

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

June 17, 1977

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on June 17, 1977, at 1:05 p.m. in the Board Room. President James Ballard presided over the meeting.

Directors present were Jim Ballard, John Krenka, Tom Achurra, Art Grock, Bill Gibbs, Bob Wright, Gene Pengelly, Clarence Swett, Vernon Dalton, Ray Crawford, and Glenn Wadsworth. John Mohlman and Bobbi Samuels were present from the staff.

Robert Vaughan, Attorney, was also present at the meeting.

The minutes of the April 15th meeting do not reflect that a resolution was passed authorizing a rate increase in Nevada. A resolution was passed in the April 5th meeting authorizing the rate increase in Utah and Nevada. GENE PENGELLY MOVED THAT WE AMEND THE APRIL 5TH MINUTES TO STATE THAT THE MOTION AUTHORIZING THE RATE INCREASE SHOULD INCLUDE BOTH UTAH AND NEVADA. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED. The May 20, 1977 minutes were approved as written.

Additions to the Agenda included Vernon Westwood added by John Mohlman, an Executive Session was added by Clarence Swett, and the Nominating Committee was added by Bob Vaughan.

Steve Wright's Line Extension: Jim Ballard will talk to Steve about this line.

Travel Insurance: The Nevada Industrial Commission will pay benefits of 66 2/3% of an employee's salary or up to \$1200 per month in a death benefit. No-fault insurance benefits depend on the policy. We will have to check our No-Fault insurance policy to see what type of death benefits the policy covers. Bud will have information as to how much our travel insurance costs.

Cookie Peavey has volunteered to serve on the Annual Meeting committee.

Vernon Westwood came into the meeting to talk to the board about his line extension. He has signed a letter of intent to have this extension built and has sent us \$4,000 for the annual amount for the line extension. John Mohlman told Mr. Westwood that he would not extend the line until his pump has been tested to see what it will produce. Mr. Westwood said that he was under the impression that once the money was received the line extension would be started. The dates that the letter of intent was received and the day the \$4,000 was received was discussed. The board decided that the line extension should be started on as soon as possible. This will probably be on June 23 when the crew has finished their present project at Crested Acres. The board also felt that we should get the policy down in writing concerning having the well tested before the line extension is started.

Bob Vaughan discussed the Idaho Power case. Wells Rural Electric has presented evidence that should bring the total amount of the award up to \$240,000 instead of \$130,000. The Public Service Commission has told Mt. Wheeler that they should have a written procedure to instigate a rate increase once they are out from under the PSC jurisdiction. It was felt we should have a written policy on this, too. PSC Rule #24 has to do with non-essential exterior daytime lighting. The PSC feels that if a utility has notified a business that they have non-essential lighting and they have not taken care of this matter within 72 hours, the utility should shut their power off. The board felt we should adopt a similar rule concerning energy conservation. A committee of Jim Ballard and Vernon Dalton was appointed to write up a rule that is essentially the same as PSC Rule #24.

VICA Donation: Jim Hunt and Steve Moschetti won in the state competition in welding and woodworking and are now eligible to enter the national competition in Cincinnati, Ohio. GENE PENGELLY MOVED THAT WE DONATE \$100 TO HELP DEFRAY THEIR EXPENSES TO THE NATIONAL COMPETITION FOR VICA AND THAT WE CONTINUE TO DONATE TO THE JR. RODEO. BOB WRIGHT SECONDED THE MOTION AND THE MOTION CARRIED UNANIMOUSLY.

Stock Water Pumps: The new rate schedule for these pumps was discussed. Bob Wright felt that having the rate schedule this way will cost the company more money. Different ways to change the rate schedule were discussed. The board will have more ideas on this rate schedule by the next meeting.

Line Extensions: Vernon Dalton feels we should pay some type of interest on the money that irrigators pay us for line extensions. We keep their money for 8 years and then give them the same amount of money back. He will check with other co-ops to see how their line extension policies are handled.

NRECA Retirement Plan: The committee has looked over this plan and feels we need more information on it before the board votes whether to adopt this plan. Paul Kramer of NRECA's Retirement, Safety, & Insurance Department will be in town on August 18-19 to discuss this retirement plan with the board members. It was decided to change the time of the August 19th board meeting to 9:00 a.m. so that Mr. Kramer can meet with the entire board and explain this retirement plan then.

The July 15th meeting was changed to July 22nd at 1:00 p.m.

Weatherization Program: Farmer's Home Administration is implementing this program through co-ops. Farmer's Home makes the loan to the consumers and the co-ops are in charge of the billing for this loan. This plan is limited to families whose adjusted gross income is below \$15,600. VERNON DALTON MOVED THAT WE PARTICIPATE IN THE FARMER'S HOME ADMINISTRATION WEATHERIZATION PROGRAM. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED UNANIMOUSLY.

Resolution for Reimbursement from REA: GENE PENGELLY MOVED THAT JOHN MOHLMAN, JIM BALLARD, AND BUD CALTON HAVE THE AUTHORITY TO REQUEST REIMBURSEMENT FROM REA. THE MOTION WAS SECONDED BY CLARENCE SWETT AND PASSED UNANIMOUSLY.

Rate Increase: The hearing before the Utah Public Service Commission will be held on Thursday, June 30, at 10:00 a.m. in Salt Lake City, Utah.

The Appliance and Safety report was gone over.

Pine Valley/Carlin: Bob Vaughan brought draft copies of the contract with Carlin. Copies of this contract will be given to all directors.

The construction report was discussed.

Power Source: Roy Nischi of BPA doesn't think we need to worry about the voltage problem on the 138 kV line because BPA won't let us get into trouble with our voltage. The board discussed whether we should go to the legislature with this problem. It was decided to send a letter to BPA asking them why the capacitors will be installed in 1981 instead of 1979 when we feel we will have the voltage problem. The board decided to wait to see what response we get to this letter before we go to the legislature.

Hydro Plant: John has told Vicki Nash that we would not be able to spend the money from the Bicentennial Fund by June 15th. She said if we pass a resolution stating that these funds will not be used for anything but the hydro, she can probably get the time extended for another month. GENE PENGELLY MOVED THAT THE MANAGER BE INSTRUCTED TO USE THE BICENTENNIAL MONEY ONLY FOR THE RESTORATION OF THE HYDRO PLANT. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED. The generator is still in very good shape and will not have to be sent to Salt Lake City for overhaul. The regional water inspector from the Forest Service will be here on Monday to look over the site of the reservoir.

Annual Meeting: The consumer committee will meet sometime during the second week of July. The total amount budgeted for the Annual Meeting is \$2,500; \$750 of that is for prizes. GENE PENGELLY MOVED THAT WE PAY THE COWBELLES \$300 TO COOK THE DINNER FOR THE ANNUAL MEETING. VERNON DALTON SECONDED THE MOTION AND THE MOTION CARRIED UNANIMOUSLY.

REA Loan: Instead of going out for a separate loan for funds to renovate the hydro we will ask REA to transfer part of our funds from our existing loan from distribution to generation. BOB WRIGHT MOVED THAT WE SWITCH SOME FUNDS IN OUR EXISTING LOAN TO COVER THE COSTS OF THE HYDRO. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED. We should be getting more reimbursements for other work that we have already done. Clarence Lee will look over the two-year work plan to see where we can switch these funds for the hydro.

Wendover Apartment: The roof of the apartment leaked and the Town of Wendover has bought a new roof. An open house is scheduled for early in July.

The Engineering report was discussed.

Employee and Director Institutes and Schools: John reported that Jess Urresti will not be going to the weatherization school because the date of the school were changed.

Service Report: There is still one item for the dryers at the laundromat that has been ordered but not received yet. Everything else is completed.

Nominating Committee: The following people were asked to serve on the Nominating Committee for this year: Harry Stevens - Wells, Bill Lindberg - Wells, and Lloyd Brown - Wendover, Vernon Hawks-Wells. Simone Zaga was appointed as alternate. Jim Ballard will write letters to these people asking them to serve on the committee. The four directors whose terms expire this year are Bob Wright, John Krenka, Art Grock and Bill Gibbs.

Manager's Report: We have received the new forms for customers with delinquent accounts. This will give delinquent accounts the opportunity to continue service for five to seven days upon the commitment to pay or service will be discontinued without further notice at the end of that time. Donations to the Jr. Rodeo and the Wells Rodeo were discussed. The board felt that donating the paper for the programs might help them more than money. It will be left to the discretion of the manager as to how much paper we should donate. A pager for the line crew was discussed. This would buzz whenever a call came into the office while it was closed concerning an outage. The line crew member on stand-by would then call the office and a tape recorder would play back the message concerning the outage. Some board members felt we should look into the dispatch system that the City of Wells will be setting up before we buy this pager. VERNON DALTON MOVED THAT WE BUY THE TAPE RECORDER PAGER AND PUT THE SYSTEM INTO USE. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED. ART GROCK, BILL GIBBS, RAY CRAWFORD, AND TOM ACHURRA OPPOSED THE MOTION. Darrel Pierce, our REA field representative, would like to know if we are approached about buying Nevada Rural Power if we would be interested in listening to a proposal to sell it.

GENE PENGELLY MOVED THAT WE APPROVE THE 17 NEW MEMBERS FROM WELLS AND 18 NEW MEMBERS FROM WENDOVER. GLENN WADSWORTH SECONDED THE MOTION AND THE MOTION CARRIED.

A thank-you note from Frank Blackett was read. He is the recipient of the scholarship this year.

A new vacation policy was discussed. GENE PENGELLY MOVED THAT WE ADOPT THIS REVISED VACATION POLICY AS PRESENTED. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED.

Irrigation Schedule: The irrigation accounts were compared on the new irrigation schedule and the old irrigation schedule that was in affect in 1975. The 1975 schedule charged for horsepower and the 1976 irrigation schedule charges for the demand. Overall there was an average increase of 3.92%. Some accounts did increase under the new schedule and some accounts decreased. A letter will be sent to the irrigation consumers stating they can come into the office to look over these figures if they would like.

A resolution on how to pay for Carlin was discussed. The cash flow sheets from May and June were given to the directors. CFC has a program for short term investments. John wanted to know if the board might be interested in this program. He will have more information on this at the next meeting.

The questions that have appeared in the local paper concerning the rate increase were gone over by the board.

The regular meeting was adjourned at 8:25 p.m. An executive session followed.


CLARENCE C. SWETT, SECRETARY



JAMES L. BALLARD, PRESIDENT

RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Reimbursement of Funds from REA

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does authorize James L. Ballard, John Mohlman, and Patricia Ann Nolz to be on the signature card to request reimbursements from the Rural Electrification Administration.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 17th day of June, 1977, at which meeting a quorum was present.


CLARENCE C. SWETT



U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

Submit one copy to REA. See REA Bulletins 327-1 (Telephone); 24-1 and 26-1 (Electric).

CERTIFICATION OF AUTHORITY

In conformity with the requirements of the Rural Electrification Administration, and in accordance with the resolution of the board of directors of the Wells Rural Electric Company
BORROWER'S NAME

Box 365 Wells, Nevada 89835
BORROWER'S ADDRESS

attached hereto, adopted at a meeting of the board, held June 17 19 77, at which a quorum of the board was present, the officers and manager, whose signatures appear below, have been authorized to sign the following REA forms in connection with the requisitioning and accounting for Loan Funds:

REA FORM NO.	TITLE
TELEPHONE 481	FINANCIAL REQUIREMENT STATEMENT
ELECTRIC 595	FINANCIAL REQUIREMENT AND EXPENDITURE STATEMENT
133	SECTION 5 LOAN REPORT AND FINANCIAL REQUIREMENT STATEMENT

This certification is to remain in force until rescinded by resolution of the board of directors and notification of such action to REA.

<u>General Manager</u> TITLE	<u>John Mohlman</u> NAME (TYPE OR PRINT)	<u>John Mohlman</u> SIGNATURE
<u>President</u> TITLE	<u>James L. Ballard</u> NAME (TYPE OR PRINT)	<u>James L. Ballard</u> SIGNATURE
<u>Office Manager</u> TITLE	<u>Patricia Ann Nolz</u> NAME (TYPE OR PRINT)	<u>Patricia Ann Nolz</u> SIGNATURE

Wells Rural Electric Company
BORROWER'S NAME

James L. Ballard
SIGNATURE OF PRESIDENT

Patricia Ann Nolz
SIGNATURE OF SECRETARY

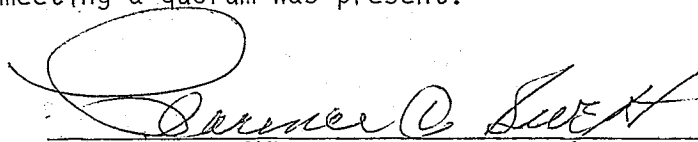
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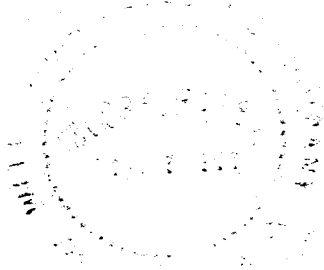
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Bicentennial Funds for Hydro Plant

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors authorize the Manager to use the Bicentennial Funds only for the restoration of the 120 KW General Electric Hydro Generator Located on Trout Creek approximately 8 miles west of Wells, Nevada, Federal Power Commission Project Number 848.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 17th day of June, 1977, at which meeting a quorum was present.


CLARENCE C. SWETT

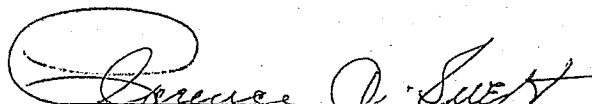


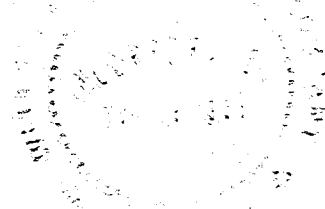
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Authorizing Transfer of Funds

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors authorize John Mohlman, Manager of Wells Rural Electric Company, to request a transfer of funds from our existing Nevada 15 E6 loan from Purpose 1 distribution to Purpose 3 generation to cover the costs of renovating the 120 KW General Electric Hydro generator located on Trout Creek approximately 8 miles west of Wells, Nevada, Federal Power Commission Project #848.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 17th day of June, 1977, at which meeting a quorum was present.


CLARENCE C. SWETT, SECRETARY



MEMBERSHIPS TO BE APPROVED

June 17, 1977

WELLS

1. A. A. Davis
2. Randy Dedman
3. Tom Eckholt
4. Colleen Eldridge
5. Farmers Home Administration
6. Judy Chapin Hatfield
7. Jack Hunter
8. Donna Jennings (Old West Inn)
9. R. L. Nielson
10. Adrian A. Perez
11. Mark D. Roberts
12. Dennis G. Schmidt
13. Glenn O. Supp
14. Robert S. Thraikill
15. Larry Walker
16. B. E. White
17. Ileen Connee Williams

WENDOVER

1. Don H. Bailey
2. Carl Brown
3. Robert D. Carder
4. Vivetta R. Carter
5. Robert Cooke
6. Nanette Correa
7. Winston B. Grawe
8. Starr Haro
9. Anita Hendricks
10. Barbara Larson
11. Nelden Nyrehn
12. Shirlee Olney
13. Carmen Rivera
14. Roberta Starr
15. David R. Stephenson
16. Marion A. Tripp
17. Jean L. Vincent
18. Glenn A. Orgill (Wendover Distributing)