

A SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

February 26, 1979

A special meeting of the Board of Directors of Wells Rural Electric Company was called to order on Monday, February 26, 1979 at 1:00 p.m. in the Board Room. President Vernon Dalton presided over the meeting.

Directors present were Vernon Dalton, Gene Pengelly, Jesse Larsen, Ray Crawford, Ferris Brough, Daryl Eriksen, Clarence Swett, Bill Wright and Ester Quilici.

Present from the staff were Paul Henson and Patti Blackett. Wes Bowlen was also present.

Corrections to the minutes: GENE PENGELLY MOVED WE APPROVE THE MINUTES AS WRITTEN. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Additions to the Agenda: Barger & Chromalloy Meeting and Wes Bowlen. There were no objections to adding these items to the agenda.

Wes Bowlen was present to discuss discontinuing the Appliance Department. He thinks there is a very strong need for this service that W.R.E.C. can fill. There is no one in town that can fill this need. He also thinks we should consider getting a qualified electrical contractor to do our service work.

Vernon explained why Paul Henson was here. He came out to be Interim Manager for a week. CLARENCE SWETT MOVED THAT WE SELECT PAUL R. HENSON AS INTERIM GENERAL MANAGER EFFECTIVE FEBRUARY 26, 1979 WITH A RATE OF PAY EQUIVALENT TO \$2,000 A MONTH, THAT INCLUDES TRAVEL TIME PLUS ACTUAL EXPENSES. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Policy Committee Report: A revision of Policy 7-1, 11-A, 6 was sent to all directors with the agenda. This dealt with Salary and Wage Administration being reviewed in February instead of January. RAY CRAWFORD MOVED WE ACCEPT THIS RECOMMENDATION. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED WITH 6 IN FAVOR AND 1 OPPOSED. (Bill Wright was on phone at the time of the vote.) A new policy, Policy 12-1, Service Department, was also sent to directors and discussed. ESTER QUILICI MOVED WE ADOPT THIS POLICY AS WRITTEN. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION FAILED WITH 2 IN FAVOR, ESTER QUILICI AND CLARENCE SWETT, AND 6 OPPOSED.

Barger & Chromalloy Project: The Area Development Committee met on February 23 with Mr. Barger and Clarence Lee to discuss his line extension. Clarence Lee presented all the figures on this line extension. Mr. Barger was to call into the office before noon today if he wanted more work done on this. He did not call and we can't do anything else until we hear from him. Richard Loveland will call late this afternoon if we do not hear from him.

Daryl Eriksen and Jesse Larsen gave a report on the N.R.E.C.A. Annual Meeting in Houston.

Ester reported that Bessie Winchell of the Cowbells called her to see if W.R.E.C. wanted them to prepare the dinner for the Annual Meeting this year. Bessie needed to know right a way so Ester told here we did. For entertainment this year, Clifford Frye who is a one-man band was suggested. Ester would like each director to bring a name of a consumer to serve on the Consumer Committee to the next board meeting.

Community Development Committee: A meeting was held on February 14th with a few businessmen. This group decided that it was almost impossible to do much good until the city decided they could get in a position where it could be run properly. The committee felt the best way to do this was to get a Manager. The city is working very hard on this. Their next meeting is going to be along these lines. The City is going to get the legislation changed so the city can be run by a Manager.

Appliance & Safety Report: In the Appliance Department, this is the breakdown for the year 1978. We sold 5 water heaters, 11 microwaves, 6 ranges, 11 washers, 11 dryers, 3 refrigerators, 3 freezers, 2 disposers, 1 hood, 1 compactor, 7 dishwashers and 2 microwave carts for a total of 43 units with a dollar value of units sold of \$20,607.00.

We reviewed Company Safety Policy as well as discussed some sections of our safety manual. One area that was stressed was that regardless of the severity of the accident, a full report shall be made, either by the foreman or the person at the scene who should have full knowledge to make a complete and detailed report of the accident. There were no accidents or near misses reported for last month. The rest of the meeting was devoted for review and refresher in first aid. There were 11 men in attendance.

Construction Report: We have completed the construction for 10 mile creek extension for Mr. Gordon Marr and a one pole service to Mr. Dave Carter in the same area. We've been in contact with Chromalloy as to their future projections for their Company and we have staked potential sites for the 10 extension into the mine site, north of 1000 Springs. The 10 extension for the Nevada Highway Department for interchange lighting in West Wendover is complete as well as three temporary services for G & T Construction Co. in the same area.

Regional Power Planning: The Jackson bill will be reintroduced as it was last year but there will be several amendments. It will protect the preference customer. N.R.E.C.A. passed a resolution supporting it.

Hydro Plant: Nothing new.

Engineering Report: We are waiting further verification from both the S.P. and W.P. railroads regarding the right-of-ways in construction of our Carlin project. They have indicated that they are expediting the R/W applications and we hope to hear from them soon. Also, we have monitored our potential wind generation sites and submitted the data to BPA for January.

Employee & Director Institutes & Schools: The Wells Chariot Club approached Jesse Larsen for a donation from W.R.E.C. The Committee recommends that we either make it in the form of labor or cash. JESSE LARSEN MOVED THAT WE DONATE TO THE WELLS CHARIOT CLUB \$20 IN CASH OR LABOR WHICHEVER WOULD BE OF THE MOST BENEFIT. BILL WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. This will be added to our list of yearly donations.

18¢ a mile: According to the IRS, anything above 17¢ a mile has to be claimed on your income tax form. The Directors Expense Committee discussed changing this to 17¢ a mile. Our auditors reported that it was not necessary to change it.

Jesse Larsen received requests from Daryl Eriksen, Ferris Brough, Jesse Larsen and Ester Quilici to attend the 500.2 school in Boise. The committee approved Daryl Eriksen, Ferris Brough and Jesse Larsen's request. A motion was made to let Ester Quilici attend this school. It failed because there was no second. JESSE LARSEN MOVED WE APPROVE DARYL ERIKSEN, FERRIS BROUGH AND JESSE LARSEN'S REQUESTS FOR THE 500.2 SCHOOL. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. JESSE LARSEN MOVED THAT ESTER QUILICI'S REQUEST FOR THE 500.2 SCHOOL BE DENIED. DARYL ERIKSEN SECONDED THE MOTION. BILL WRIGHT MOVED TO AMEND THE MOTION THAT ESTER QUILICI BE ABLE TO APPLY FOR EXPENSES OVER THE \$800 IF SHE GOES ON HER OWN AND IF THAT MONEY IS LEFT IN THE DIRECTOR INSTITUTES OVERALL BUDGET AT THE END OF THE YEAR. IF THE MONEY IS NOT AVAILABLE, SHE WILL NOT RECEIVE IT. GENE PENGELLY SECONDED THE AMENDMENT AND IT PASSED WITH 6 IN FAVOR AND 2 OPPOSED. THE MOTION AS AMENDED PASSED WITH 6 IN FAVOR, 1 OPPOSED AND 1 ABSTAINING. (E.Q.)

Power Source: Vernon visited with a southern engineering group while in Houston. They have an office in Washington, D.C. There is one man who has dealt with proposals on wind generation. He is going to send us a proposal and Vernon suggests we take a look at it.

Claim by Mr. & Mrs. Ned Smiley: They have had no estimate on damages.

New Memberships: GENE PENGELLY MOVED WE ACCEPT THE 7 MEMBERSHIPS FROM WELLS AND THE 15 MEMBERSHIPS FROM WENDOVER. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

GENE PENGELLY MOVED WE HAVE MARCH 10th AS THE CUT OFF DATE FOR APPLICATIONS FOR MANAGER. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Interviews will be held March 19. Geoff Smith of N.R.E.C.A. has selected 5 applicants to date and will contact them to see if they are interested in being interviewed.

Appointment of director to replace Darlene Sharp: There were 4 requests to appoint John Krenka and 1 request to appoint Kirk Dahl. GENE PENGELLY MOVED TO APPOINT JOHN KRENKA TO REPLACE DARLENE SHARP. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Apprenticeship Program: A director needs to be selected to serve on a 3 man committee to administer written tests to Apprentice Linemen as well as to grade their workbooks. GENE PENGELLY MOVED WE APPOINT JESSE LARSEN TO THAT POSITION. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Vernon read an invitation to Raft River's 40th Annual Meeting.

During the billing of the Stateline Casino, there was an error in the decimal of the demand. The bill was re-adjusted and was presented to the people at Stateline. They will pay this in 12 equal monthly installments this coming year.

Director's Compensation was discussed. We are not to pay on a per hour basis. This will be referred to the Director's Expense Committee.

We have changed our insurance carriers to Nationwide Insurance which N.R.E.C.A. recommends. When we receive our policies, Paul suggests we send them to Bob Vaughan or Jim Copenhaver and let them review these policies. If they find one place in those policies that needs to be amended, it should be done before the accident happens. Paul has instructed Jess Urresti, when he is attending another Ruralite Meeting, to go to the office and pick these policies up.

Paul Henson discussed previous recommendations concerning Pat Nolz's Interim Manager position and asked if they had been explained to Pat. At that time, Pat was asked to come in so that her position could be made clear. Pat was to receive the manager's salary until 8:00 a.m. Monday, February 26. At that time, Pat will assume her previous duties of Office Manager at the previous rate of pay before her duties as Interim Manager. Ester Quilici was totally opposed as to what was done while she was in Houston. Ester supported Pat 100% as Interim Manager.

Pat gave a report on Carlin. We are in the process of obtaining right-of-ways for Carlin and easements for substation property. We are looking at property of Lew Eklunds. Mr. Eklund doesn't care about the land but the land is land lock and you can't get your poles in and out without having a plat map drawn up. Jim Copenhaver is having a title search done. When it is done, it has to go to a certified engineer. Then the engineer prepares the plat map. Then it will be taken to the City of Carlin and they will approve the streets and alleys.

Radio Equipment: We are in need of some radio equipment in Carlin. We have received two proposals, one from G.E. and one from Motorola. We have budgeted \$9,500 for radio equipment. G.E. bid \$9,500 and Motorola bid \$9,700. We are \$201.75 over the budget if we go with Motorola. DARYL ERIKSEN MOVED WE AMEND THE BUDGET TO \$9,700. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Donation to L.D.S. Cutting Contest: FERRIS BROUGH MOVED WE DONATE \$50 TO THIS CONTEST AND DO IT ON A YEARLY BASIS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Gary Heil has put Don McDonald and Chad Swett on Notice of Termination. We also have a letter from Mark Callister and Richard Loveland regarding Gary Heil. There will be a meeting with Lyle Johnson and John Stralla on February 27 at 11:00 a.m. to discuss our problems. Vernon will also sit in on this meeting.

Vernon read a letter of resignation from Richard Loveland.

On motion duly made by Gene Pengelly and seconded by Ray Crawford, it was passed by a vote of 8 in favor and 0 against as follows:

IT IS HEREBY RESOLVED that Vernon Dalton is hereby hired as Interim General Manager on a part time basis.

BE IT FURTHER RESOLVED that his compensation should be based on an annual salary of \$24,200, The following rates would then be applicable: \$1008.33 semi monthly, \$465.38 weekly, \$93.08 daily and \$11.64 hourly.

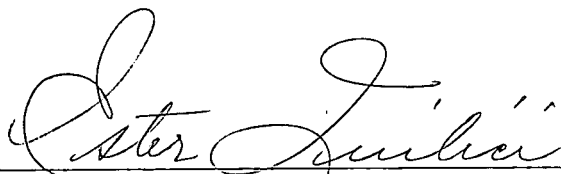
GENE PENGELLY MOVED WE MAKE THE TRANSPOSITION OF PAUL HENSON, ACTING INTERIM MANAGER AT 5:00 p.m. THURSDAY EVENING AND THAT VERNON DALTON BECOME ACTING INTERIM MANAGER AT THAT TIME EFFECTIVE MARCH 1, 1979. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

JESSE LARSEN MOVED WE AUTHORIZE THE STAFF TO CONTACT TIM MADDEN OF CPU TO PUT A 2-WAY SPEAKER IN THE PHONE IN THE BOARD ROOM AT A COST OF \$5 PER MONTH. THIS IS INTERCHANGEABLE WITH THE PHONE WE NOW HAVE. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 7:50 p.m.



D. VERNON DALTON, PRESIDENT




ESTER QUILICI, SECRETARY

WAIVER OF NOTICE
OF
SPECIAL DIRECTORS MEETING
OF
WELLS RURAL ELECTRIC COMPANY

We, the directors of WELLS RURAL ELECTRIC COMPANY, (hereinafter called the "Cooperative"), waive all notice of the time, place and purpose of a special meeting of the Board of Directors to be held at the Wells Rural Electric Company Office in the City of Wells, State of Nevada, the 26th day of February, 1979 at 1:00 p.m.


IN WITNESS WHEREOF, we have hereunto set our hands this 26th day of February, 1979.



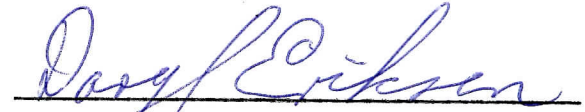
FERRIS BROUGH




RAY CRAWFORD



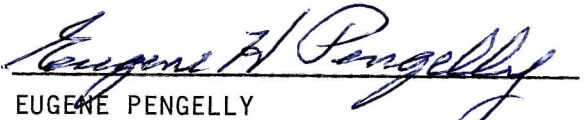
D. VERNON DALTON



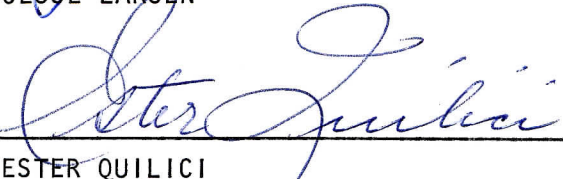
DARYL ERIKSEN




JESSE LARSEN



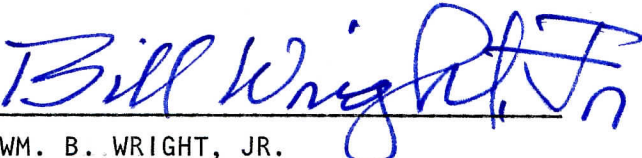
EUGENE PENGELLY



ESTER QUILICI



CLARENCE C. SWETT



WM. B. WRIGHT, JR.

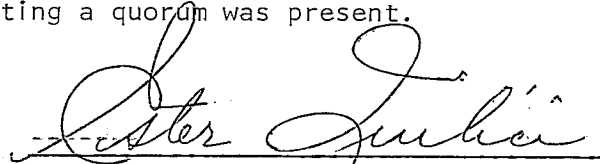
Being all of the directors of WELLS RURAL ELECTRIC COMPANY without exception.

RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Interim General Manager

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Wells Rural Electric Company select Paul R. Henson as Interim General Manager effective February 26, 1979 with a rate of pay equivalent to \$2,000 a month, that includes travel time plus actual expenses.

I, Ester Quilici, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the unapproved minutes of the special meeting of the Board of Directors of Wells Rural Electric Company, held on the 26th day of February, 1979 at which meeting a quorum was present.



ESTER QUILICI, SECRETARY



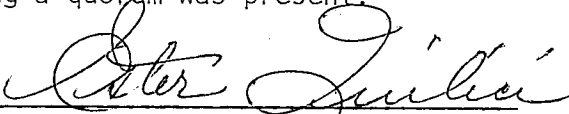
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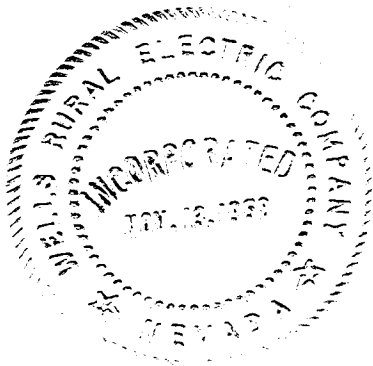
Board Resolution - Interim General Manager

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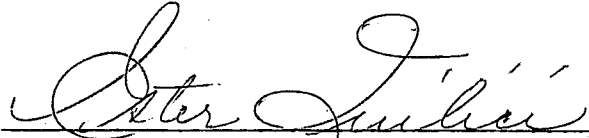


RESOLUTION
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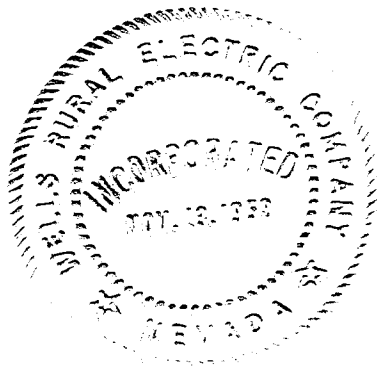
Board Resolution - Interim General Manager

NOW, THEREFORE, BE IT RESOLVED, that we make the transposition of Paul R. Henson, Acting Interim Manager at 5:00 p.m. Thursday evening and that Vernon Dalton become Acting Interim Manager at that time effective March 1, 1979.

I, Ester Quilici, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the unapproved minutes of the special meeting of the Board of Directors of Wells Rural Electric Company, held on the 26th day of February, 1979 at which meeting a quorum was present.



ESTER QUILICI, SECRETARY



MEMBERSHIPS TO BE APPROVED

FEBRUARY 26, 1979

WELLS

1. Ted Chaponis
2. Chris Dinsmore
3. Jerry L. Jardine
4. Gordon H. Marr
5. Retha Mazza
6. Robert Wise
7. Robert L. Wright

WENDOVER

1. Clarence Ashworth
2. Preston Fortney
3. William L. Freeman
4. C. & T. Construction
5. Judy Henser
6. Mrs. L. R. Leonard
7. LaVerne Lunsford
8. Adam McEntire
9. Ivan Massell
10. Randal Melville
11. Theresa Richey
12. Charlie Vidauri
13. Wendover Water Commission
14. Robert Wilson
15. Rocky Wood