

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY.

MAY 17, 1974

A regular meeting of the Board of Directors of Wells Rural Electric Company was held in the company office in Wells, Nevada on May 17, 1974 at 1:00 P.M.

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

Upon calling the roll, the Secretary reported the following directors present: Arthur Grock, Thomas Achurra, William Gibbs, John Krenka, Jess Urresti, Eugene Pengelly, Clarence Swett, Ray Crawford, James Ballard, Robert Wright, and Vernon Dalton.

Absent: None

Also present were: Manager Donald Snyder, Fred Toombs, Adrian Rattazzi, Ted McPhee and Mrs. Harvell with the Elko Credit Union.

The minutes of the April meeting were approved as written.

Tent Mountain added to the Agenda.

Mrs. Harvell gave the board a presentation on the Elko County Credit Union. She said \$5.00 is the minimum requirement to open an account. Membership fee is \$0.25. Loans may be acquired at 1% per month and the maximum loan is \$15,000.00 at the present time. The motion was made by Robert Wright to set up the payroll withdrawal system for this service. Seconded by Eugene Pengelly. Motion carried.

The Annual Audit Report was presented by Ted McPhee and Jerry Buechler of Alexander Grant and Company. They reported our financial status is good, with few exceptions our records are up to date. He also commended the employees for their co-operation. Motion was made to accept the Audit Report by Jess Urresti, seconded by Tom Achurra. Motion carried.

Construction: Line to a stock pump at Jiggs-Lee for Lee Wilson and Company was finished this month. A line to Vernon Dalton's stock pump was staked but will not be able to build this line until Union Pacific Railroad gives us the right-of-way. Ran a new service to Lynn Rose Ranch in Ruby Valley. Ran a five pole tap to a stock pump at Spring Ranch in Starr Valley. Installed new services in Utah and Nevada, also installed security lights in Nevada. Crew has been working on the re-phase line to the rodeo grounds. Crew also used one day to move all the transformers and wire out of the old warehouse so that the diesel engine could be moved out. The new line to be constructed at the Indian Reservation at Lee will have to have approval of the Bureau of Indian Affairs. I have made a plat map and have sent it to them so they can issue me a service agreement for the power line. The line to the Taylor Ranch pump in Clover Valley will have to be built on Highway right-of-way as the Western Pacific Railroad will not allow us to put poles on their property without payment to them on a per year basis. A Safety Meeting was held for all the crew members on May 10, 1974.

Power Use: Fred reported that the Beef Cook-off is scheduled for Saturday, May 18, 1974. Six all electric trailers are to be installed in Wendover. A lot of interest in electric heat has emerged lately because of the high cost of fuel. It is important that all new prospects contact us.

Diesel Engine: Was loaded on May 9th. It is enroute to Wilmington, Delaware. It was sold to O'Brien Machinery Company for \$8,000. Our net should be \$5,500. A bid for \$744.00 was received for fill and concrete in the old plant floor. The motion to accept the bid was made by Robert Wright, Seconded by Eugene Pengelly. Motion carried.

Settlement with Idaho Power Company: No word.

Safety: Two meetings were held since the last board meeting. One with Ruralite and one with our own crew. Wayne Parkins did a field inspection "On Site" while work was in progress.

- 4 -

Pine Valley: Tom Achurra brought a petition and map from the prospective customers in Pine Valley. The petition contains 22 signatures. Tom Achurra reported that the City of Carlin may also be in a position to take service from Wells Rural Electric Company. With Carlin plus Pine Valley, we may be able to obtain a loan from R.E.A. at 2% in order to build into this area.

A delegation to talk with Carlin City was assigned to Tom Achurra. Also to be on the delegation are John Krenka, Eugene Pengelly, Robert Wright, Jess Urresti, James Ballard and concerned employees. Robert Vaughan also to attend. It was reported that Carlin has major problems with their generators. Immediate action is necessary.

Memberships: Nothing new.

Scholarships: We received one application from Wendover and four from Wells. A decision will be made after the board meeting.

Tent Mountain: Will publish in the Wells Progress that this line will be removed in November. Anyone who protests shall have to present their case to the board. Barger and Peavey to be notified of the removal in writing. Motion was made by Arthur Grock. Seconded by Thomas Achurra. Motion carried.

Warren Pratt called, wanting to get negotiations going for the parcel of land the Highway Department wants to purchase from Wells Rural Electric Company. They have offered \$150.00. This was turned down by the board. Don Snyder is to write to Mr. Pratt quoting a fair price which will be decided on by Jess Urresti and Eugene Pengelly.

Hal Learey was in the office and commended Darrell Calton on the Continuing Property Records. The years 1969-1973 are incomplete. Don Snyder suggested hiring a staking engineer and work order clerk, one job, and eliminate Duanes job altogether.

Don Snyder asked the board for a recommendation for Fred Toombs for a Managers position he is applying for in Arizona.

The Cost of Living Increase was discussed. Retro-active to April 1st, 1974, 14% increase will be payed all employees and directors effective immediately taking into the first of May 1974. Motion was made by Vernon Dalton, seconded by Arthur Grock. Motion passed. Reviews will be made on an annual basis from now on. New wage scales will be written and job descriptions revised.

Employees Relations Committee members were reminded of their positions. Members on this committee are Arthur Grock, chairman, Robert Wright, Vernon Dalton, Clarence Swett and Eugene Pengelly.

Directors Expenditure Committee members are: Jess Urresti, Chairman, Vernon Dalton and Eugene Pengelly.

21 The five memberships from Wells and the sixteen from Wendover were approved. Jess Urresti made the motion, Ray Crawford seconded. Motion passed.

Managers Report: Public Service Commission has acknowledged receipt of our purposed Rate, Rules and Regulations change. Transfer of our service line with Mt. Wheeler has been approved. The City of Wells has requested Wells Rural Electric Company to assume maintenance of the traffic signals. Service to the City will be limited to changing fixtures.

Kimberely Nurseries has offered to replace the trees for  $\frac{1}{2}$  of the price originally paid if we pick them up. William Gibbs made the motion we accept their offer. Eugene Pengelly seconded the motion. Motion carried.

Because of the inventory buildup, it is necessary to borrow \$10,000.00 against our Time Deposit Certificate to cover the charges. A Corporate Resolution is needed with three signatures. Eugene Pengelly moved to borrow \$10,000.00 Seconded by Jess Urresti, Motion passed.

Meeting adjourned at 5:00 P.M.

Clarence C. Swett  
Secretary, Clarence C. Swett

James L. Ballard  
President, James L. Ballard

MEMBERSHIPS TO BE APPROVED

MAY 17, 1974

WELLS

1. R. D. Maynard
2. Wanda Shannon
3. J. M. Smith
4. Ronald Stoltenberg
5. Zelda B. Wiseman

WENDOVER

1. Connie Alvey
2. Phillip C. Atteberry
3. Karen Brown
4. Albart Chase
5. James C. Cowan
6. Louie Dotson
7. Jerry B. Eastman
8. William Freeland
9. Pamela Gates
10. Theron N. Gregg
11. Judy Hammond
12. Tom S. Hardy
13. John Hernandez
14. Millie N. Lyman
15. Annie Steiner
16. William G. Walling