

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

17 JANUARY 1969

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held in the Company office in Wells, Nevada on January 17, 1969 at 1:00 P.M.

The meeting was called to order by Vernon Dalton, President, who presided, and Clarence Swett, Secretary, acted as Secretary of the meeting.

Upon calling the roll the Secretary reported the following directors present: VERNON DALTON, JESS URRESTI, CLARENCE SWETT, LOURINDA WINES, ARTHUR GROCK, TOM ACHURRA, ROBERT WRIGHT AND RAY CRAWFORD.

Absent were: William Gibbs, Joe Quillici and James Ballard.

Also present were Manager George Blackett, Fred Toombs and F.T. Murphy.

A letter from Eyer Boies was read. The letter consisted of thanks for the gift he received from W.R.E.C. in appreciation of his past service, also he offered his assistance in his new position as County Commissioner to W.R.E.C. any time it is needed.

Federal Power Commission: The examiners decision should be rendered by the end of January according to Attorney Vaughan.

Construction: New service to recreation area near fish hatchery in Ruby Valley. All outside meters were read in December. Several new services in Wendover have been run.

Power Use: A request to deliver power to Cobre has been received from the Nevada Northern Railroad. They face the purchase of a new generator. This line would serve 6 customers if the Southern Pacific will take power. These people are in our service area. An electric heat and insulation supplier from Salt Lake City has applied for licenses in Nevada and should take a load off us in the area of home conversions to electric heat. The firm is a reputable one and offers a complete line of insulation applications, electric heating devices and storm windows. They also have estimating and guarantee services available. Bonneville Ltd. has started to resume their normal activities. The information available to us is that they should continue to operate at a maximum output for some time.

Rate Study: Residential rates have been approved by both Utah and Nevada effective January 2, 1969. Rate changes have been publicized. Final report until further action is taken by the Board. All directors should have copies of the new rates.

New Power Source: B.P.A. is still investigating. Very little information has been released.

Sale of Diesel Engine: Nothing new to report.

North Fork Tuscarora Area: Nevada Power met with representatives of R.E.A. and Associated Engineers in Salt Lake City on January 16, 1969. They wish to serve only the Dinner Station and Tuscarora areas and leave North Fork unserved. Nevada Power wants a postponement on our time limit until next board meeting in order to let them find out what R.E.A. would think about leaving out the North Fork Valley. Bob Vaughan thinks R.E.A. will force either of us to serve the entire area if R.E.A. money is used to serve any part of the area. Bob Wright moved that a letter be written to Nevada Power giving them a month extension.

At the end of this extension we will start proceeding to serve the area. Seconded by Tom Achurra. Motion passed, Fred Toombs reported that no power source has been found for the Pine Valley area. Mt. Wheeler may request this area fall in their service area. The possibility of serving both Pine Valley and Carlin from a Wheeling arrangement with Nevada Power was discussed. The project could be tied to the North Fork Tuscarora project.

Employee Relations Committee: No report

Policy Committee: A rough draft will be sent to all directors. These will be approved at the March meeting. Any changes should be brought up at that time.

Jess Urresti was present and acted as spokesman for the Chamber of Commerce group that is interested in improving the Christmas lighting in Wells. He stated that the Chamber of Commerce had donated \$300.00 to start the project and asked that W.R.E.C. make a contribution. The City will also be asked to participate. No decision until further information is presented.

Managers Report. Vernon and George had to borrow \$40,000.00 from the bank in December in order to pay our bills. This amount was repaid on January 8, 1969. A portion of the reimbursement from R.E.A. for work orders totaling \$135,000 was used for this purpose. Manager Blackett reported that R.E.A. does not like co-ops to build houses for their employees except in isolated areas. Ed Kipp does not recommend that we try this.

The budget for 1969 was discussed. Fred Toombs was present to ask for a change in the proposed budget on the remodeling of the Wendover office. The amount was asked to be increased to \$23,000. Fred explained that the original project was to be done in two parts. Due to the rise in labor and material cost the job would cost more than anticipated. The complete project was explained and reviewed. A move to adopt the budget as revised was made by Bob Wright. The motion was seconded by Ray Crawford. Motion passed.

Ray Crawford stated that an electric sign of some type should be installed *at Wendover* so that the office could be seen better. Costs were to be looked into.

Discussion on the expenses of the Federal Power Commission hearing. It was decided to amortize an expenditure of \$35,000 over a 5 year period rather than as a 1968 item. Jess Urresit made the motion. Seconded by Arthur Grock. Motion passed.

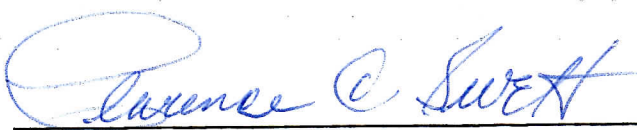
The subject of write-offs on bad debts for 1968 was brought up. The write-offs for Wendover totaled \$38.94, Wells write-offs totaled \$246.17. Bob Wright moved these accounts be written off. Seconded by Jess Urresti. Motion passed.

Fred Toombs mentioned that W.R.E.C. failed to contribute to the Wells Fire Department Fund. Most of the money is used for Community activities. Recommendation to be held until March meeting.

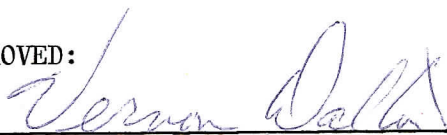
Activities of the service department were discussed. No one has been found to replace Vel. An application has been received but no action has been taken. The board felt they still wanted to retain this department.

The Board was reminded that the February meeting is to be used for Community Development.

Meeting adjourned at 3:00 P.M.


 Clarence Swett, Secretary

APPROVED:


 Vernon Dalton, President

64-