

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

November 18, 1977

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on November 18, 1977 at 1:00 p.m. in the Board Room. President Vernon Dalton presided over the meeting.

Directors present were: Vernon Dalton, Gene Pengelly, Jesse Larsen, Tom Achurra, Daryl Eriksen, Jim Ballard, Ester Quilici, Ray Crawford, Ferris Brough, Glenn Wadsworth and Clarence Swett. Present from the staff were Paul Henson and Patti Blackett.

Additions to the Agenda: Christmas Party.

N.R.E.C.A. Retirement Plan: This will be discussed at the December board meeting.

Contact-O'Neil Line; Ester Quilici gave a report on the meeting held at the Boies Ranch on November 3, 1977. Marla Boies was present to see if there have been any developments since that meeting. Clarence Lee is working on the engineering figures. As soon as we get these figures, we hope to come up with some kind of a contract that we will present the Contact-O'Neil residents with, with usage to where we can justify three phasing of that line.

Vernon Dalton stated that we have been asked to donate \$50.00 to the Wells Volunteer Fire Department. GENE PENGELLY MOVED THAT WE DONATE \$50.00 TO THE WELLS VOLUNTEER FIRE DEPARTMENT. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Stand by System: Ester Quilici asked if there was a back-up system for the electronic secretary if the phones went out. It was stated that there was not. Paul Henson suggested that we put a little block ad in the newspaper giving the names of the men on duty and their telephone numbers. It was also suggested that we post the names of the men on duty on the front door. Daryl Eriksen suggested that we put the names of the men on duty in the Ruralite Magazine or send a notice out with the bills.

Budget Billing: Pat Nolz discussed Budget Billing with the board for their consideration. This was a service we had been offering to the consumers. GENE PENGELLY MOVED THAT WE OFFER BUDGET BILLING TO OUR CONSUMERS IF THEY DESIRE TO PARTICIPATE. JIM BALLARD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Employee Relations Committee: Clarence Swett gave a report on his meeting. Lyle Johnson will be here on November 30, 1977. He will meet with the board at 7:00 a.m. on the 30th and interviews for the new Manager will start at 9:00 a.m. on the 30th.

PSC Rule #24: JIM BALLARD MOVED THAT WE ADOPT THIS POLICY THE WAY IT WAS WRITTEN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Appliance and Safety Report: Nothing new.

Pine Valley/Carlin: Tom Achurra gave a report on the meeting held in Pine Valley on November 16, 1977. Based on Clarence Lee's figures, we would have to expect about \$315.00 amortization cost from each consumer per month. Clarence Lee stated that if half of Carlin's revenue was figured into the Pine Valley revenue that the amortization cost would be reduced to about \$221.00 for each consumer per month. JIM BALLARD MOVED THAT WE PUT UP TO 60% FROM THE MARGINS OF CARLIN TO HELP WITH THE AMORTIZATION CHARGES ON THE PINE VALLEY LINE, TO BRING THE MONTHLY AMORTIZATION CHARGE DOWN TO \$200 PER MONTH PER METER. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Financial Advisory and Purchasing Committee: Jim Ballard gave a report on the meeting held on November 18, 1977. The committee recommends to the Manager that he solicit bids to supply gasoline in bulk quantities on an annual basis if they will bid that way and if not, on a 6 month basis. Advertise in the Wells Progress and the Elko Daily Free Press for bids from suppliers and mail bid notices to suppliers that we are acquainted with. JIM BALLARD MOVED THAT WE RECOMMEND THIS TO THE MANAGER. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Community Development Committee: Daryl Eriksen, Chairman has not held a meeting yet. Harry Stevens has agreed to work on this committee. Paul Henson met with Harry Stevens, Claire Morrow and Cathy Igoa. One of the problems that this committee is encountering is who the proper person is in Carson City to contact to refer names of Companies and what the Companies need who are planning to relocate.

Energy Search Committee: Gene Pengelly attended a meeting in Boise on November 1, 1977, concerning the Environmental Impact Statement,

Directors & Employees Expense Committee: A meeting was held on November 15th. They discussed ways of setting guidelines and ways of trying to save money. They suggested that the employee pay his or her expenses if they are looking to upgrade their position as far as schooling goes. If they are trying to give themselves a broader knowledge in the field they are in, then the Company should pay the entire amount. They would also like to limit the extra board members attending the Regional meetings. They also recommend that the new members get qualified under the policy manual as soon as possible.

Annual Meeting Committee: Nothing yet.

Policy, Rules and Regulations Committee: Has not met yet.

Retirement and Insurance Committee: Will meet with Paul Kramer on December 16 at 9:00 a.m.

Director District and Board Size Committee: Gene Pengelly, Chairman, Ferris Brough and Ray Crawford, Members.

Construction Report: Nothing new.

Regional Power Planning: There will be a meeting in Kansas City, Missouri on December 12 and 13. Jim Ballard stated that he would like to attend this meeting.

Hydro Plant: Ester Quilici stated that she would like to visit the Hydro. Paul told her to contact Jess Urresti.

Settlement with Idaho Power: Nothing new.

Engineering Report: Nothing new.

Employee and Director Institutes and Schools: It was suggested that Pat Nolz get out the number of the particular school that the new directors should attend to qualify under the existing policy.

Service Report: Nothing new.

Power Source: Clarence Lee is working on step one.

Cost of Service Study: Nothing new.

Manager Selection Committee: The committee met with Neil Doherty on November 17. Paul read a letter to Neil Doherty concerning Mike Fox, an applicant for Manager. Those applicants that were chosen to be interviewed are: Mr. Nease, Mr. Hunter, Mr. Stickney and Mr. Hogstrom. Mr. Seterland would be the alternate if one of the four dropped out. RAY CRAWFORD MOVED THAT WE ADOPT THIS REPORT. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

GENE PENGELLY MOVED THAT WE ELIMINATE MR. SETERLAND AND ASK MR. FOX TO THE INTERVIEW AND HAVE MR. STICKNEY AS THE ALTERNATE. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Bob Vaughan wrote a letter to Paul and Vernon about the ACRE Program contribution. He felt that we should not take the money out of the directors check and send a check from the Company. Vernon called Bob back but he was out of the office so he talked to Jim Copenhaver. Mr. Copenhaver stated that as long as we keep accurate accounting records, it would be o.k.

Vernon read a letter from Tom Moore, a consumer in the Shantytown area. He objects to the \$4.50 monthly charge,

Vernon also read a letter from the Northwest Public Power Association. They are concerned that the ramifications of President Carter's energy bill on rate structures throughout the Pacific Northwest is not in the best interest of our member systems and should be modified or deleted. They sent two letters to personalize and to be sent to our various Senators and Representatives,

Christmas Party: The Christmas Party will be held on December 16. FERRIS BROUGH MOVED THAT EACH DIRECTOR CONTRIBUTE \$25 FROM THEIR CHECK TO HELP COVER THE EXPENSES OF THIS PARTY. JESSE LARSEN SECONDED THE MOTION, IT WAS DEFEATED BY A VOTE OF 8 TO 2.

JIM BALLARD MOVED THAT WE HAVE THE CHRISTMAS PARTY AND THAT IF ANYONE WANTS LIQUOR, THAT THEY BRING THEIR OWN. ESTER QUILICI SECONDED THE MOTION AND THE MOTION CARRIED BY A VOTE OF 7 IN FAVOR AND 3 OPPOSED,

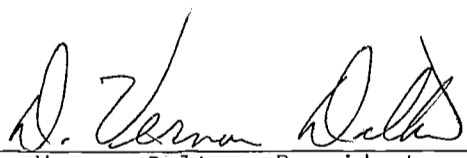
The Board Meeting will start at 10:00 a.m. on December 16 and adjourn at 3:00 p.m.

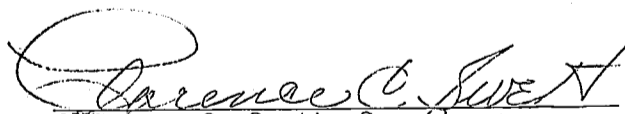
GENE PENGELLY MOVED THAT THE 12 NEW MEMBERSHIPS FROM WELLS AND THE 16 FROM WENDOVER BE APPROVED. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Managers Report: A local amateur boxing club has approached Richard and Gary to see if we can provide a space for their winter workouts inside the Service Center this winter. It was brought out that this would eliminate one of the service bays. This will be tabled until the Liability Insurance has been looked into.

Paul would like to terminate his services with Wells Rural Electric Company on December 2.

The meeting adjourned at 6:30 p.m.

  
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D. Vernon Dalton, President

  
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Clarence C. Swett, Secretary

MEMBERSHIPS TO BE APPROVED

November 18, 1977

WELLS

1. Stephen Bouffard
2. Valerie Bradford
3. Lloyd Brady
4. Melvin Crabtree
5. Jack M. Carlson
6. Philip R. Conden
7. Wilma Dick
8. George Eldridge
9. Margie Gallegos
10. Peter L. Hamilton
11. Lewis J. Knight
12. Michael W. Smith

WENDOVER

1. Clarence Ashworth
2. Hartzell J. Black
3. Dennis Bouchert
4. Denny L. Cooper
5. Gilda Durieux
6. Walter G. Fisk
7. Santos Flores
8. Charles Jess Flowers
9. Bill Freeman
10. Kathy Hamilton
11. Lance D. Hull
12. Samuel L. Jackson
13. Betsy May
14. Lyn May
15. Guy Pugliese
16. Gerald Waters