

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

February 28, 1977

The meeting was called to order at approximately 1:10 p.m. in the Board Room with President James Ballard presiding.

Directors present were: Jim Ballard, Vernon Dalton, Gene Pengelly, Bob Wright, John Krenka, Bill Gibbs, Tom Achurra, Art Grock, Ray Crawford, and Clarence Swett. Glenn Wadsworth was unable to attend. Also present were John Mohlman and Bobbi Samuels.

There was one change in the minutes in the wording of a Sell-Out clause to be put in the By-laws. Vernon felt that 3/4 of the directors and 2/3 of the consumers would have to approve before the co-op could be sold. The minutes were approved as corrected.

Additions to the Agenda: Preliminary Budget Review was added by John Mohlman and a Vote of Confidence of the Manager was added by Jim Ballard.

Mrs. Gertrude Abbett presented a painting she had done of the Hydro Plant to the directors. This painting will be hung in the office. The board wished to show their appreciation to Mrs. Abbett for this painting and will get her a gift of some painting materials. Jim Ballard will talk to Ellie Rutherford to see what type of materials she needs.

Safety and Appliance Report: The Nevada Highway Department will conduct a First Aid Class on March 8 and 9 from 12:00 noon to 5:00 p.m. at the Service Center. This will be attended by Highway Department personnel, Wells Ambulance Crew, and employees of Wells Rural Electric Company. Ruralite safety meetings are held once a month. A salesman from Hotpoint was here this past month and told us of a financing arrangement we could make with them. Any Hotpoint appliances we sell could be financed through Hotpoint. Hotpoint would buy the contracts from us; it would then be their responsibility to collect the money and repossess any appliances that are not paid for. Vernon Dalton presented a check for \$401.00 from NRECA to be used for the expenses for our Hot Line School.

Pine Valley/Carlin: John Mohlman and Gene Pengelly went to a meeting in Boise to meet with Martin Derksema and Harold Cantrell concerning bringing Pine Valley and Carlin onto our system. Mr. Cantrell was unable to make the meeting. Mr. Derksema didn't seem to think there would be any problem in adding them to our line. BPA would need the following: 1. A notice that we are going to take Carlin and Pine Valley on and a load forecast for them. 2. A copy of Senate Bill #28 stating that Carlin can sell us their system for less than the appraised price. 3. A letter from Carlin stating they want to sell their system to us. BPA would then send an economic expert to make a load forecast. Mr. Derksema pointed out that we cannot sell wholesale power according to our contract with them. The only limiting factor now is getting a wheeling agreement with Nevada Power. John McCarthy of Nevada Power told John that Nevada Power is going to offer a contract to Carlin to sell them wholesale power for 5 years, and until Carlin reaches a decision on this contract he would not talk to us about a wheeling agreement. He did say that if Carlin turns Nevada Power's contract down, they would then be willing to talk about arranging a wheeling agreement. The board discussed what type of loan we might want for this project, because where we get the loan would be a factor in how long it would be before we could supply Carlin and Pine Valley. The board felt we should get an REA loan that would include Pine Valley, but first we should do new studies to see if it is feasible to take Carlin and Pine Valley on. The board felt John should tell Wanda Borden that it will take us at least two years to do the studies and get a loan approved. We should recommend to Carlin to negotiate a contract of 2 or 3 years with Nevada Power to supply Carlin while we are doing the necessary work.

Preliminary Budget Review for 1977: Pat handed out information to all the board members concerning the budget. The board was asked to go over this information before the next board meeting so that we can get some final figures at that meeting. The board felt that any major expenses that come up during the year that are not on the budget should be approved by the board first.

Pine Valley: Floyd Slagowski was at the meeting to discuss getting power into Pine Valley. The board told him that we will do a study to see if it is still feasible for us to add them to our line. We will probably have to charge the consumers in Pine Valley a monthly minimum for power. John will visit all the prospective consumers in Pine Valley to see what type of load we can expect.

Construction: Nothing new.

Regional Power Planning: John went over the Regional Power Planning as to how the power in the Northwest could be divided up in the 1980's and 1990's. We will have the choice of keeping our present contract with BPA or sign a new contract that will fit into this regional power planning. Our contract with BPA does not expire until 1993.

Hydro Plant: The contracts have been written up for Bud Eldridge to sign. The City of Wells has already signed the contracts. The board is taking the contracts under consideration.

Annual Meeting: Esther Quilici from Wells and Marlene Brough from Clover Valley have volunteered to be on the committee. The directors on the committee will meet at 11:00 a.m. on March 18 before the board meeting.

REA Loan: We are getting all of our work orders ready for Clarence Lee to sign. We will get a large reimbursement for these work orders once the loan is approved.

Wendover Apartment: Bob Vaughan has written up the lease to be signed by Wendover and Wells Rural Electric Company for the lease on the apartment. GENE PENGELLY MOVED THAT WE ACCEPT THE LEASE AGREEMENT THAT BOB VAUGHAN WROTE UP AND SEND THEM TO WENDOVER TO BE SIGNED. RAY CRAWFORD SECONDED THE MOTION AND THE MOTION CARRIED.

NRECA Annual Meeting: The board talked about the seminars they attended at the meeting in Atlanta. Conservation, energy resources and communication were the main topics of the meeting. Payment of capital credits was also discussed at this meeting. Vernon Dalton felt that communication with the consumers was the most important idea of the meeting. He felt the board should spend more time communicating with the consumers. Gene Pengelly felt that the Youth Program would be a good program to start in Wells.

Settlement with Idaho Power: We have not heard anything yet about the decision.

Minutes of the Meetings: It was reported that the Progress will be closed as of March 1. We will check into this, if the Progress is closed we will see if there is some other way we can print the minutes.

Ruralite will hold their Annual Meeting on March 16-17 in Portland. John will attend this meeting.

Engineering Report: A consumer has asked us to put an addaphase on his line, but the board has already made the policy that the company will not buy any addaphases. The board discussed supplying power to a minor and decided that we cannot refuse anyone power because of their age.

Employee and Director Institutes and Schools: The board discussed the wording of the policy concerning requirements to be eligible for re-election. Vernon Dalton will attend the May legislative rally in Washington, D.C.

Annual Banquet: The El Rancho could serve us 10 oz. Top Sirloin steaks for approximately \$6.00. We will check with the El Rancho for an available date, either April 9, 16, or 23.

Service Report: Nothing new.

Retirement Policy: We have not received notification of a date yet as to when the mini meeting will be held in Reno. This will be sometime before May 25.

Jiggs-Lee: Tom Achurra doesn't know yet how many people will want to add irrigation pumps on the Jiggs-Lee line.

NREA Meeting: The March meeting will be held in Reno on March 14. Property taxes for Nevada co-ops and changing rules and regulations will be discussed at this meeting.

The manager was given a vote of confidence at a Special Board Meeting held on February 9. RAY CRAWFORD MOVED THAT THIS BE INCLUDED IN THE MINUTES. BILL GIBBS SECONDED THE MOTION AND THE MOTION CARRIED.

Manager's Report: The Public Power Council assessment for this year is \$882. GENE PENGELLY MOVED THAT WE PAY THIS ASSESSMENT. VERNON DALTON SECONDED THE MOTION AND THE MOTION CARRIED. Jacobson, Jentzsch and Company sent their estimate for the audit. The estimated cost was \$5,000. The auditors will be here March 18 to present their report on the audit. R. W. Beck has sent in another estimate of \$9,400 for the rate study. We will probably not have R.W. Beck do the study for us. The donation to the medical center was brought up. The board made a motion in August to pay up to \$50 on the electric bill. If their bill is not \$50 we pay the amount of the bill; this is not to be just a flat donation of \$50 per month. We have not received a signed membership application form from the Civil Engineering Division of Hill Air Force Base. We have not found out yet who should sign this. Ray Crawford suggested we try to get the Fire Department at the base to sign this application.

The meeting was adjourned at 6:30 p.m.

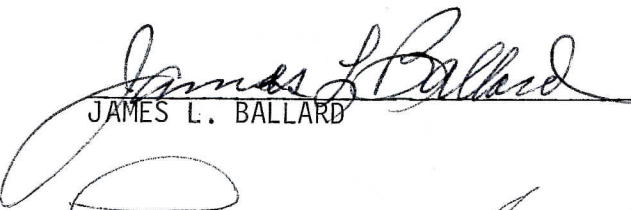
  
JAMES L. BALLARD, PRESIDENT

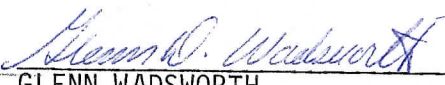
  
CLARENCE C. SWETT, SECRETARY

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 Offices in the City of Wells, State of Nevada, the 9th day of February, 1977, at 1:00 p.m.

IN WITNESS WHEREOF, we have hereunto set our hands this 9th day of February, 1977.


  
JAMES L. BALLARD


  
GLENN WADSWORTH

  
CLARENCE C. SWETT


  
RAY CRAWFORD

  
JOHN W. KRENKA

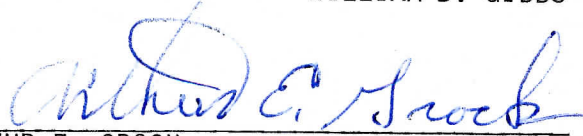
  
ROBERT R. WRIGHT

  
EUGENE H. PENGELLY

  
D. VERNON DALTON

  
THOMAS ACHURRA

  
WILLIAM B. GIBBS

  
ARTHUR E. GROCK

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