

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

November 19, 1976

The meeting was called to order at 1:10 p.m. in the Board Room of Wells Rural Electric Company. President James Ballard presiding.

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

The minutes of the last meeting were approved as written.

Additions to the agenda were: Fred Howell, Christmas Party, Smoke Alarms, Nevada Utilities Meeting, Holidays, Retirement Policy, Pole Contacts, and Burroughs Programs.

Pine-Valley Carlin: Tom Achurra has talked to some people from Pine Valley and feels that Don Snyder reversed his position from what he originally told them. John Mohlman went to Carlin and talked to Mayor Wanda Borden to see how she felt about getting power from us. The committee from Pine Valley includes Roy Schurtz, Hale Bailey, and Mr. Lund. John will look over the figures from the study done with Pine Valley and Carlin to see what might be the best way to handle this situation. Vernon talked to Charles Fitch about this and Mr. Fitch stated REA would probably not approve of us just adding Carlin because they already have power, but if we added Pine Valley also, which is not being served at this time, REA would probably approve.

Construction: The crew has added two stockwater pump taps at Rafter Diamond Ranch and one for Vernon Dalton.

Raft River Intertie: Vernon reported that Darrel Pierce had a meeting with Raft River. John received a letter from Martin Derksema stating that Idaho Power is to send us some literature on how they are to supply our needs.

Hydro Plant: Clarence talked to Francis Griffith and she said Bud Eldridge will start moving the plant on Wednesday, Nov. 24. There were some problems with getting the right-of-way from Fred Howell concerning water rights. Bob Vaughan and John Miller feel that as long as we don't interrupt the water to his place there shouldn't be any problem. They both felt we should go ahead and get the plant moved. Fred Howell has stated that he wants the line in his field moved so he can put in a walking sprinkler. It was pointed out that we will move this line when the loan is approved, but we will start at the substation and work out. If we would rebuild the line at his ranch first, it will cost the company an additional \$975.

Annual Meeting: Marie Merkley from Jiggs, and Larinda Wines from Ruby Valley will serve on the committee. The rest of the directors still need to get a committee member from their area. Vernon would like to have a meeting with all the people on the committee to start planning this meeting.

Wage and Salary Review: The committee has suggested a 5.5% cost of living increase effective January 1, 1977. This raise would be rescinded if the loan does not go through. ART GROCK MOVED TO GIVE THE EMPLOYEES A 5.5% COST OF LIVING INCREASE EFFECTIVE JANUARY 1, 1977. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED. John said that he agreed that the board should grant the increase. He also said that merit increases will not be automatic anymore. He feels that they have been awarded automatically in the past, but the increase will be justified from now on. Vernon stated that he feels increases could be awarded more than once a year if the employee earned it. Glenn wanted to know if a person had to go up one step at a time, or if he could jump two or three steps at a time. The board felt that this could be done, but this would be a very unusual circumstance. The board discussed the managers rights as far as raising salaries, or changing an employee from an hourly wage to a salary. Gene Pengelly feels that the board should be told when an employee receives a merit increase.

Region IX Meeting: Gene Pengelly and John Krenka gave reports on the school they went to at this meeting. They both felt it was very informative and thanked the board for the chance to go.

Directors Update Conference: Clarence Swett and Gene Pengelly attended this conference in Spokane. They both felt that the program was very good and really enjoyed the speakers at the conference.

Rates, Rules, & Regulations: Bob Vaughan reported that we have not received a reply from the P.S.C. yet. He has talked with their attorneys and they feel that the P.S.C. will have to release us from their jurisdiction. Bob feels we should proceed with our rate increase to start when we want it to, and if for some reason the P.S.C. does not agree with our stand, we would have to refund the money. We do have to give R.E.A. thirty days notice of a rate increase and we still have to notify the P.S.C. in Utah to get their approval to raise the rates.

Rate increases will not be raised straight across the board. Some will be increased more than others. The schedule that we have made up now averages out to 13.8%, but this increase is only minimal. If we go ahead with this schedule, Rural Residential will be increased 15%, Village Residential 15%, Small Commercial 6.5%, Large Power 16.6%, Seasonal Residential 22.5%, Irrigation 15%, Public Streets 22.5%, and Public Buildings 6.8%. John pointed out that this increase would just barely give us the necessary increase in funds. The board discussed whether we should go ahead with that rate increase or make out a new schedule to give us enough money so that we don't have to increase rates again next year. The board felt we should get the literature out with December's billing telling the consumers that there is going to be an increase.

By-Laws: These will be discussed and adopted at the December meeting.

Working Relationship with Attorneys: The board discussed the fact that our attorneys are at the disposal of all the employees with any legal problem that arises within the company. They felt that the employee should discuss any problem with the manager before calling Bob Vaughan. John would like to get an itemized bill from them for a few months just to see what all our bill includes. He also feels that it is not necessary for our attorneys to call us person-to-person. There is always someone in the office who can take a message.

Settlement with Idaho Power: Idaho Power tried to get us to delay the trial, but we told them no. Bob Vaughan will be presenting most of the case and John Miller will present some. Bob feels that we should get a decision on the case within 90 days. He feels the case looks very good for us.

REA Loan: The loan was sent to Charles Fitch a week ago. Their legal counsel doesn't see any problems with the loan. We don't really know how long it will take to get the loan approved.

Wendover Building Repairs: Glenn Wadsworth reported that he and Ray Crawford looked at the apartment and have attended a city council meeting concerning this. The town of Wendover would like to remodel this apartment into a medical clinic with living quarters for the medical technician also. The town would make all the necessary repairs and would pay for all this. The board discussed the information available about this project and the length of time they would use the apartment. GENE PENGELLY MOVED THAT WE LEASE THE APARTMENT TO THE TOWN OF WENDOVER FOR \$1.00 PER YEAR PLUS UTILITIES. JOHN KRENKA SECONDED THE MOTION AND THE MOTION CARRIED. John Mohlman will get figures for how much it will cost to upgrade the warehouse. The new sign is up at the Wendover office.

Surplus Communications Equipment: Art Sciotto has paid for the radio, but he has not picked it up yet. The contract for our new system had a few additions that we did not know about. There was \$900 worth of test equipment that we have paid for but have not received. We don't have anyone in the company that is qualified to use this equipment to test the radio. We have asked for our money back on this equipment, but the salesman won't do that. In the place of this equipment we hope to get another mobile unit and a smaller control unit to put in at the service center. G.E. has agreed to give us this smaller unit.

EBLI Insurance: Bud has contacted Roland Gasser about how much this endorsement will cost us. He said it will cost \$125 per year. This matter was tabled until the next meeting to get the exact details from Bud.

Long Term Disability Insurance: Bill Baum was injured on October 4th. He is not back to work yet and has gone through all of his sick leave and vacation pay. John reported that he is now getting money from NIC. John wanted to know if the board has ever considered long term disability insurance. The board felt that we haven't had the need for it before and it is very expensive insurance to carry. The board will take action on a disability case if the employee is not getting any money from anywhere else.

NRECA Annual Meeting: Valley Electric has sent us the money for reimbursement for us making the room reservations, but we have not received any reimbursement from Mt. Wheeler as of yet. Because of the financial situation the company is in at the present Jim Ballard and Gene Pengelly have decided not to attend a school at the meeting in Atlanta.

NRECA Group Medical Insurance: Our policy reads that our rates will correspond to the hospital most frequently used by our employees. This hospital is Magic Valley in Twin Falls. The \$69 rate will go into effect on January 1, 1977. This will be discussed more at the next meeting.

The Dog Obedience School is progressing very nicely.

Employee Institutes and Schools: Mesa College of Grand Junction, Colorado, will increase their membership fee to \$1000 as of January 1, 1977. It is currently \$400. We have paid \$100 towards the present membership fee. If we pay the remaining \$300 before January 1, 1977, that will be our total membership fee. They have a very good Hot Line School and our crew really looks forward to going to this school. If the membership fee is paid, it does not cost very much to send our employees to this school. If we do not pay the membership fee, the cost for going to this school increases greatly. VERNON DALTON MOVED THAT WE PAY THE \$400 MEMBERSHIP FEE. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED. We will probably send 5 employees to this school this year.

Nevada Utilities Meeting: Jim Ballard and Vernon Dalton attended this meeting in Las Vegas. This is mostly geared to public utilities, but much of the same legislation concerns us to. They wanted to know if the board felt we should have a membership in this or should we join NREA in membership in this organization. The directors felt we should have our own membership in this if it will have anything to do with co-ops. Otherwise, it will not do us any good to join. There will be another meeting on November 29.

Christmas Party: The board discussed the annual Christmas Party. They felt the well being between the board and employees as a result of this party was well worth any cost. VERNON DALTON MOVED TO HAVE OUR ANNUAL CHRISTMAS PARTY AFTER THE DECEMBER 17TH BOARD MEETING AT 5:00 P.M. AT THE SERVICE CENTER. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED.

Smoke Alarms: This was tabled until the December meeting when Jess Urresti can report.

Holidays: The employees still have one floating holiday left. Some want to take this holiday at Christmas and some at Thanksgiving. The board felt John should make the decision as to when this holiday will be taken.

Some of the directors pointed out that when they have called the Police Station to report an outage, the message is never passed on to the person on emergency call duty. This will be looked into to see what is happening.

Retirement Policy: According to the minutes, an employee is eligible for our Retirement benefits after he has been here one month. In the by-laws it states that an employee has to be with the company for 90 days before he is eligible. This matter was tabled until Bud can be present to report.

Pole Contacts: The board passed a resolution stating that pole contacts will cost \$3.00 per year. Very few people are paying this amount. Most of them are paying much less. The company will make sure that all people are charged this \$3.00.

Pole Top Switches: Don Snyder told the Highway Department that the Contact Maintenance Station, Pequop Station, and Ruby Valley Station could wire everything so that it all comes off of one meter. If they do this, the company will lose revenue due to less meters. Contact has already done all the necessary wiring to put in this switch. This switch would replace 3 meters. The board decided to let Contact go ahead with this switch, but if anything else is added at Contact it will have to go on a separate meter. John will write them a letter stating that they will be allowed this switch at Contact, but not at any of the other stations.


Burroughs Programs: John wanted to know why we didn't do more things on the billing machine like payroll and accounts payable. He and Bud looked into the contract and found that we have already paid to have these programs made. Burroughs has agreed to work out these programs. The only cost to us will be for the forms. It was estimated that these will cost us \$1500 for a two year supply.

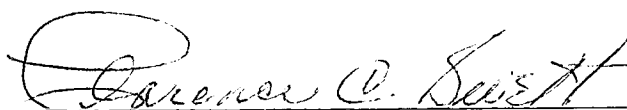
Managers Report: We received a bill from Lee Engineering for \$7507. This includes \$5600 for the Work Plan, \$207 on the Loan, and \$1700 on Pine Valley. To date in 1976 we have paid them \$10,600. The directors felt that we have been using them too much. They also asked John to look into the Pine Valley bill. It is not known who authorized the work for this bill and they thought maybe this bill has been paid. We will start getting price quotes from at least three companies before we pay someone to do a specific job. Delinquent Accounts: John had a list of the delinquent accounts and the only major one is still Vernon Westwood. The Patio Motel in Wendover has not paid for 3 months. This will be looked into. John has talked with the people concerned with shutting off the power for non-payment, and he feels that now when someone is told to shut the power off they will do so. NWPPA Active Membership Dues and Subscription Fee: We owe \$482 for this. The board feels that we get enough out of this organization to pay this fee. The Public Power Council is looking for a manager. They are having a meeting on December 16 in Portland, Oregon. Jim Ballard and John Mohlman will attend this meeting.

VERNON DALTON MOVED THAT WE ACCEPT ALL THE NEW MEMBERSHIPS FOR OCTOBER AND NOVEMBER. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED.

John presented the bill for his moving expenses. The total for this bill was \$675; he was told we would pay him up to \$600. GENE PENGELLY MOVED THAT WE PAY THE ENTIRE BILL OF \$675. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED.

The meeting was adjourned at 6:40 p.m.


JAMES L. BALLARD, PRESIDENT


CLARENCE C. SWETT, SECRETARY

MEMBERSHIPS TO BE APPROVED

WELLS

1. Dottie Brabham
2. Iris N. Dahl
3. Claude L. Day
4. Ruth Dedman
5. M. L. Dighans
6. Ernest Fordin
7. Karyl Hopper
8. Robert L. Howard
9. Warren Linnell
10. Erwin Smith
11. Richard L. Walker
12. Dan Whitney

WENDOVER

1. Frank E. Adams
2. Richard R. Billington
3. John Butterfield
4. Earl Chew
5. Brent Christenson
6. Betty Davis
7. Donald Dishman
8. Hyrum S. Foster
9. Jeanne Klotbier Gentile
10. Dora Halcrow
11. Kathy Killett
12. Ronald Lundberg
13. Noel McSpadden
14. John Makara
15. Don Merritt
16. Ernie Snyder
17. Robert Tennison
18. Reed Williams

November 19, 1976

MEMBERSHIPS TO BE APPROVED

Wells

1. Wes Atwood
2. D. Michael Bingham
3. Dan Black
4. David C. Keillor
5. George Cropp Ranch
6. R. L. Hunger, Jr.
7. William J. Lofton
8. James Mauer
9. James A. Neff
10. Rudy Paul
11. Lee Curtis Ray
12. Darcy Tate
13. Western Communications

Wendover

1. Rick A. Duncan
2. Jose Gonzales
3. Charles Graham
4. Brenda L. Harris
5. Mike Lloyd
6. LaVonda McWilliams
7. James R. Madsen
8. Rebecca Myers
9. Don Pardo
10. Louise Pavlakis
11. Clyde L. Rhoden
12. Miguel A. Santiago
13. Ray Searcy
14. Garth A. Toone