

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

September 15, 1978

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on September 15, 1978 at 1:00 p.m. President Vernon Dalton presided over the meeting.

Directors present were: Ferris Brough, Jesse Larsen, Gene Pengelly, Vernon Dalton, Clarence Swett, Ester Quilici, Jim Ballard, Ray Crawford, Daryl Eriksen and Darlene Sharp. Bill Wright was unable to attend. Present from the staff were Mike Fox and Patti Blackett.

Corrections to the Minutes: On page 3, first paragraph, next to last line, it should be 3 exceptions instead of 2.

Election Committee: We had difficulty in trying to get someone to serve on the Election Committee. We ran out of names on the ones that were approved. Vernon suggested Linda Zunino and Joe Riordan along with some others for Mike to get in touch with. Linda Zunino and Joe Riordan did serve, along with Ola Triplett who was approved at the August Meeting. GENE PENGELLY MOVED WE APPROVE THE ELECTION COMMITTEE. JIM BALLARD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Election Committee Report: Vernon read the Election Committee Report. There were a total of 321 ballots received, 309 of them were counted and 12 rejected. Ray Crawford received 284 votes, Vernon Dalton, 295 votes, Wm. B. Wright Jr., 216 votes, Darlene Sharp, 238 votes and Win Lindquist, 146 votes. Those elected were: Ray Crawford, Vernon Dalton, Wm. B. Wright Jr. and Darlene Sharp. JIM BALLARD MOVED WE APPROVE THE ELECTION COMMITTEE REPORT. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

FERRIS BROUGH MOVED WE PUT THE ELECTION RESULTS IN THE PAPER. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. This will be included in the minutes that go in the paper.

Election of Officers: Vernon suggested a new procedure to elect officers. Pieces of paper were passed to each director. They wrote down their choice for President, Vice President and Secretary-Treasurer. Vernon Dalton was elected President, Jim Ballard was elected Vice President and Ester Quilici was elected Secretary-Treasurer.

Additions to the Agenda: Articles of Incorporation, WPPS Annual Meeting and Peterson case in Wendover.

Marshall Morgan: Mike gave a report on what was done. There was a breakdown in communications. We were under the assumption that Mr. Morgan had this work contracted out and all we had to do was move the pole. Mike and Richard met with Mr. Morgan and got everything taken care of.

Contact - O'Neil: Within the last couple of days, there has been some renewed interest in three-phasing the line. Chromalloy Mine is to a point that they are investing in some new equipment. They contacted us about extending the single phase service that goes up to the mine and running it to some new plots. They are looking at stepping up their production. Dale Aslett is also interested in receiving power. This is as far North as the interest has been generated so far. Winecup might be putting in additional irrigation pumps.

Pine Valley/Carlin: We are waiting to hear from the N.P.S.C. We have filed all the necessary applications and documents with them. Carlin contacted the N.P.S.C. to let them know what their situation is. It will appear on the hearing docket October 2. Our transformers are due to be shipped September 18.

Policy: There was a meeting on Tuesday, September 12, 1978 and the committee came up with several proposals. On Policy 1-6, 2 B 1, the committee wanted to call the boards attention to an additional change that they recommend on page 18. There was a mis-use of words in B 1. The committee recommends to delete "at any regular or special institutions on Company business." JIM BALLARD MOVED THIS POLICY BE REVISED AS STATED. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Policy 7-1, 2 B-11, page 53; after considering this, the committee is still in favor of using "may" instead of "will not." JIM BALLARD MOVED THE SECTION STAND AS WAS REVISED BY THE COMMITTEE AND DELETE "IN PAY." GENE PENGELLY SECONDED THE MOTION AND IT CARRIED BY A VOTE OF 7 IN FAVOR AND 2 OPPOSED. The Scholarship Policy, page 68, 3 E, it says scholarship may be used for tuition only. JIM BALLARD MOVED WE CHANGE THIS AND SAY THE SCHOLARSHIP MAY BE USED FOR TUITION, FEES, BOOKS OR LODGING IN THAT ORDER ONLY. SCHOLARSHIP TO BE PRO-RATED BY SCHOOL TERM. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

DARYL ERIKSEN MOVED WE GO BACK TO THE ORIGINAL INTENT OF THE SCHOLARSHIP. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED BY A VOTE OF 7 IN FAVOR AND 2 OPPOSED.

Copies of schedules of reviewing policies were given to each director. JIM BALLARD MOVED THIS OUTLINE OF REVIEW BE ACCEPTED BY THE BOARD. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Sections G & N will be left as is for now and we will issue new policies as revised.

Appliance & Safety Report: We sold a water heater, washer and dryer and a dishwasher. Jess Urresti came into the meeting and gave a report on the Annual Hotline School.

Board Committee Report: Nothing new.

Construction Report: The Line Crew has resumed work on the Starr Valley new 30 line 3, Wells to Welcome. The underground service to Morgan's 150 hp irrigation pump and the transformer pole relocation has been completed. Extensions for V. Dalton and H. Uhlig irrigation pumps have been completed and a 30 service for Joe Quilici's batching plant is complete. The Line Crew is installing two spans of primary and a temporary 30 transformer bank with special metering and CT's at the Wells Grammar School. A two pole secondary and service to Marla Boies' stock pump was completed in August. Routine replacements of services and secondaries for the month of August has been completed.

Regional Power Planning: Senator Jackson has introduced a new bill to the Senate. They have had hearings on it. An identical bill has been introduced to the house. They had hearings on that bill the latter part of August. Basically, the bills are sound and for our benefit. They maintain the preference customer status. It sets down quite a list of restrictions and qualifications that BPA has to go through. It also establishes a Bonneville Consumers Council, to be made up of representatives from the Northwest Region because we are within the 75 mile limit of the Bonneville service area. However, they don't include Nevada as having representation on this council. Letters were sent to Congressman Santini, Cannon, Laxalt the Governor and anyone we could think of that might give us some support in our efforts to try to get this legislation to at least include the parts of Nevada that are within this Northwest Region to have some type of representation. Most of the agencies in the Northwest are in support of this legislation.

Hydro Plant: Our Hydro Project is progressing well. Bud Reynolds has not been able to work on the project to much this past month on account of the haying but promised he would get back on the project as soon as possible.

Settlement with Idaho Power: Nothing new.

Engineering Report: We have been working on the proposed Carlin line. We have been busy with work order preparation, right-of-ways, new line extension contracts and new work order procedures for work on routine and proposed work orders.

Employee & Director Institutes & Schools: Mike gave a report on the institutes he attended in Steamboat Springs. The NRECA Annual Meeting is being held February 18-22, 1979 in Houston, Texas. Ray and Vernon would like to attend. Vernon suggested we hold the NRECA 500.2 school in our area. We will get more information on this. Directors Updates have been announced. Jim is interested in attending the one in Tuscon, December 6-8.

Power Source: The White Pine County Board of Commissioners has sent out offers to all the Utilities in Nevada who are to have first option to participate in the White Pine Project. The bulk of this is to be used by the City of Los Angeles. They are willing to pick up total costs of the initial fees that are usually involved in a project like this. It has been determined, by the preliminary investigation, that the estimated costs are around \$150,000. Total output of the plant is 1500 MW. JIM BALLARD MOVED WE LET IT BE KNOWN THAT WE ARE WILLING TO PARTICIPATE IN 1% OF THE COST. GENE PENGELLY SECONDED THE MOTION. Mike will contact the people that are trying to develop this project and get someone here or if they are going to have a meeting, some of the directors could go to it. Jim Ballard withdrew his motion and Gene Pengelly withdrew his second.

Designate representative & alternate to PPC: GENE PENGELLY MOVED WE HAVE JIM BALLARD AS VOTING DELEGATE WITH JESSE LARSEN AS ALTERNATE. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

GENE PENGELLY MOVED WE APPROVE THE 19 MEMBERSHIPS FROM WELLS AND THE 17 FROM WENDOVER. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Articles of Incorporation: There was discussion on how we wanted to keep the Articles. If we wanted to keep the original Article with the amendments attached or retype the original Article with the amendments included. It was decided to keep the original Article with the amendments attached.

WPPS Annual Meeting: This will be held October 19 & 20 in Richland, Washington if anyone is interested in attending.

Peterson case in Wendover: Mike reviewed the case for Darlene Sharp's benefit. This might be filed against us. If suit is filed against us, Bob Vaughan will not be able to handle our case in Utah. There were many suggestions on how to settle this. Mike will talk to Mr. Peterson to see what his suggestions are.

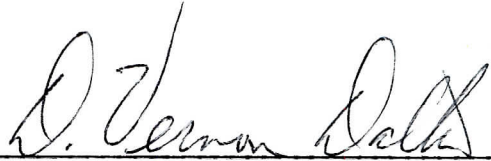
Manager's Report: Ruralite has a set of guidelines and restrictions on a Cooperative that you have to meet in order to be accredited safety-wise. An advantage to this is possible savings on insurance coverages. The Companies that are involved in this through Ruralite offer lower rates if you have good safety records. Mike will check into what is necessary in order to qualify.

We have been working through the NREA to propose new formulas to the Nevada State Tax Commission on how they assess Rural Electric Cooperatives. All the Co-ops in the state are involved in this. There was a meeting in Reno with the Director of the Tax Commission and Attorneys. The State Tax Commission makes the assessment as to what they value your property. They turn this over to the County and the County splits it up by taxing districts. In the past, they based it on gross revenue. They add the gross revenue to the plant, then average the two together and that is your assessed value. Then they take 35% of that figure and that is your assessment. The statewide proposed that it be based on year end margins rather than gross revenue. On October 2, there will be a hearing on this.

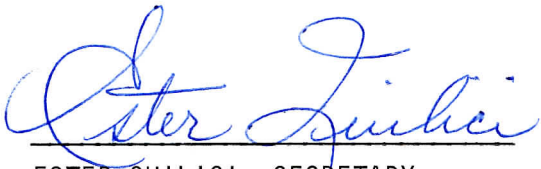
We received our new BPA rates. There was information on the board and in the folders that was discussed. At present, the demand charge is \$1.05/KW from September 1 to March 31 and .93/KW from April 1 to August 31. Energy charge is 1.9 mills/KWH September 1 to March 31 and 1.0 mills/KWH April 1 to August 31. Transformation charge is .20/KW. The proposed rates are: Demand charge \$1.55/KW December 1 to May 31 and \$1.30/KW June 1 to November 30. Energy charge is 4.9 mills/KWH year round and there is no Transformation charge. On September 21 in Idaho Falls, there will be a Public Information Quorum where they have invited all the preference customers in the Idaho District to come in and they are going to explain how they figured these rates. Mike will attend this meeting.

Vernon was designated to purchase a 4-H beef at the fair. Because of the high cost of the beef this year, he did not purchase one. We need to purchase a beef to give to the people who won it at the Annual Meeting. JIM BALLARD MOVED WE AUTHORIZE VERNON DALTON TO PURCHASE A HALF A BEEF FROM THE FRONTIER AND A HALF A BEEF FROM QUILICI'S AND WHEN CUTS ARE SPLIT UP, THEY ARE MIXED INTO 4 EQUAL PORTIONS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 5:15 p.m.



D. VERNON DALTON, PRESIDENT



ESTER QUILICI, SECRETARY

ELECTION COMMITTEE REPORT

Meeting held 1:00 P.M. September 8, 1978, at Vaughan, Hull, Marfisi & Copenhaver, Ltd. Offices, 530 Idaho Street, Elko, Nevada.

PRESENT:

COMMITTEE MEMBERS - Ola Triplett, Linda Zunino, Joe Riordan

COMPANY ATTORNEY - Robert O. Vaughan

ATTORNEY STAFF - Debbie Bitton, Sue Able

COMPANY RECORD CLERK - Mary Zearing

Ballots Counted -----309  
Ballots Rejected----- 12  
Total Ballots-----321

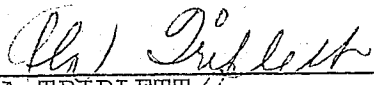
VOTE COUNT:


Ray Crawford-----284  
Vernon Dalton-----295  
Wm. B. Wright, Jr.-----216  
Darlene Sharp-----238  
Win Lindquist-----146

ELECTED:

RAY CRAWFORD  
VERNON DALTON  
WM. B. WRIGHT, JR.  
DARLENE SHARP

Respectfully submitted,

  
OLA TRIPLETT

  
LINDA ZUNINO

  
JOE RIORDAN

MEMBERSHIPS TO BE APPROVED

September 15, 1978

WELLS

1. Judy Lee Bartley
2. Curtis E. Buhl
3. Dennis Digenan
4. Dick Duval
5. Tom Eldridge
6. Steve Enos
7. Sue A. Erickson
8. Arthur Florus
9. Wallace E. Heiselt
10. Roni Homer
11. Erik A. King
12. Don McClure
13. Robin McGhee
14. Lynda L. Mason
15. Wesley Myrick
16. Ralph Phenix
17. Jesus Salazar
18. Floyd N. Springer
19. Andy Stenovich

WENDOVER

1. Myrtle Anderson
2. Manuel Avarado
3. Thomas L. Bostock
4. Guy A. Clarke
5. William Cook
6. Salvador Espita
7. Jim Glavis
8. Johnna Denise Heath
9. Karen R. Hunsaker
10. Jack Lamb
11. Doris M. Matlock
12. Robert P. Means
13. Irvin J. Miller
14. Marty Peck
15. Janet Renick
16. Gary Sheffield
17. John Stout