

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

January 16, 1976

The meeting was called to order at 1:00 P.M. on January 16, 1976 in the board room of Wells Rural Electric Company, Wells Nevada. President James Ballard presiding.

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

Corrections to the minutes were called for. Arthur Grock stated that he wished the names of the Directors opposing a motion were clearly stated. The correction was approved.

The minutes of the last meeting were approved as corrected.

Additions to the agenda were called for. Robert Wright asked for an executive session of the Board following this meeting. Arthur Grock asked for a discussion regarding the Company hiring an automotive mechanic.

Construction: The Manager reviewed his report as stated on the agenda. Crossing of the highway with the Devil's Gate line was discussed. The Manager clarified that electric utility lines did not have to be put underground on all highway crossings. Ray Crawford questioned when the line to the new Wendover water pump would be installed. The Manager stated construction of that line would start the week of January 19th.

Pine Valley/Carlin: Manager contacted Harold Cantrell, BPA District Manager, on January 13th, 1976. Mr. Cantrell will approach the BPA Administration very soon and will inform us of their decision, whether or not BPA will allow Wells Rural to wholesale energy to Carlin.

Hydro Plant: Robert Wright has attempted to contact the State Bicentennial coordinator as to the decision of Wells' application for funds to relocate the generator. Thus far they have not responded to his inquiry. Wright suggested we keep pressure on the State for approval of our request.

Policy Manual: Robert Wright has spent considerable time on reviewing all the minutes, since conception of Wells Rural, in order all policies were incorporated into the policy manual. ROBERT WRIGHT MADE A MOTION TO INCLUDE THE SCHOLARSHIP AND DELINQUENT ACCOUNT POLICIES IN THE MANUAL. GENE PENGELLY SECONDED THE MOTION AND IT WAS APPROVED UNANIMOUSLY. IT WAS ALSO AGREED TO INCLUDE THE APPLIANCE SALES POLICY IN THE MANUAL. After a discussion as to how the pages should be dated, it was decided to date all pages as of the day they will be adopted. They will be ready for adoption at the regular March meeting.

Sick Leave Policy: Robert Wright stated that an employee receives more income while off work from injury, than when working. He stated our Major Medical pays \$40 a week for up to 13 weeks, and the Nevada Industrial Commission pays a certain percentage of the employees wages, and in addition the Company is paying 100% of the injured employees salary for the length of accumulated sick

leave. ROBERT WRIGHT MOVED THAT OUR SICK LEAVE POLICY BE CHANGED TO READ THAT WELLS RURAL WILL PAY ONLY THE DIFFERENCE BETWEEN THE AMOUNT PAID BY MAJOR MEDICAL AND NIC AND THE EMPLOYEES NORMAL SALARY. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Directors Retirement: Tabled until the February meeting.

N.R.E.C.A. Annual Meeting: ROBERT WRIGHT MOVED THAT GENE PENGELLY BE THE VOTING DELEGATE FROM WELLS RURAL ELECTRIC COMPANY. VERNON DALTON SECONDED THE MOTION AND IT WAS APPROVED UNANIMOUSLY.

Pole Contact Fees: The Manager has reviewed our present contracts with California-Pacific Utilities and T. V. Pix. Cal-Pac is paying \$1.25 per pole contact per year and T. V. Pix is paying 10¢ per pole contact per year. The Manager recommended submitting new contracts to Cal-Pac and T. V. Pix, asking for \$3.00 per pole contact per year from both utilities. GENE PENGELLY MOVED THAT ALL POLE CONTACTS BE RAISED TO \$3.00 PER POLE CONTACT PER YEAR. GLENN WADSWORTH SECONDED AND THE MOTION CARRIED UNANIMOUSLY.

Automotive Mechanic: Arthur Grock wanted to know if hiring a full time mechanic was economically feasible. The Manager gave a rundown of our costs for vehicle repairs including labor for the last year. This rundown was compared with the new mechanics wages and the cost of parts. Another factor to be considered is the length of time one of our vehicles is down. The Manager is investigating the economics of buying gasoline by the tanker load. The Manager will bring a firm price on gasoline to the next meeting.

John Krenka brought it up that Wells Rural is taking business away from the small businessman, in our appliance sales. The Manager explained that all other appliance dealers in the Wells area were contacted and offered display space at W.R.E.C. Also we are not selling the same make of appliances as any of the other area dealers.

Managers report: The Manager reported on a letter received from the BPA on January 9, 1976. The letter was written to inform the utilities that there may be a shortage of electrical power during 1978 and 1979. All utilities will have to submit a Voluntary Curtailment Plan to BPA. Also every utility on the BPA system will be affected. The main reason for these shortages is the slowing of construction of nuclear and coal fired power plants by the Environmental Protection Agency.

John Krenka brought it up that Wells Rural seldom advertises. The Manager suggested an additional page in the Ruralite Magazine. GENE PENGELLY MOVED WELLS RURAL ELECTRIC COMPANY PUBLISH A CONDENSED FORM OF THE BOARD MINUTES IN THE RURALITE MAGAZINE. CLARENCE SWETT SECONDED AND THE MOTION CARRIED UNANIMOUSLY. John Krenka agreed to do the first article.

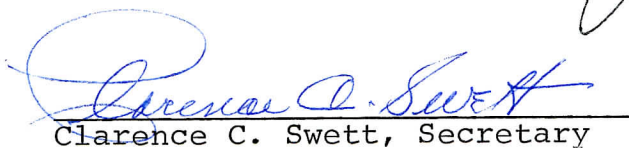
Tell the Nation the Truth program has asked for another contribution. The going rate is 10¢ per meter. The TNT Magazine is N.R.E.C.A. sponsored. GENE PENGELLY MOVED WE DONATE 10¢ PER METER TO TNT. CLARENCE SWETT SECONDED AND THE MOTION CARRIED UNANIMOUSLY.

Medical Center: The initial six month trial period on the Company's donating \$50 per month is up. The board discussed the pro's and con's of this agreement. JOHN KRENKA MOVED TO CONTINUE TO DONATE \$50 PER MONTH TO THE MEDICAL CENTER FOR ANOTHER SIX MONTHS. ROBERT WRIGHT SECONDED AND THE MOTION CARRIED UNANIMOUSLY.

Memberships: GENE PENGELLY MOVED THE 5 WELLS MEMBERSHIPS,
AND THE 7 WENDOVER MEMBERSHIPS BE APPROVED. CLARENCE SWETT
SECONDED AND THE MOTION CARRIED UNANIMOUSLY.

The meeting adjourned at 6:00 P.M.


James L. Ballard, President


Clarence C. Swett, Secretary

MEMBERSHIPS TO BE APPROVED

JANUARY 16, 1976

WELLS

1. Kenneth J. Anderson
2. Emily K. Nelson
3. L. D. Rice
4. Oren Sewell
5. John H. Shelly

WENDOVER

1. Darwin R. Clarke
2. Barbara Cliett
3. Kay Conklin
4. Eugene Donoho
5. LeRoy A. Garcia
6. Eleanor Garza
7. Kaiser Aluminum & Chemical Corp.