

WELLS RURAL ELECTRIC COMPANY
WELLS, NEVADA

Meeting of Board of Directors

A meeting of the Board of Directors of Wells Rural Electric Company, Wells, Nevada was held on February 17, 1961 at the company office in the City of Wells, State of Nevada at 7:30 P.M.

The meeting was called to order by Robert R. Wright, president, who presided, and John W. Moschetti, secretary, acted as secretary of the meeting.

Upon calling the roll the secretary reported that the following directors were present: ROBERT R. WRIGHT, JAMES L. BALLARD, CHARLES READ, VERNON DALTON, HERBERT UHLIG, ROGER SMITH, EYER H. BOIES, ART GROCK, CLARENCE SWETT, AND JOHN W. MOSCHETTI. Director BLAINE SHARP WAS ABSENT. Also present was Manager GEORGE BLACKETT.

The minutes of the last regular meeting were read and approved, with the following addition. Letter from the Washington office was again read stating that it would be necessary that the final inspection on our lines be made by Engineer Harold Dangerfield because of budget costs and travel limitations. This letter also noted that the \$350.00 bill from Joe Bassick to the cooperative for time and expenses in removing wire by Engineer Dangerfield, if a proper bill, would have to be paid from general construction funds.

Manager BLACKETT read the financial report for the general fund and the construction fund for the period we have operated. The highlights show that in the general fund since June when we started to December 31st our receipts were \$78,612.80 and expenditures 71,025.72, leaving a profit of 7,587.08. On February 17, 1961 our bank account shows \$20,091.09. In the construction fund we have received \$1,383,000.00 and expended \$1,347,780.35 leaving a balance of \$35,219.65 which will just about cover the amount withheld from contract of Utilities Service Company.

A thank you letter from Robert A. Hogg of Idaho Power Company for the hats sent to him, Huff and Coryell from donations of the directors was read.

President Wright and Art Grock gave a report on the Annual meeting of the Raft River Cooperative which they attended at Malta, Idaho. The meeting was well attended and very informative. Three new directors were seated at the election. Their district has grown a great deal and at present have 36 homes heated by electricity. They desired a copy of our by laws and the Manager was instructed to send this.

The following committee was selected to draft and formulate a set of office procedures and policy: Charles Read, Chairman and following members; Robert Wright, Clarence Swett, John W. Moschetti, and George Blackett. Other directors are welcome to these committee meetings.

George Blackett reported that we would not be in conflict with the bank on Securing Section 5 money to make loans for electrical appliances and rewiring. The following motion was made by Charles Read and seconded by Jim Ballard. Carried.

"RESOLVED, that the president, secretary and treasurer of the Wells Rural Electric Company, and each of them (with full power to act without the others) are hereby authorized and directed to execute and forward to the Rural Electrification Administration an application for a Section 5 loan in the sum of \$75,000.00 for the purpose of financing the wiring of premises and the acquisition and installation of electrical and plumbing appliances and equipment.

"Resolved, that said officers, and each of them, are further authorized and directed on behalf of the borrower to take any and all further action which may be necessary to effect such loan:

BE IT FURTHER RESOLVED, that there is hereby established a credit committee consisting of not less than 3 members, a majority of them members of the board. The duty of this Committee shall be to (1) consider each consumer's application for financing on nonrecourse conditional sales contracts; (2) review the financial standing of each appliance and equipment dealer; and (3) recommend to the board the total value of recourse contracts to be purchased by the borrower from each such dealer."

Attorney Bob Vaughan wrote several letters to the board which were reviewed. He gave a complete report on the attorney's seminar which was attended on our behalf and held in Dallas. He stated it was very well conducted and informative.

Bob Vaughan is writing a letter to the casualty company requesting a hold harmless clause in our contract with Utilities Service Company as the bond holder and we should have this in writing before releasing the balance of 10% due under contract.

Vaughan wrote a letter that it was brought out at Dallas that it would be a good idea to make extra copy of minutes of meetings and send to attorney in case the originals were ever lost. Copy should also be sent to attorney before next meeting so they could be reviewed for possible errors and corrections noted at next meeting. The members thought this desirable.

A letter was drafted for sending to the Public Service Commission requesting transfer of license from Wells Power Company to ourselves.

New license is to be made out with Western Pacific to transfer present right of way agreement from Wells Power Company to ourselves.

President Wright read a letter from the Lost River Electric Cooperative at Mackay, Idaho inviting all or any of the board members to attend one of their regular meetings which are held the first Thursday after the first Tuesday of each month. The next meeting will be on March 9th and it was deemed wise that some of the board attend this meeting since they conduct well organized board meetings.

George Blackett said that a Management Services Letter from Washington, D. C. was available on a quarterly basis that could be distributed to all members and office for REA happenings. This will be given further consideration after a copy of same is secured and reviewed.

A list of 26 new applications for membership was read and approved. The list is made a part of these minutes.

Attorney Vaughan prepared an equipment lease arrangement with Bonneville, Ltd. for use of one of our stand by 300 KW generators at a rate of \$500.00 per month. This was mailed to them for signing.

George Blackett said that the sub-station is practically complete with the exception of a little wire and other small items that were short but could be secured immediately. As soon as Idaho Power makes their change from their sub-station to ours all of our lines can be energized.

The maintenance station at Ruby Valley has not been hooked up because of the shortage of a transformer which George has been unable to get. He is working on this. The fish hatchery at Ruby Valley is not hooked up yet because they have not installed the necessary meter loops. The transformers for the line North to Contact are all in place or on hand so this should not delay this project.

A great deal of discussion was held in regard to what steps the board should take in cases where we have made power available to people and built lines some time ago and to date these people have not chosen to receive service. The following motion was made by Roger Smith and seconded by Jim Ballard,

RESOLVED that we send a ^{note} bill to all people who have not hooked up at any location stating that they will be billed for their minimum in the near future unless they appear before the board or present their views in writing so that the matter can be reviewed by the board. Carried.

Even more discussion was held on the problem that some people have signed minimums lower than the established rate schedules or in accord with our rules and regulations recently adopted. In cases of definite error the board felt that the correct billing should be made; otherwise the application should be followed. In order to incorporate the change in our rules and Regulations to rural residences, the following motion was made by Jim Ballard and seconded by Charles Read;

RESOLVED that we file an amended Schedule A and A7H with the public Service Commission to include the \$10.00 minimum for purely rural residences. Carried.

The board felt that we may have to follow the applications as submitted for the first year's period but that as soon as possible thereafter we should follow the established rate schedules.

President Wright said that he has had phone conversations with Washington and Idaho power Company in regard to our application for Wendover, O'Neil and Mary's River but to date we have not received a report from Washington but this should be expected soon. It appears that an aid to construction may be requested from Bonneville, Ltd. Negotiations between Bonneville Ltd and Utah Power & Light had broken down and they had contacted Idaho Power Company, but Bob Hogg did not give them any reply when he and we were negotiating with them.

President Wright reported that he had been contacted by ranchers from the Jiggs-Lee area and that they are interested in coming down and talking to us about possibility of getting power in their area.

There was also word received that Eureka may be interested in power. Bob Vaughan was to write to them and secure more information.

No action was taken on letter from Mr. Sewell as to whether or not we would be interested in physical damage insurance. Mention by George Blackett about janitorial services for the office was referred to the office policy committee. No action was taken on proposal of joint use with California Pacific Utilities for our poles until more information is secured.

Eyer Boies wanted to know whether or not we should encourage use of power or if the ratchet clause would hurt us. He said that in his new well he had been told that diesel power might be cheaper than electricity. George Blackett is to check into this but George's off hand opinion was that rates would be comparable except for the time when the diesel wore out and had to be replaced. It was the opinion of all that all types of electricity use should be encouraged.

Eyer also ~~is~~ noted that we should attempt to secure power for Nevada Experiment Station and Herb Butler by amending our application now in Washington. It was also noted that Harvey Hale did not have power but he was nearer the Idaho Power lines than ours.

George Blackett said that we had bought most of the surplus stores in accordance with our agreement with Utilities Service Company with the exception of 1200 poles which were turned down and later bought by Rafter River REA.

A report from Washington stating that quick recovery water heaters had been approved by REA was read and since George thought that our present transformers would accommodate this changed usage, it was moved by Vane Dalton and seconded by Roger Smith as follows:

"RESOLVED that we amend our rate schedule to show quick recovery water heaters as approved by REA. Carried."

Jim Ballard said that he had learned that several people in town had received Christmas gifts per our advertising who did not qualify. George Blackett said that all who had received gifts had signed affidavits to say that they had complied.

Darrell Rytting has three phase, 10 H P pump for irrigation needs which needs addaphase. This should be referred to our established policy.

It was brought out that increased reservoir capacity at the hydro plant might pay off in additional electricity output. This would have to be checked with our agreement with Idaho Power Company as to whether any changes could be made.

Attorney Vaughan thought that we should check in the possibility of filing damage claim against GE for alleged overcharged and price fixing since the Federal case has come to light.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting adjourned at 11 P M.

Approved:

Robert S. Wright
President.

John W. Moschetti
Secretary

FEBRUARY 17, 1961

MEMBERSHIP APPLICATIONS TO BE APPROVED

Ballard, Don
Big Springs Land & Cattle Co
Black Bros.
Bricker, Harry

Chambers, A. H.
Chicca, Eugenia

Dalmonego, Ola Day
Duggins, Landon D.

Elliott, Bill

Gregory, Keith, Jr.

Halcrow, Hazel
Hyde, Willis

Jaynes, Homer W.,

Kikumoto, Sam

Lake, Fay W.

Parker, Eugene
Pola, James A.
Priddy, Charles W.

Sharp, Leslie B.
Shaw, Jack W.
Stephens, Jerry S.

Thurston, Mrs. Roy

Vaughan & Hull

Weeks, Darrel
Wells, City of
Winchell, Frank F.