

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

October 15, 1976

The meeting was called to order at 1:05 p.m. on October 15, in the board room of Wells Rural Electric Company, Wells, Nevada, President James Ballard presiding.

Directors present were: Art Grock, Ray Crawford, Bill Gibbs, John Krenka, Glenn Wadsworth, Bob Wright, Gene Pengelly, Vern Dalton, Clarence Swett, Jim Ballard, and Tom Achurra. Present from the staff were Pat Nolz, Ellie Rutherford, Bud Calton, Richard Loveland, Joe Ward, and Bobbi Samuels. Bob Vaughan was also present.

There were three corrections to the minutes. Directors Election should be Board Officer Election; out was misspelled; and the minutes should read the line to Steve Wright's pump. The minutes were approved as corrected. The minutes of the Special Board Meeting were approved as written.

Devil's Gate: The Public Service Commission says that we have to charge all consumers the same amount for starting service. If we want to charge the consumers in the Devil's Gate area more for this line we cannot do this while we are under Public Service Commission jurisdiction. The board discussed what could be done to get more consumers on this line, and what we might want to charge the consumers out there.

Settlement with Idaho Power: Bob Vaughan went over the possibilities of how the case could come out. He feels the judge will probably award us \$225,000, but our emphasis will be on the judge awarding us \$750,000.

By-Laws: The board went over the changes they wanted made in the By-Laws. Bob Vaughan will make up new copies of the By-Laws with these changes. Copies of the new by-Laws will be given to every new member and available to other consumers who ask for them.

Hydro Plant: Jess Urresti reported that Bud Eldridge was here to look at the hydro plant. He will move the whole building at the same time he moves the plant. We are waiting to hear from him on his bid.

Radio: The new radio has been moved to Rocky Point and from the conversations we have had on it, it seems to have much better reception than it did when the unit was on Pequop Summit. Jess stated that this radio can run on batteries if the power goes out. He felt these batteries would be a very good idea to have. It runs on a 12 volt wet cell battery. We are getting cost estimates on how much this battery will cost.

Sign at Wendover: The new sign for the Wendover office was shown to the board. They felt it was a very good buy for \$60.

Wendover Warehouse and Apartment: Jesse Sharp and Jess Urresti went over to Wendover to make estimates of what needs to be done and how much it would cost to make these repairs. They found that part of the warehouse does not even have lights in it, the whole warehouse would have to be rewired, we need a new compressor, and the furnace needs work on it. The office in Wendover is the only place that has adequate lights and wiring. The apartment needs a shower, all new fixtures in the bathroom and a new furnace. Also, to insulate the apartment, the ceilings and windows would have to be dropped. Jess felt that a committee from the board should go look at the warehouse and apartment and decide how much work and money they would be willing to spend on this. Or, Jess thought maybe they should consider selling the whole building and build another one.

EBLI Insurance: Bob Vaughan recommends that anyone who has anything to do with retirement funds or employee benefits should be covered by this insurance. Bud will write Roland Gasser and find out how much this endorsement on our policy will cost.

Tom Achurra noted that Jiggs no longer has a post office and all addresses for Jiggs should be: Jiggs Star Route, Elko, Nevada 89801.

Pine Valley-Carlin: The delegation that was to be at the meeting could not make it.

Construction: The crew has been working on an underground TV cable. As soon as this is finished we will have 2 free TV stations in Wells, one from Reno and one from Las Vegas.

Raft River Intertie: The letter from Howard Cantrell from BPA just made clarifications as to what was discussed at the meeting between Raft River and Wells Rural Electric Company.

Rates, Rules, and Regulations: All membership certificates have been mailed out and the letter has been sent to the Public Service Commission. We are awaiting a reply from them.

Selection of Manager: John Mohlman will be here November 1.

Annual Meeting: Vern Dalton would like to have the directors encourage the consumers in their area to become involved in planning the Annual Meeting.

Wage and Salary Review: The committee just received this information today and will have a report at the next meeting.

Region IX Meeting: This was tabled until the November meeting. Richard Loveland wished to thank the board for the opportunity to go to this meeting.

REA Loan: Darrel Pierce will be here on October 20 to go over the Two-year work plan and the Financial Forecast. GENE PENGELLY MOVED THAT WE APPROVE THE WORK PLAN. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED. The final figures for the loan are \$886,000 with \$120,250 to reimburse General Funds. \$1,222,000 is the figure in the Work Plan. The loan will not include O'Neil and the Randall Casino in Wendover because REA does not feel there is enough demand in these areas at this time to justify loaning us the money for this. The loan will be financed through both REA (70%) and CFC (30%).

Pat Nolz explained all the details of the financial forecast. She also explained when and why rate increases would be necessary. The board did not like the idea of rate increases, but realized they would be necessary. Pat pointed out that we are ahead of our budget for this year, but we are short on our general funds. One reason our general funds are so low is that they have been used for construction funds this year. After discussing the facts of the forecast GENE PENGELLY MOVED THAT WE ACCEPT THE FINANCIAL FORECAST. BOB WRIGHT SECONDED THE MOTION AND THE MOTION CARRIED. The board wished to commend Pat on the job she did in putting the Financial Forecast together. The board felt it would be necessary to start some type of public relations campaign since we are going to have to raise rates.

Surplus Communications Equipment: We received one bid for the old radio system from Nevada Western Communications Equipment for \$2,000. The radio's depreciated value is \$2,400. CLARENCE SWETT MOVED TO ACCEPT THE BID. TOM ACHURRA SECONDED THE MOTION AND THE MOTION CARRIED.

Steve Wright's Line to his pump: Joe Ward reported that the line is right in the middle of his field. We will be removing $\frac{1}{2}$ mile of line and putting in $\frac{3}{4}$ mile to go around his field. All the materials from this line will be salvaged.

NRECA Annual Meeting: MT. Wheeler is interested in going along with us in getting a block of rooms for this meeting. Vernon has not heard from any of the other co-ops in Nevada. He will make the arrangements for these reservations.

Asphalt for the Service Center: The price we were quoted for the asphalt is a good price, but you need a good base to put it on first and we do not have a good base. The board felt that if this company is the one that did the city streets, we don't want them to do any job for us. The board felt we should get a better gravel base before we pave the parking lot.

Civil Rights Progress Review: We wrote a letter to Charles Fitch about Jack Stevens findings in his review. This letter told Mr. Fitch that we are doing what Mr. Stevens recommended.

Acting Manager's Report: Vernon reported that NRECA is sponsoring a Directors Update Conference in Spokane, Washington on November 8-10. There will be a \$15 registration fee for this conference. Vern urged every director to attend this conference. We are having problems with some of the gas stations because they do not have the gas that we want. BOB WRIGHT MOVED THAT IF WE CANNOT GET THE GAS WE WANT AT A STATION, WE WILL NOT USE THIS STATION. GLENN WADSWORTH SECONDED THE MOTION AND IT CARRIED. Ray Crawford opposed the motion. They are trying to form a Nevada Utilities Association for the private utilities. A meeting will be held on October 28 for this purpose. We have been invited to attend this meeting, and Vernon and Jim are planning on going. We are short two journeyman linemen and Joe has one application and would like the board's permission to hire this man. The board agreed to hire him. The City of Wendover has paid the first installment on their bill. This will run for 8 years like a line extension contract.

Holidays: We now have 6 regular holidays and 2 floating holidays scheduled. Since Columbus Day has been declared a legal holiday we cannot do any business on that day. Bud proposed that the board add Columbus Day to our list giving us a total of 9 holidays. GENE PENGELLY MOVED THAT WE MAKE COLUMBUS DAY A REGULAR HOLIDAY. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED. Glenn Wadsworth abstained.

NWPPA is having a Board of Trustees meeting on November 4 in Portland. John Mohlman and Jim Ballard will attend this meeting.

Group Medical Insurance: All the hospitals in our area have raised their rates. Our policy states that we will stay within \$5 of their rates. Bud wanted to know if we are going to raise the insurance rates to go along with our policy. The board decided to keep the policy the same, including only the hospital in Elko, and raise the rates to go along with our policy.

Dog Obedience School: This is to be held one night a week and Richard would like the board's permission to hold the school at the service center. Jim Ballard read a letter from Joe Quilici, Mayor of Wells, stating that the city supports this school. GENE PENGELLY MOVED THAT WE LET LOVELAND'S USE THE SERVICE CENTER FOR THE SCHOOL. TOM ACHURRA SECONDED THE MOTION AND IT CARRIED.


Hot Line School: We had 8 co-ops from Idaho, California, Nevada, Arizona, and Utah at this school. Ruralite sent letters of appreciation to all our employees who helped with the school. An article on this school will appear in Ruralite magazine. Freida Hollibaugh owns this land and lets us use it free of charge, so she was invited to the dinner and given a gift as our appreciation to her. Joe reported that there are many more co-ops and some private utilities who would like to attend our school.

Delinquent accounts: Dirk Agee owes us \$312; Vernon Westwood owes us \$5900; and Farnes Egbert owes us \$2700. Vernon has sent letters to these people stating our policy on delinquent accounts. Jim Ballard has instructed Gene Supp to give written notice to people with overdue accounts who will not pay with copies to the manager and the president stating that we will shut them off. The board agreed with Jim and Vernon's action on this matter.

Employees have been buying appliances at cost plus 3% carried for a period of twelve months, with payments being taken out of the employees check. This policy was made by Don Snyder and never brought before the board for their approval. There are 14 accounts like this at the present. CLARENCE SWETT MOVED AND GENE PENGELLY SECONDED THE MOTION TO LET THESE CONTRACTS RUN, BUT NOT TO ACCEPT ANY MORE LIKE THIS AFTER NOVEMBER 1. AFTER THIS TIME, EMPLOYEES WILL BE UNDER THE SAME POLICY AS OTHER CUSTOMERS AS FAR AS PAYING THEIR BILLS. THE MOTION CARRIED.

The meeting was adjourned at 8:15 p.m.


JAMES L. BALLARD, PRESIDENT


CLARENCE C. SWETT, SECRETARY