

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

February 27, 1976

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order by James Ballard, President at 1:00 P.M. on February 27, 1976 in the Wells office.

Those present were: James Ballard, Clarence Swett, D. Vernon Dalton, Eugene Pengelly, Glenn Wadsworth, William Gibbs, Thomas Achurra, Ray Crawford, and Arthur Grock. Robert Wright and John Krenka were unable to attend the meeting. Present from the staff were Donald H. Snyder, General Manager and Tina Weeks, Secretary.

The Waiver of Notice was signed by all who were in attendance.

The minutes of the January meeting were approved as corrected. The T.N.T. magazine was changed to the T.N.T. program.

Audit: Mr. John Stern of Jacobson - Jentzsch and Company was introduced to the Board of Directors. He then gave the 1975 Audit Report. The audit showed a net loss of \$84,123.00. All questions were thoroughly discussed. GENE PENGELLY MOVED THE 1975 AUDIT BE APPROVED AS PRESENTED BY MR. JOHN STERN OF JACOBSON - JENTZSCH AND COMPANY. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

O'Neil Line Improvements: William Gibbs brought up the need to re-phase the O'Neil Line. Some of the area ranchers would like to put in pumping stations. The main drawback of this plan is the money. The number of consumers is not enough to off-set the costs. The Manager will prepare a cost estimate and the interested persons will be invited to the March board meeting.

Sale of Old Buildings: The Company has been contacted on the sale of the old warehouse-shop building by Bud Supp, and also the sale of the bank building by the American Legion. The Board discussed the matter, and the public opinions that would be brought out. VERNON DALTON MOVED WELLS RURAL ELECTRIC COMPANY PUT THE BUILDINGS UP FOR CLOSED BIDS WITH A CLOSING DATE. GENE PENGELLY SECONDED, AND THE MOTION PASSED UNANIMOUSLY. Bids will be opened on March 19th, 1976 at 1:00 P.M. ART GROCK ADDED TO THE MOTION THAT BOARD MEMBERS AND THE MANAGER COULD NOT BID ON THE BUILDINGS, AS THE AMOUNT OF ONE BID WAS KNOWN. GLENN WADSWORTH SECONDED AND THE MOTION CARRIED UNANIMOUSLY.

Construction: The Manager reported on the progress of the Silverzone Substation. He estimated it to be finished by March 13th.

Pine Valley/Carlin: B.P.A. is delaying in answering the request for permission to wholesale power to the City of Carlin. The Manager felt it necessary to go to the B.P.A. office for an answer. The Manager will contact B.P.A. once more before the delegation is formed.

Raft River Intertie: A study has been completed by R. W. Beck and Associates on the proposed intertie between Raft River and Wells Rural Electric Company. A delegation from Raft River and one from Wells Rural will meet with B.P.A. to find out if and where we can get a point of delivery. The Manager suggested going to Walla Walla, Washington to the B.P.A. district office in an airplane. Glenn Wadsworth agreed to check on an airplane out of Wendover. The plans will be made for March 15th, 16th or 17th. Vernon Dalton and James Ballard were delegated and agreed to go. The Manager will make physical arrangements.

Hydro Plant: Jess Urresti has been trying to get ahold of Vicki Nash without success. He will continue trying.

Policy Manual: The Manager is hoping to have the new policy manual printed and ready for final approval by the March board meeting.

Directors Retirement: Gene Pengelly, Committee Chairman reported on the information he acquired during the N.R.E.C.A. Annual Meeting in Anaheim. The most widely used method was the Director of Emeritus. The only requirements for becoming a Director of Emeritus, is being a board member at one time. Also there is no limit on how many Directors of Emeritus a Company can have. It was agreed to have another committee meeting so suggestions would be brought to the next board meeting.

N.R.E.C.A. Annual Meeting: Vernon Dalton reported on the meeting. He is newly installed N.R.E.C.A. Board Member. Vernon brought up the A.C.R.E. (Action Committee for Rural Electric's) program. The purpose of A.C.R.E. is to attain political support in favor of R.E.A. The A.C.R.E. can not be supported by Corporations, only by individuals. After answering many questions, Vernon agreed to get literature on the program and send it out to the other Board members. Vernon felt the Annual Meeting was a big success. He also explained how his N.R.E.C.A. Director expenses would be taken care of. The C.F.C. voting was also discussed, Vernon felt that each region should elect their own region director, instead of the entire association voting for each region. Clarence Swett reported on the sessions he attended. The wage and salary review was reported on by Donald Snyder, Manager.

Employee-Director Attitude Survey: In Robert Wright's absence, GENE PENGELLY MADE A MOTION TO TABLE THE MOTION TO HAVE AN EMPLOYEE-DIRECTOR ATTITUDE SURVEY UNTIL NEXT YEAR. GLENN WADSWORTH SECONDED THE MOTION. A discussion on the need for such a survey and the cost ensued. A vote was taken, with for (4) in favor of the motion and two (2) opposed; Vernon Dalton and Clarence Swett. THE MOTION WAS APPROVED.

Rates, Rules and Regulations: A change needed in the irrigation schedule was discussed. GENE PENGELLY MOVED TO CHANGE THE IRRIGATION RATE SCHEDULE (I) BILLING FROM NAMEPLATE RATING TO ACTUAL METERED DEMAND. VERNON DALTON SECONDED AND THE MOTION PASSED UNANIMOUSLY. The seasonal rate schedule was also discussed. GENE PENGELLY MOVED TO CHANGE THE ANNUAL MINIMUM FROM \$54.00 TO \$60.00, PAYABLE AT \$5.00 A MONTH OR \$60.00 PER YEAR. ALL ENERGY USED WILL BE BILLED AT THE PROPOSED APPLICABLE RATE SCHEDULE. RAY CRAWFORD SECONDED THE MOTION AND IT WAS UNANIMOUSLY APPROVED. The other item discussed was the line extension policy. Robert Wright sent in a recommendation to extend lines for 1000' free of cost, with the balance installed by the Company. The consumer will guarantee by contract 18% of the Company's investment for eight (8) years. VERNON DALTON MADE THE ABOVE SUGGESTED MOTION AND GENE PENGELLY SECONDED. THE MOTION WAS APPROVED UNANIMOUSLY. After a lengthy discussion, GENE PENGELLY MOVED TO GIVE THE MANAGER AUTHORIZATION TO USE THE PROPOSED LINE EXTENSION POLICY BEFORE NEVADA PUBLIC SERVICE COMMISSION GIVES APPROVAL, WITH THE UNDERSTANDING THAT THE OLD POLICY WILL BE REVERTED BACK TO IF THE NEW POLICY IS NOT APPROVED. CLARENCE SWETT SECONDED AND THE MOTION CARRIED UNANIMOUSLY.

Annual Director and Employee Banquet: The Annual Banquet has been set up for Saturday - March 13, 1976 at 7:00 P.M. in the Ranch House dining room. A no host cocktail hour will begin at 7:00 P.M. and dinner will be at 8:00 P.M. The favors will be bicentennial pens for the men and live green plants for the ladies. The entertainment will include a film put out by N.R.E.C.A. The Board decided rather than host the cocktail party, they would purchase the N.R.E.C.A. film.

Directors Page in Ruralite: John Krenka's report for the Ruralite was read aloud by Glenn Wadsworth in John's absence. The Board made a few corrections and then approved the report for publication. Vernon Dalton agreed to do the next report.

Managers Report: The Manager brought up the fact that Wells Rural belongs to two associations that we get no value in return from. The Utah Rural Electric Assn. and the Snake River Power Assn. The annual dues for these two associations is approximately \$2,000.00. GENE PENGELLY MOVED WELLS RURAL ELECTRIC COMPANY DROP ITS MEMBERSHIPS IN UTAH RURAL ELECTRIC ASSOCIATION, AND THE SNAKE RIVER POWER ASSOCIATION. CLARENCE SWETT SECONDED THE MOTION AND IT WAS UNANIMOUSLY APPROVED.

Sponsoring a bowling team was also brought up by the Manager. After a discussion, GENE PENGELLY MOVED WE SPONSOR A BOWLING TEAM CLARENCE SWETT SECONDED AND THE MOTION WAS APPROVED UNANIMOUSLY.

A letter was received from River Rural Electric Association, asking for wholesale power. The Board authorized the Manager to write a return letter, informing them that our contract with B.P.A. does not allow us to wholesale power.

Edward R. Kipp, the R.E.A. Field Representative, is retiring. The president of the Board will write him a letter thanking Mr. Kipp for the assistance he has provided to Wells Rural Electric Company.

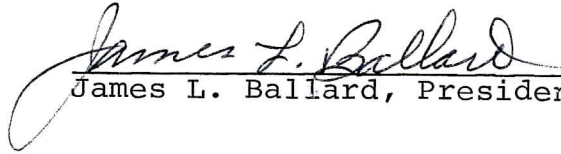
A letter of thanks from Susan Shelton, a scholarship recipient was read aloud to the Board. Also a letter from Raymond Cavallero was received. He thanked Wells Rural for putting in the Devil's Gate line. The letters will be filed with the board minutes.

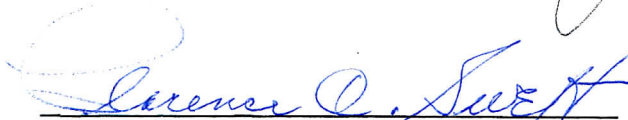
The Manager agreed to get a written price on gasoline at the last meeting. He received a price quotation from Carl Birdzell of 48.5¢ per gallon delivered. The gasoline will be delivered in 8,000 gallon lots. Gene Pengelly contacted the local stations and most agree upon a 4¢ discount to Wells Rural. The condition of the tanks that Wells Rural presently has, was brought up. They will be checked for leakage before any permanent agreements are made. This matter was tabled until the next regular board meeting.

The Manager passed out a capital credits study booklet he acquired in Anaheim at the N.R.E.C.A. Annual Meeting. He asked all the Directors to review it on their own time.

GENE PENGELLY MOVED TO APPROVE THE MEMBERSHIPS. 16 FROM WELLS AND 7 FROM WENDOVER WERE APPROVED. RAY CRAWFORD SECONDED AND THE MOTION WAS APPROVED UNANIMOUSLY.

The meeting was adjourned at 6:30 P.M.

  
James L. Ballard, President

  
Clarence C. Swett, Secretary

WAIVER OF NOTICE  
OF  
REGULAR 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 regular meeting of the Board of Directors and fix the Wells Rural Electric Company offices in the City of Wells, State of Nevada, as the place, and the 27th day of February, 1976, at one o'clock PM as the time for the holding of such meeting for the purpose of action upon:

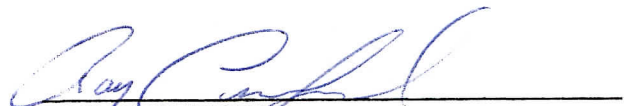
1. Such business as may come before the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands this 27th day of February, 1976.

  
JAMES L. BALLARD

  
GLENN WADSWORTH

  
CLARENCE C. SWETT

  
RAY CRAWFORD

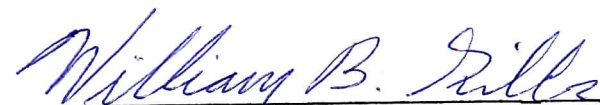
  
JOHN KRENKA


  
ROBERT R. WRIGHT

  
EUGENE PENGELLY

  
D. VERNON DALTON

  
THOMAS ACHURRA

  
WILLIAM GIBBS

  
ARTHUR GROCK

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

February 3, 1976

Mr. Donald H. Snyder  
General Manager  
Wells Rural Electric Company  
P.O. Box 365  
Wells, Nevada 89835

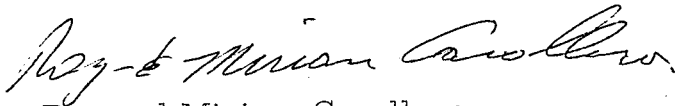
Dear Mr. Snyder,

Just a note of sincere appreciation for the concentration of hours spent working on the Devil's Gate power line by your crew.

Both of us are overjoyed at having the generator off day and night. It's so quiet out here you can hear a pin drop.

Thanks again, if you're ever in the area, stop in and see us.

Sincerely,



Ray and Miriam Cavallero  
P.O. Box 943  
Elko, Nevada 89801

(You can't miss our place -- the first round house on Chestnut St.)

265 4th Avenue #1  
Salt Lake City, Utah 84103  
January 30, 1976

Board of Directors,  
Wells Rural Electric Company  
Wells, Nevada

Dear Members,

You will recall that I was a recipient of your scholarship in 1973-1974. I am writing to let you know that I have completed my schooling. I now have an Associate Degree in Nursing from the Brigham Young University. I will be taking Utah State Boards in February for licensure as a Registered Nurse.

I am now employed in Salt Lake City at the LDS Hospital on a medical division. I enjoy my work very much. I am taking continuing education classes and plan to obtain a bachelor of science degree.

I want to thank you for the financial assistance that you gave to me. With this help I have been able to complete my schooling much more quickly. I find a great deal of satisfaction in what I am doing now. Thank you again,

Gratefully,



Susan Shelton

MEMBERSHIPS TO BE APPROVED

FEBRUARY 27, 1976

WELLS

1. Robert Anthony (Diamond O. Inc.)
2. Raymond R. Cavallero
3. Robert S. Dankowski
4. Bobby Dick
5. Stanley Dunn
6. Mike Elton
7. Hazel Jarred
8. Glen Kinney (Pit Stop Station)
9. W. H. Pat Krom
10. Charles W. Laughlin, Jr.
11. Steve Loveland
12. Emilio Quintero
13. Harold Rother
14. Edward S. Shirley
15. Georgia States
16. Douglas E. Supp

WENDOVER

1. K. M. Crary
2. R. W. Dieleman
3. Santos Flores
4. John Freeman
5. Celso R. Gonzalez
6. Peggy D. Landers
7. David R. Willson