

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

20 OCTOBER 1967

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held in the Company office in Wells, Nevada on 20 OCTOBER 1967 at 1:00 p.m.

The meeting was called to order by Robert R. Wright, President, who presided, and Clarence Swett, Secretary, acted as Secretary of the meeting.

Upon calling the roll the Secretary reported the following Directors present: ROBERT R. WRIGHT, CLARENCE SWETT, C. C. READ, VERNON DALTON, MRS. J.B. WINES, RAY CRAWFORD, TOM ACHURRA, ARTHUR GROCK, AND EYER BOIES, MATT SMITH.

Absent was James L. Ballard.

Also present were Manager Blackett, F. T. Murphy and Fred Toombs.

It was announced by President Wright that after elections the following were re-elected to the Board: James L. Ballard, Clarence Swett, and Matt Smith. Nominations were then made for officers of the Board and Robert R. Wright was re-elected as president, James L. Ballard was re-elected as Vice-President, and Clarence C. Swett was re-elected as secretary with C. C. Read re-elected as Assistant-Secretary.

The following "Thank you" notes were received and read by President Wright: Mabel Harrington, Donna and Jack Anderson for the prize at the Annual Meeting, and Mrs. McElrath for the flowers for the services for Jean McElrath.

The minutes were approved with the following clarification of the last motion on page 1 that the Iris Dahl ranch has incorporated under the title "Dahl Incorporated" and since their Membership was accepted made it possible for Jeff Dahl to be nominated for a Director. Nomination for Denny Procter was also accepted after his Membership was approved by the Board.

Concerning the Federal Power Commission Hearing a prehearing conference has been set for 20 NOVEMBER 1967 in Washington, D. C. A letter from the Idaho Public Service Commission was read by President Wright which stated that the Commission will not be able to attend the prehearing conference in Washington.

Manager Blackett reported that the material has just been ordered to wire the Indian houses. To date, 21 houses have already been hooked up. Bill collecting from the Lee Indians has been pretty good.

It was reported by Manager Blackett that the architect is working up plans and details for furnishings for the building. He will include a list of suppliers. The sign has not been hooked up, as yet.

Fred Toombs reported that Mr. McKelvie of Western Marble has made agreements with Western States Stone and American Stone on a commission basis to market his products. The marble is hard to cut up and polish. An area about 60 miles away from the Western Marble site is being looked into for the possibility of containing a body of excellent grade marble.

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The position of Appliance-Serviceman Wireman has not yet been filled. We have been trying to obtain a qualified man to replace Gene Supp. Gene said he would be willing to stay on the crew. A fellow who was living in Las Vegas seems to be interested in the position and has been sent an application. We will find out next week whether he will be qualified. He does not have a license.

Concerning the housing project Joe Quilici is going to meet with a man from Tennessee who offers a 3% interest on loaned monies for low cost housing. The meeting is to be in Elko on the 24 of October.

Fred brought out that all parties interested in the building at Wendover would like to make bids. The man who owns the property under consideration for purchase does not know whether he wants to sell or not. Fred will approach him again next week.

Manager Blackett read through the proposed agreement with Bell Telephone Company. The agreement stated that it allows us to serve people off the Rocky Point Line.

MOTION made by C.C. Read and seconded by Arthur Grock that the agreement with Bell Telephone Company be approved subject to approval of our attorney. Motion passed.

Murph presented his report about the new power sources to the Board. The map of the 92 locations drawn up by Attorney Vaughan and committee was brought out and discussed. Murph was asked to report further on this next month.

Manager Blackett reported on the investigations of data processing. Since the written report dated 3 OCTOBER 1967 Manager Blackett has made arrangements for a Burroughs machine to be brought out. This is a billing machine that does punch a tape. We could rent the machine for \$168.00 and it could be used in conjunction with the machine at the four way. Manager Blackett will report further on this next month, and give his recommendations.

Wage & Salary was then discussed. Some revision was made in Aultz's plan as it did not allow for merit increase on 1 OCTOBER 1967.

MOTION made by C.C. Swett and seconded by Ray Crawford that the new memberships be approved. Motion passed.

The following reports were submitted to the Board for their consideration and discussion: Expense Accounts - Breakdown, Operations Statement, Monthly Financial and Statistical Report, Monthly Power Supply Report.

It was announced that the NRECA Region Meeting starts Monday. Those who intend to go are Bob Wright and James Ballard; Manager Blackett is going to the Breakfast meeting Monday morning.

Fred brought out that it would cost \$3,225.00 plus sales tax for the new Sales and Service truck.

The meeting adjourned at 3:00.

APPROVED BY:

Robert R. Wright
Robert R. Wright, President

Clarence C. Swett
Clarence C. Swett, Secretary

New Alliance Formed

Thirty years ago, many sparsely settled farming areas did not have electric service. It costs too much to build transmission lines across miles of open country to serve a handful of customers.

Today, 98 per cent of U.S. farms have been electrified, about half by private utility companies and half by Rural Electrification Administration cooperatives. There is no longer justification for large-scale, taxpayer-subsidized co-op expansion. Despite this, those who promote government electric systems want to see the REA tax-favored co-ops move into stiffer competition with private companies. They seek new means for financing such expansion.

Apparently, REA having helped to accomplish its original purpose of rural electrification and running short of reasons for expansion is to join the so-called consumer protection movement in a federation of consumer groups. Among other things, the come-on will be cut-rate electricity by way of special subsidies and tax-exemptions for co-ops.

If they get into rate comparisons, consumer protectionists should remember that REA co-ops, just like government power systems, are exempt from taxes, regulations and interest rates applying to investor-owned companies. These charges make up a large part of the operating overhead of tax-paying utilities just as they do in other private businesses.

If they investigate far enough, consumer protectionists, and the REA, too, may figure out what most consumers already know — no one yet has come up with a better system for creating abundance at a fair price than the one we already have based on individual initiative and the profit motive. Consumer well-being and the national interest would be ill served indeed by needless expansion of taxpayer-subsidized public power through the framework of the REA co-ops.

WELLS RURAL ELECTRIC COMPANY

WELLS, NEVADA 89835

MEMBERSHIPS TO BE APPROVED OCTOBER 29, 1967

Wells

Henry Fick
H. G. Turbeville
William L. Williams

Wendover

James Boyd
Jack B. Caldwell
J. P. Gabrielli
William Bruce Horne
LaRene Lee
Robert Lee
Barry Lewis
Ivan Massell
Vesta Vandever O'Sullivan
Don Scruggs
Richard V. Turville