

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

18 NOVEMBER 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 18 NOVEMBER 1966 at 1:00 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 R. WRIGHT, JAMES L. BALLARD, CLARENCE SWETT, EYER BOIES, VERNON DALTON, ARTHUR GROCK, THOMAS ACHURRA, MATT SMITH, RAY CRAWFORD, ROGER SMITH, AND C. C. READ.

Also present was Darrell C. Calton, who took the place of Manager Blackett. Mr. Bob Hogg came in later.

Manager Blackett and Fred Toombs has gone to Minneapolis to an Institute on Key Indicators.

The OCTOBER minutes were approved as written.

Mr. Wright asked those present if they had anything to add to the agenda. Discussion was then directed to the Federal Power Commission Hearing. Mr. Wright reported that he talked to Mr. Jerry Anderson, Assistant Secretary of N.R.E.C.A. who will find out what is being done about this contract and will let us know.

A question arose as to what material would be used on the outside of the new building. It was said that brick veneer would be used. The architect is supposed to come out and watch the construction.

C. Read reported that Gus Vogeler is upset because a fellow from Washington or Oregon has been badgering Mr. Vogeler about making a joint venture with him. Somehow the word got to this fellow that Gus was going to build a storage house for foods. The man was to have gone to the Wells City Council with licenses. Mr. Read suggested that we go to City Council about this matter.

Concerning the Rate Study Eyer Boies wanted to know when a contract was made with a person is there a time limit. No one knew if there was or not for sure.

Mr. Wright read a letter dated 9 November 1966 from Mr. Richmond, Acting Administrator. "In our negotiations with the Idaho Power Company for wheeling into Southern Idaho, we have maintained that transmission capacity should be available on a firm basis to wheel to preference customers not now served by the Bonneville Power Administration if such preference customers decided they wished to purchase Bonneville power at some future time. In the 1967 appropriations bill, Congress agreed with our position." Mr. Richmond said that the Idaho Falls office would keep us informed of any progress to secure firm wheeling to Southern Idaho. Mr. Wright brought out that there are three systems which definitely need help and we are one of them, the other two are in Montana.

Mr. Wright reported on his Region 9 Meeting in Couer d' Alene. There were 300 people in attendance.

The preliminary draft written up by Robert A. Hogg "PROPOSAL FOR SUPPLY OF POWER TO WELLS RURAL ELECTRIC COMPANY FOR BONNEVILLE, LTD.," was discussed and explained by Mr. C. Read. This proposal will amend our present contract and extend over a ten year period. "This proposal is based upon Wells Rural Electric Company entering into a contract with the Bonneville, Ltd., Division of Kaiser Chemical Company for

the supply of up to 8,000 KW of power in excess of the amount (1,500 KW to 2,000 KW) presently under contract with such customer. After execution of the above contract, the contract between Idaho Power Company and Wells Rural Electric Company will be amended, effective at the time the additional load is energized, in the following respects: 1) The present contract amount of power is 8,400 KW. The actual demand in the first year of service to the new load will approximate 10,000 to 12,000 KW. The amendment will change the contract amount of power to 15,000 KW to provide capacity for the proposed load. 2) The charges for power and energy will be amended to incorporate a rate without the 12-months ending demand ratchet. Furthermore, in lieu of an additional payment by Wells for the increased line and substation capacity (6,600 KW), the monthly rate will provide for the appropriate adjustment when the monthly use is in excess of the present 8,400 KW of contract demand. 3) The original term of the agreement would be amended to continue the agreement in force and effect for a term to December 31, 1980, which term shall be automatically renewed for an extended term of 5 years unless written notice to the contrary is given by either party to the other not less than one year prior to the expiration of the original term and from year to year thereafter. 4) The provision for payment by Wells to Company upon termination of the agreement will be amended to read in part, "an amount equal to the total cost, less depreciation, minus the estimated net salvage value, of the portion of such special facilities allocable to Customer's maximum Billing Demand in accordance with paragraph 5.1(e) or Contract Demand set forth in Section 4.1, whichever is the greater, in the ratio that the same bears to the total Billing Demand or Contract Demand, whichever is the greater, then being supplied or under contract to be supplied over and by means of such special facilities." Mr. Hogg, who was just passing through town, came into the meeting; he further explained the above proposal.

The Board's attention was then directed to the Key Indicator reports. Mr. Wright is to talk with Mr. Blackett concerning the Key Indicator report on SERVICE LEADERSHIP.

Mr. Read suggested that the FINANCIAL CONDITION be reported on a quarterly basis rather than monthly. This would give a better trend.

X MOTION made by Jim Ballard and seconded by C. Swett that the member-
ships be approved. Motion passed.

Mr. Calton reported that according to Earl Toombs, lineman, the line in Lee should be up completely today. The service can then be run. The transformers have not as yet come in. The work should be all completed by mid-December. Discussion brought out that the money to pay for this work is coming from General Funds. Mr. Read asked if this money would be reimbursed out of Loan Funds.

RESOLUTION made by C. Read and seconded by Eyer Boies that the Manager
implement the previous policies to build these lines out of Loan Funds
and make application for these additional Loan Funds. Resolution passed.

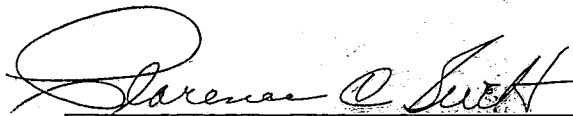
Mr. Calton stated that construction at the Gilmer air strip will begin as soon as the Lee job is completed.

It was also brought out by Mr. Calton that some of the employees are supposed to get pay raises and some of them are a little upset. The raises were to have gone into effect the first of October 1966. Messrs ^{Swett} Boies, Swett and Achurra are on the Wage & Salary Committee. Mr. Wright will talk with Manager Blackett concerning this matter. Mr. Calton pointed out that it is more time consuming for the book-keeper to make up the retroactive pay on raises.

It was requested by Mr. Matt Smith that a list of committees that are functioning or should be functioning now and how often they should meet be put on the December agenda.

Mr. Crawford requested that something be done for Mr. Lonnie Jeffs. He would like power but has not been told whether or not he can have it. Mr. Wright will mention this to Fred Toombs.

The meeting adjourned at 3:00.



Clarence C. Swett, Secretary

APPROVED:



Robert R. Wright, President

WELLS RURAL ELECTRIC COMPANY

WELLS, NEVADA 89835

MEMBERSHIPS TO BE APPROVED 18 NOVEMBER 1966

WELLS

C. R. LANGSTON

MONTE RYTTING

JOHN M. STEPHENS, M.D.

D. H. YANCEY

Approved - 11-18-66

Total Members 1207

Wells Active 477

" Inactive 216

Wells Active 331

Inactive 183