remove the Tent Mountain line until they complete further studies on the potential ski area there. After some discussion VERNON DALTON MOVED THAT WE POSTPONE SALVAGING THE TENT MOUNTAIN LINE UNTIL WE HEAR FURTHER FROM THE ELKO COUNTY FAIR AND RECREATION BOARD AS TO WHERE THEY ARE GOING TO PUT A SKI AREA. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED. We have opened a night deposit account at the bank. There is a Director's Conference in January at New Orleans. No directors will be attending this. A letter from WPPSS was read concerning the sale of revenue bonds and a bill that will be due December 1, 1977 if the revenue bonds are not sold. John also received some information on uranium rights. NRECA would like some information on our line extension contracts and there was some discussion as to the minimum for line extension contracts. The board decided to wait until we receive some information from NRECA on other co-ops line extension policies before we change our policy. We are now sending out letters to people who have done something that we feel deserves recognition. The board decided that we will buy an advertisement in the Christmas issue of the Wells Progress. BOB WRIGHT MOVED THAT THE MANAGER USE HIS DISCRETION IN BUYING THIS AD. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED.

CLARENCE SWETT MOVED THAT WE APPROVE THE MEMBERSHIPS, 11 FROM WELLS, AND 10 FROM WENDOVER. RAY CRAWFORD SECONDED THE MOTION AND THE MOTION CARRIED.

John showed Richard Loveland's trip report to the board. A file on these reports will be kept in the front office for reference by other employees and directors.

The meeting was adjourned at 4:15 p.m.



JAMES L. BALLARD, PRESIDENT



CLARENCE C. SWETT, SECRETARY

MEMBERSHIPS TO BE APPROVED

December 17, 1976

WELLS

1. Terry Anglesly
2. Circle L. Ranch
3. Charlotte Easton
4. Diana Johnson
5. Ron Johnson
6. David J. Kinge
7. Frank Mader
8. Mountain View Guest Ranch, Inc.
9. Vicki Roberts
10. Randy L. Rowley
11. James H. Taylor

WENDOVER

1. Kenneth Craig Allred
2. Ronnie E. Davis
3. Lowell Elvis
4. Nola Helen Flowers
5. Burton Fuller
6. Rose Halcrow
7. Tom Johnson
8. D. L. Miller
9. Verná Soriano
10. Daniel M. Turner