

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

March 18, 1977

The regular meeting of the Board of Directors was called to order on March 18, 1977 at 1:10 p.m., in the Board Room, with President James Ballard presiding.

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

Clarence Lee of Lee Engineering; Wanda Borden, Mayor of Carlin; and Mike Lemm and Alan Knutson of Jacobson, Jentzsch and Company were also present at the meeting.

The minutes of the February meeting were approved as written.

There were two additions to the agenda by Gene Pengelly. They were Complaints and the Wells Progress.

Report on Audit: Mike Lemm and Alan Knutson gave a report on the audit that was conducted during February. Their final written report was not completed yet; copies of this report will be sent to the directors as soon as it is finished. The board wished to thank them for the work they did on the audit.

Pine Valley/Carlin: Pat Nolz presented the board with information on energy consumption for Carlin and what costs would be involved in getting our system operating in Carlin. The board went over these figures to decide whether it would be feasible for us to go into Carlin at this time. VERNON DALTON MOVED THAT WE TELL WANDA BORDEN THAT DUE TO THE MATERIAL AND THE LENGTH OF TIME THAT WE COULD NOT MEET THE COSTS OF THE PLANT AT CARLIN AND ALSO THE COSTS OF ENERGY WOULD BE MORE TO THEM DOWN THERE. TAKING THIS ALL INTO CONSIDERATION, CARLIN SHOULD GO AHEAD AND WORK ALONG OTHER AVENUES. JOHN KRENKA SECONDED THE MOTION AND THE MOTION CARRIED. GLENN WADSWORTH AND BILL GIBBS OPPOSED THE MOTION. Wanda Borden came into the meeting and Jim Ballard explained the feelings of the board to her concerning the situation with Carlin. Wanda Borden explained the terms of the Nevada Power contract that has been offered to Carlin. The board discussed different ways that we might be able to put them on our system. If we did take Carlin on, we would probably have to charge them a wheeling charge on top of their bill every month. We would also have to have REA approval before we could add Carlin or Pine Valley to our system. Wanda Borden is going to discuss this with the Carlin City Council and call John Mohlman when they have come to a decision on what they want to do with their plant.

Rate Increase: Clarence Lee gave the board a report on what type of increase we should ask for. He does not have final figures yet as he and Pat Nolz still have more information to obtain. Right now it looks like there will be an average increase of 23%. By next month he should have more specific figures.

Budget Review: The board went over the budget and made some changes in some areas. The matter of reducing the size of the board was discussed due to the amount of money spent for reimbursement for directors each year. VERNON DALTON MOVED THAT WE CHANGE THE BY-LAWS AND APPROACH THE PEOPLE TO CHANGE THE ARTICLES OF INCORPORATION TO REDUCE THE NUMBER OF BOARD MEMBERS BY ONE PERSON EACH YEAR UNTIL THE NUMBER HAS BEEN REDUCED TO 5 BOARD MEMBERS. GLENN WADSWORTH SECONDED THE MOTION. BILL GIBBS AND GENE PENGELLY OPPOSED THE MOTION. THE MOTION WAS DEFEATED BY A VOTE OF 5 IN FAVOR AND 2 OPPOSED. Since this motion is to change the By-laws it must be approved by a majority of the elected directors. After more discussion on the matter VERNON DALTON MOVED THAT WE CHANGE THE BY-LAWS AND ARTICLES OF INCORPORATION TO REDUCE THE BOARD TO 7 MEMBERS. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED BY A VOTE

OF 6 IN FAVOR AND 1 OPPOSED. BILL GIBBS OPPOSED THE MOTION. Mr. Gibbs stated his reason for voting against the motion is that he feels there is another alternative; some members could serve without pay or the amount of reimbursement per director could be reduced. John Krenka felt that if the board is cut in size, the area should be divided into districts. VERNON DALTON MOVED THAT THE BUDGET BE APPROVED WITH THE CHANGES THAT WERE NOTED TODAY. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED UNANIMOUSLY.

John Mohlman was elected to the Board of Directors of Ruralite Services at their annual meeting held March 16-17.

Gift for Mrs. Abbett: Jim Ballard reported that Mrs. Abbett doesn't need any additional art supplies. It was suggested that the board buy the frame for the picture which cost between \$25 and \$30. CLARENCE SWETT MOVED THAT WE GIVE MRS. ABBETT \$30. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Appliance and Safety Report: Jim Ballard brought up the matter of letting employees buy appliances on time through payroll deductions. VERNON DALTON MOVED THAT WE PERMIT THE EMPLOYEES TO PURCHASE APPLIANCES THROUGH THE COMPANY ON A PAYROLL DEDUCTION PLAN WITH THE INTEREST CHARGED BEING THE AVERAGE MEAN RATE OF CFC AND REA. Other board members felt we should get more information on this first. It was felt there should be a limit as to the amount that could be financed at one time, a decision as to how the interest rate should be charged, and maybe require a downpayment. Jess Urresti will report at the next meeting on these facts. The motion was withdrawn until this information is available.

Construction: Nothing new.

Regional Power Planning: There is so much going on in this area now that it is very hard to keep track of all the changes.

Power Source: Harold Cantrell was contacted about the low voltage problem on the Idaho Power line. Mr. Martin Derksema has arranged another meeting with Idaho Power to see what can be done.

Hydro Plant: John Mohlman reported that it will cost about \$8,000 to rebuild the pipeline and \$19,500 to build the three miles of line to the Hydro Plant. Hal Christenson of G.E. has some people who work on restoring this type of generator. They feel we should completely overhaul the system and it will work more efficiently. If we have G.E. do this work, it will probably cost us an additional \$25,000, so the total cost would be somewhere around \$50,000. GENE PENGELLY MOVED THAT WE APPLY FOR REA MONEY TO RENOVATE THE HYDRO PLANT. ART GROCK SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Annual Meeting: The committee will meet on April 15 at 11:00 a.m. before the April board meeting.

REA Loan: CFC has notified us that their portion of our loan has been approved. We have not received any word from REA yet.

Wendover Apartment: The Town of Wendover has signed the lease for the apartment. They have already started remodeling.

Glenn Wadsworth reported that the overhead lights in the garage in Wendover were Howard Gibson's. He has taken them all out so there are no lights for Mark.

Settlement with Idaho Power: Nothing to report.

Engineering Report: Irrigation letters have been sent out telling the people that they will have to notify us in writing or in person to tell us they would like their irrigation pumps turned on. Richard Loveland is scheduling all the work for line extensions for new pumps.

Employee and Director Institutes and Schools: Jim Ballard read a letter from Bob Vaughan stating that we need to change the minutes of the January 21, 1977 meeting to state how many directors were in favor of the motion to amend the By-laws to change the requirements a director must meet to be eligible for

re-election. They should be changed to read that 10 directors favored the motion and none were opposed. VERNON DALTON MOVED THAT WE MAKE THIS CHANGE IN THE JANUARY 21, 1977 MINUTES. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Jim Ballard read the change in the wording of the requirements for re-election. VERNON DALTON MOVED THAT WE ACCEPT THE CHANGE OF WORDING IN THESE REQUIREMENTS. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED BY A VOTE OF 7 IN FAVOR AND 0 OPPOSED. The requirements for re-election will read as follows:

After attending Institute 500.2 or its successor program, the first priority of a director shall be to attend sufficient 500 series institutes to obtain the Board Member's Certificate offered by NRECA's Management Services Department. After obtaining the certificate, a director may attend a seminar or training program of his choice. Each director will be required to attend at least one institute or training seminar during each term they serve as a director.

Complaints: Bert Uhlig called Jesse Sharp on a Sunday afternoon because he did not have any lights in the cafe. Jesse told him he would be right down but he never showed up. The directors suggested that we put the phone number in the phone book for people to call if there is an emergency after hours.

The Wells Progress has been sold. Shares can be bought for \$500, \$1000, or \$1500. The Progress nominating committee would like to know if we would buy a \$500 share. VERNON DALTON MOVED THAT WE BUY A \$500 SHARE IN THE PAPER WHEN THE FUNDS ARE AVAILABLE. BILL GIBBS SECONDED THE MOTION AND THE MOTION CARRIED UNANIMOUSLY.

Manager's Report: John presented a bill from Bob Vaughan. On this bill we were charged half of his costs for going to the NRECA meeting in Atlanta. Mt. Wheeler was billed for the other half. The board felt that in the future Bob should inform the board ahead of time that he is attending some meeting so the board can okay it. Clarence Lee will prepare the rate study to present to the Utah PSC. We will not do a Cost of Service Study at this time. We have received 5 scholarship applications from Wendover. None have been received from Wells or Jiggs-Lee. BPA is holding an Energy Conservation Management Conference on April 14-15 in Portland. No one is planning on attending this conference. GENE PENGELLY MOVED THAT WE ACCEPT THE NEW MEMBERSHIPS, 15 FROM WELLS AND 26 FROM WENDOVER. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting was adjourned at 7:10 p.m.

  
JAMES L. BALLARD, PRESIDENT

  
CLARENCE C. SWETT, SECRETARY

MEMBERSHIPS TO BE APPROVED  
March 18, 1977

Wells

1. Tamara Anthony
2. Donna L. Barger
3. Coy M. Bilbrey
4. Ted Chaponis
5. Thomas L. Clark
6. Mike Eriksen
7. Charles B. Evans, Jr.
8. Gary Heil
9. Frank D. Miller
10. Dan Pence
11. Beverly S. Probert
12. Maynard Santina
13. Carl Stevens
14. Gladys M. Suarez
15. Jack E. Wise

Wendover

1. Thomas Allred
2. Marco Bajovich
3. Civil Engineering Division, Hill Air Force Base
4. Deane L. Cole
5. Rosaleo Correa
6. Rebecca K. Ferer
7. Lorenzo Flores
8. Larry Herron
9. Maggie Jones
10. Jim Kulow
11. George Ben Lang
12. Jesus Luna
13. Michelle McGoldrick
14. Mrs. Teresa Marin
15. Betsy May
16. Severina Mayberry
17. Robert P. Means
18. Michael Moulding
19. John M. Powers
20. Charles E. Renfro
21. Jill Rippetoe
22. Ralph Santillanez
23. Debbie Smith
24. Gerald Smith
25. Utah Highway Patrol
26. Ed Washburn