

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

17 JUNE 1966

A regular meeting of the Board of Directors of the Wells Rural Electric Company was held at the Wagon Wheel in Wells, Nevada on 17 June 1966 at 1:30 P. M.

The meeting was called to order by Robert Wright, President, who presided; and Clarence Swett acted as secretary of the meeting.

Upon calling the meeting to order the secretary reported the following Directors present: ROBERT WRIGHT, ARTHUR GROCK, MATT SMITH, C. C. READ, CLARENCE SWETT, THOMAS ACHURRA, JIM BALLARD, VERNON DALTON, RAY CRAWFORD, EYER BOIES AND BLAINE SHARP.

Also present were Mr. George Blackett, Manager; Mr. Ross Clay and Mr. LeRoy Yorgeson from Ross Clay Advertising Agency; and Fred Toombs, Power Use Man.

Mr. Wright asked if there were any corrections to the April minutes; which were approved as written. The Board was asked if there were any corrections to the May minutes. A correction was made on page 4 in the fourth motion: Mr. Eyer Boies' name was changed to C. C. Read's name because Mr. Boies was not present for the May meeting. The May minutes were then approved.

Mr. Wright introduced Fred Toombs, Power Use Man; Ross Clay and LeRoy Yorgeson to the Board. The time was turned over to them for their presentation of the Power Use Survey.

The "Commercial Survey and Survey of the Consumers of Wells Rural Electric Company" pamphlet was passed to those present.

Mr. Clay stated that this survey was (1) taken by acknowledged statistical methods (2) taken by "interviewing" method (3) to make sure the interviewer wasn't putting words in any one's mouth. We sampled from 80 different families and this represents a 10% sample. It was noted that after 4% a trend was sent in.

The Board then looked over the survey and discussed it.

Mr. Matt Smith asked if there was any reference made to "brand" in considering the appliances. The answer was no.

Mr. Clay pointed out that certain areas of promotional position were indicated with a "+" sign. (Questions two and three). In discussing question #4, Mr. Clay asked everyone to take note of the total small appliances; there is a high amount owned by the consumer. The percentages of questions 28 and 29 indicate that most people have a good impression of the Company.

Mr. Wright asked: "What media would you find it best to get in touch with the Wendover people?" Mr. Clay stated that this would be taken up later in the presentation.

Mr. Clay presented a chart of the approximate total sales for the past five years. Other charts were shown. One showed an extreme variation from month to month in KWH sales. There should be some sort of pattern so that you know when your sales will have a high or a low during certain months of the year.

Results of the survey showed that: (1) The average family had about five people in it. Large families use more electricity. (2) 50% owned 6 out of 10 major appliances. (3) 50% owned 3 out of 4 small appliances (4) Less than 1/2 buy in Wells. (Wendover and Wells together) (5) People have good opinion of Company. (6) A good area for power load development. (7) While people do have electrical appliances, these appliances are not being used as they should be. Increase power sales by teaching the consumers how to use electrical appliances.

Mr. Clay suggested that the Company could educate some of the crew to repair some of the small or major appliances. It was also pointed out that 75% feel the need for more wiring.

Mr. Clay indicated that the Wells Progress would be a good media to use for new releases to get the consumers' friendship and cooperation. Also suggested were: (1) newsletters (2) variety signs, stickers for bumpers, (3) 6.x 9 signs could be seen fairly easily (4) posters in Wendover (5) Use Company handbooks, news releases and meetings, people have good opinion of Company BUT they don't know how it works.

SUMMARY:

Use of the suggested media will promote the use of electricity. We feel there is a need to up date wiring and this will increase an electrical load. There are certain appliances which need to be advertised. We think you should be educating your members. Communicating with your employees will help others know about you; an employee who is well educated and knows about his Company will inform others. Use an employee newsletter - something that would explain certain things going on in Company. Have booklet that describes who you are, what you are, and what you are trying to do.

Advertising appliances were broken down into the following seasonal approaches:

WINTER:	Clothes Dryer
EARLY SPRING:	Kitchen Modernizing
LATE SPRING:	Wiring, Outlets
SUMMER:	Air Conditioning
FALL:	Cooking Ranges
CHRISTMAS:	Electric Gifts

A yearly program was passed to those present which explained what Mr. Clay, Mr. Yorgeson and Fred Toombs would do to promote power sales. For the months of July and August air conditioning would be advertised. They would also help with our Annual Meeting and help organize classes to educate customers, it would be effective to have one or two area meetings to give people the opportunity to ask questions and offer suggestions.

We have worked up a tentative budget of \$6,000 which includes: Ads for 12 months \$500, For educating \$1,200, Newsletters \$1,500, Signs \$1,000, Company handbooks \$800, Miscellaneous handbooks \$1,000.

Mr. Matt Smith brought out that unless we get a definite result we should not do it. To measure results is a necessity. All agreed.

Through this program the residential, village residential, and commercial will take a little greater percentage of the total sales.

Mr. C. C. Read complimented the men on their Power Use presentation saying that he liked it very much and that they did a terrific job.

MOTION made by C. C. Read and seconded by Eyer Boies that we employ Mr. Clay's firm. Motion passed.

Fred Toombs was asked to give his opinion of the Sales and Service program. Mr. Toombs brought out that when he asked consumers what they thought about the Company going into Sales and Service, 70% of them said they would like to see the Company help the dealers but they don't want to see the Company in the actual business.

Mr. Blackett was also asked for his opinion. He thinks it is a very good program. The men did a very good job in preparing this proposal. He said he was greatly surprised at the result of the survey, and that the part of sales and service contradicted his belief.

Mr. C. Read suggested that a modern type face be used when printing up advertisements. This would make an ad stand out in the newspaper.

Mr. Wright reported that several people were very pleased with the survey and how the interviewers went about it.

Before leaving Fred Toombs gave his thoughts on Bonneville, Ltd. They will experience very slight expansion in the near future but on the 5th of July they will be back in swing again.

(5)

Bob Vaughan has a copy of the Federal Power Commission report and Mr. Wright suggested to the Board that if any one would like to read it it is available.

Mr. Blackett reported that the Long Range Engineering Plan has been approved by H. Leary. Mr. Leary has said that we can pick the plan (two plans submitted) that fits our needs in the next year or two. If the plan needs revision it is all right to do so, however, Mr. Leary does not recommend it. Mr. Leary suggests that we combine the two plans. We have to follow R.E.A.'s procedures and it would be best to follow the plan which fits the Power Supply Study.

MOTION made by C. C. Read and seconded by Tom Achurra to adopt the Long Range Engineering Plan. Motion passed.

The new building plans were passed out for the consideration of the Board. Mr. Blackett objected to the hall space saying he thought there was too much waste of space.

Mr. Read objected to the position of the vault. He suggested that the vault be built on an outside wall so that if there were movable partitions the layout could be changed more readily. Mr. Blackett suggested that the vault could be made part of the general office. It was brought out that no matter where the vault was it would be permanent and if the layout was changed the vault might be too far away from offices. The office building plans were given back to the committee with no decisions made.

Concerning the Indians in Lee Mr. Blackett read a letter from the Bureau of Indian Affairs, written by Raphael Glaser of Stewart, Nevada. A survey will be made of this area.

Mr. Blackett read another letter from J. V. Ecton of 31 May 1966 concerning the contract for pumps at Bonneville, Ltd. Mr. Blackett is in agreement of the contract. A pole clearance of 28' is considered adequate.

MOTION: made by Eyer Boies and seconded by Mr. Ballard that the contract for pumps be approved subject to the approval of the attorney. Motion passed.

22 MOTION made by Clarence Swett and Ray Crawford seconded that the new memberships be approved. Motion passed.

Meters inside buildings, such as Toombs and Lyons rental unit need to be moved outside. It won't be much of a problem to move these meters. The meter in the Refresher building is practically impossible to move. The moving of meters where practical was left to the discretion of the manager.

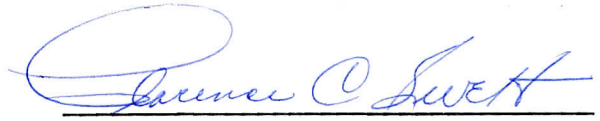
Mr. Wright brought out that there have been a lot of outages on the Starr Valley line. He wanted to know if the line was old or just what the problem was. Mr. Blackett said we are trying to get more reclosers and sectionalizers down there which will eliminate most of the problems.

We now have a new bookkeeper and out of five written applications and an interview of one other party, Mr. Glendon McAllister from Salt Lake City seemed to be the best one. He is 45 years old, is not married and will move his mother out here when he finds a place to live. Mr. McAllister has a degree in accounting. Mr. Blackett called the C.P.A. that Mr. McAllister worked for and he had no complaints with his work. Mr. McAllister left this work due to sickness of his mother.

The committee recommends to the Board that we start him off at \$2.69 after a trial period of 90 days.

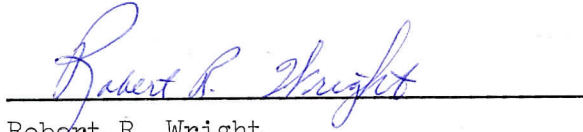
Concerning the new wages set up for April 1966, Mr. Wright and C. Read feel that these wages should go into effect immediately and that we should stay as close as possible to the wage survey set up by Mr. Aultz.

The meeting adjourned at 4:40.



Clarence C. Swett
Secretary

APPROVED:



Robert R. Wright
President

WELLS RURAL ELECTRIC COMPANY

WELLS, NEVADA 89835

MEMBERSHIPS TO BE APPROVED 17 JUNE 1966

WELLS

Ronald A. Bailey
Dave Barrows
George E. Harris
Wayne Pendergraph
David D. Quintana
Roger Thiriot
Spentytown Water System

WENDOVER

Pedro Aviles
Wallace K. Burnhingham
John Clontz
Earl R. Cloward
Ivo M. Haley
Jack Harbough
Rc. C. Heitkamp
Gerald E. Marshall
Frank L. Mulrenan
Jackie Pinkston
George F. Schmidt
James L. Taylor
V. A. Williams
Jerry L. Wind
Margerie Worthington

Total 1091

Wells Active	439
Wells Inactive	295
Wend Active	195
Wend Inactive	162