

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY
June 21, 1974

A regular meeting of the Board of Directors of Wells Rural Electric Company was held in the company office in Wells, Nevada on June 21, 1974 at 1:00 P.M.

The meeting was called to order by James L. Ballard, President. Clarence Swett, Secretary, acted as Secretary of the meeting.

The minutes of the May meeting were approved as written.

The secretary reported the following directors present: James L. Ballard, Tom Achurra, Robert Wright, William Gibbs, Jess Urresti, Eugene Pengelly, John Krenka, Vernon Dalton, Arthur Grock, Clarence Swett and Ray Crawford.

Also present were: Manager Don Snyder, Fred Toombs and a delegation from Pine Valley, including Mr. Shurtz.

James Ballard reported on the progress being made on the Carlin and Pine Valley project. We need a wheeling agreement from Nevada Power Company in order to serve these areas. Nevada Power has almost reached their maximum on this line so it doesn't look feasible. Lee Engineering will be here to make a study of Manager Snyder's figures and a physical inspection of the Carlin and Pine Valley system. Don Snyder inquired about obtaining the telephone system so they could attach their lines to our poles since theirs are out dated. This might be the deficit needed to bring it into a plus proposition if studys indicate this is feasible. R.E.A. also makes loans to telephone co-operatives. Mr. Shurtz will talk to the telephone council of Pine Valley. Manager Snyder checked with Mt. Wheeler and they have no capacity left in their line to serve Pine Valley. Manager Snyder was asked to keep the Pine Valley Committee informed on any progress made toward getting power to Pine Valley.

Annual Meeting added to the Agenda.

Delinquent Account Penalties added to the Agenda.

Construction: The crew spent two days finishing the rodeo grounds re-phase. One day reading meters, put in service for Blaine Sharp irrigation pump in Ruby Valley. Run new services to pumps and barns and set security lights at the Pritchard Ranch at Deeth. Changed out transformer bank on Steve Wrights irrigation pump at Warm Creek. Disconnected two security lights at Mineral Hot Springs. New owners will take over the 1st of July. Run in new services at the old Holbrook ranch, now the Nixon Ranch at Metropolis, one trailer and one home. Will run in new line extension to Homer Jaynes new place at Deeth. This will be three and one half miles of three phase line. Run in a new one pole tap at Deeth for the S.P. Railroad and a new service for switches. Crew worked in the Wells Sub-station putting up the lightning arrestors. This is now completed. Installing lights in the Sub-station. The crew spent two days on the transmission line to Wendover, covering woodpecker holes. Spent time this month on right-of-ways from the Highway Department and B.L.M.

Power Use: Fred reported there were 3 pumps hooked up; Weeks - 100 HP, Johns - 75 HP and Sharp 100 HP. Stateline has lighting in and are increasing their usage. There is interest in Wendover about the City taking over the Air Force Base. If the City does take over the Air Force Base, we will be involved in construction to get power and services onto the base. Existing system is outdated. Jim's Casino will be expanding late this fall. No news from Phelps Dodge.

Idaho Power: No word.

Safety Program: Nothing

Pine Valley: No further comment.

Memberships: Doing well, but need some of the larger accounts. If a follow up letter doesn't bring results, Fred will visit them personally.

Carlin and Pine Valley again discussed. It was mentioned on the Residential Rate, they are 25% - 28% higher than our rates. After lengthy discussion, Vernon Dalton moved that Manager Snyder be instructed to investigate the possibility of building a 230 line from Mountain City to Elko and contact Idaho Power and Nevada Power for their

views. Tom Achurra seconded the motion. Motion passed.

Nevada Highway Acquisition for Right-Of-Way: A letter from Mr. Pratt has been received. He said 11¢ per sq. foot would have to be turned over to a Board of Review for recommendation for further action. Manager Snyder suggested we invite Mr. Pratt to the next Board Meeting. We will stay at our offer of 11¢ per sq. foot.

Tent Mountain: McCollough is supposed to develop Tent Mountain in the future. It is to be advertised in the paper that Wells Rural Electric Company intends to remove this line in November of 1974.

Scholarship Award: Winner was Gloria Lopez. Alternate is Mona Noakes.

Bonneville Power Administration: Manager Snyder gave a report on the meeting he and some of the Board members attended.

Delinquent Account Penalties: It was suggested we do away with penalties and have a cut-off date. A Committee was appointed consisting of James Ballard, Vernon Dalton, Eugene Pengelly and Clarence Swett to study the existing policy on penalties and a more feasible solution to the problem.

Annual Meeting: This year the Annual Meeting will be held on the second Saturday in September. Nominating Committee was appointed. They are: LaMont Stuart, Sonny DiGrazia and Andrew Knudsen. Max Spratling will serve as alternate. Vernon Dalton moved the above be notified and appointed to the Nominating Committee. Seconded by Eugene Pengelly. Motion passed. Eugene Pengelly to contact these people. Directors up for re-election are: Jess Urresti, Arthur Grock, William Gibbs and Robert Wright.

Directors Expenditure Committee will present a report at the next Board Meeting.

Managers Report: R.E.A. has requested a resolution by the Board selecting Alexander Grant and Company as our Certified Public Accountant. Jess Urresti made the motion we make Alexander Grant & Company our Certified Public Accountants. Seconded by Eugene Pengelly. Motion passed.

Manager Snyder brought up our inactive accounts that were turned over to John Miller for collection. Some were collected, the rest were recommended to be written off. Manager Snyder was instructed to present Sue Corrons' bill and Lee Hyltons' bill to the Wells City judge for collection. Tobbe continued at the next Board Meeting.

A letter from National Rural Electric regarding three types of Insurance was presented. Long term disability, 24 hour accident, and high limit travel program were discussed. No action taken on insurance at this meeting.

Kerry Kogan is living in Wendover apartment. Fred suggested 90 days free rent while he repairs the apartment. Then charge him \$100.00 a month rent on the apartment. No compensation for the work he does while not paying rent. Motion to accept Freds suggestion was made by Eugene Pengelly. Seconded by Vernon Dalton. Motion passed. Motion amended. Kerry Kogan will be payed \$100.00 per month for work he does on the apartment and the rental charged him will be \$100.00 per month, plus utilities. Fred will talk with Kerry and arrange the details.

A legal seminar offered by N.R.E.C.A. in Reno on July 15 and 16 will be attended by Attorney Robert O. Vaughan. Manager Snyder would also like to attend. This was approved by the board.

Don Snyder has been asked to accept a position on the Board of Trustees of the Northwest Public Power Association. The Board approved the nomination and appointment, if elected, and agreed to pay all Manager Snyder's expenses while attending their meetings and for his time while gone. Motion was made by Jess Urresti, seconded by Eugene Pengelly. Motion passed.

Inventory amounts to approximately \$110,000.00 which will see us through the year of 1974. It was necessary to transfer \$30,000.00 from our CD's to general funds. Money will be put back into CD's probably by the end of the summer.

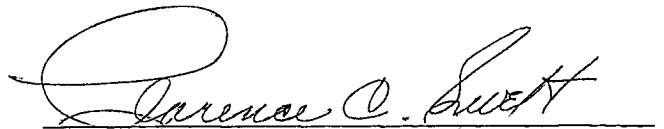
Eugene Pengelly and Ray Crawford were asked to investigate interest rates for our savings.

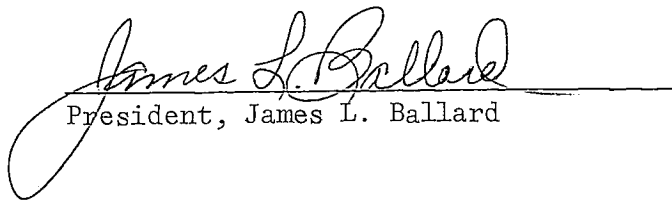
Don requested the Employee Relations Committee consisting of: Arthur Grock, chairman, Robert Wright, Vernon Dalton, Clarence Swett, and Eugene Pengelly meet with him. Don will contact them when he gets everything ready.

Annual Leave was discussed. Don will draw up a schedule annually with each employees name and amount of vacation time he has. Each employee to put on this schedule when he plans to take his vacation so there will be no conflicts and leave the Company short handed. Wage and Salary Committee to investigate Annual Leave.

62 The fifty two memberships from Wells and fourteen from Wendover were approved. Ray Crawford made the motion and it was seconded by William Gibbs. Motion passed.

Meeting adjourned at 4:55 P.M.


Secretary, Clarence C. Swett


President, James L. Ballard

The next matter to come before the board concerned the applicability of Rule WPC, the Penalty Provision provided in the terms of payment and matter of interest on deposit. It was pointed out that Schedule WPC was no longer applicable and should be deleted from the rate schedules. The matter of the terms of payment was discussed and it was determined that the ten percent (10%) penalty should be eliminated. The matter of interest on deposits must be changed due to the change in statutory law. After a full discussion, on motion duly made by Director Ray Crawford and seconded by Director Eugene Pengelly the following resolution was approved:

RESOLVED, that the Company petition the Public Service Commission of the State of Nevada and of the State of Utah to amend its rates, rules and regulations as follows:

1. Eliminate Rate Schedule WPC;
2. Eliminate the ten percent (10%) penalty on late payment and provide that the bill is payable within fifteen (15) days from the date of the bill; and
3. Amend the rule regarding interest on deposits to be in conformity with Nevada statutory law.

MEMBERSHIPS TO BE APPROVED

Wells

1. Donald J. Armertrout
2. Genevieve Bailey
3. Leland L. Black
4. Kevin O. Blamires
5. Duis Bolinger
6. Leonard J. Breton
7. Carl K. Barkdull
8. Charles E. Burr
9. Ray Copenbarger
10. Silvia Cipollini
11. Helen Coppinger
12. Mrs. David Day
13. ~~Doris~~ ~~Dork~~
14. California Pacific Utilities Co.
15. Ben Felts, Jr.
16. William Glaser
17. Layfayette L. Green
18. Michael E. Grimes
19. Hawks & Bellgardt
20. Alonzo R. Jeffs
21. Charles H. Johns
22. Andrew Knudsen
23. E. William Lindberg
24. J. M. Lord
25. Hugh D. McMullen
26. Tena Malotte
27. Eugene W. Miller
28. Monford Feedlots
29. Barbara Morales
30. Byron E. Morris
31. Donald R. Neff
32. Prichard Land and Cattle Co.
33. Richard E. Rarick
34. Clarence L. Ray
35. J. D. Reynolds

Wells cont.

36. Torinido Robbs
37. Vernon S. Rockswold
38. T. G. Russell
39. Richard Sharp
40. Alfred C. Smith
41. Genevieve Smith
42. Emma E. Snider
43. Lawrence G. Stroot
44. David W. Swanson
45. Karl W. Talnagi
46. Lawrence J. Thompson
47. Cindy Urresti
48. Jack Wacaster
49. Wells Assembly of God
50. Wells Church of Christ
51. Wells First Baptist Church
52. Robert E. Wright

Wendover

1. Agnes Baker
2. Charles R. Cummins
3. James H. Butler
4. Larry Forsgren
5. Chuch Holt
6. L. M. Jensen
7. Ellan Jensen
8. Lillian Kihler
9. Victor Legarreta
10. John L. Rodgers
11. Susan Rooney
12. Darlene Tripp
13. John Wagner
14. Robert A. West