

**Regular Meeting of the Board of Directors
of Wells Rural Electric Company**

March 21, 1980

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, March 21, 1980 at 1:00 p.m. President Vernon Dalton presided over the meeting.

Directors present were Vernon Dalton, Gene Pengelly, Jesse Larsen, Joe Riordan, Ray Crawford, Ferris Brough, Bill Wright, John Krenka, Wanda Borden, Daryl Eriksen and Ester Quilici.

Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: The minutes will stand approved as written.

Audit Report: Warren Jaynes from Ernst & Whinney was at the meeting to present the audit report. He went over the supplemental letter and then went over the audit report. GENE PENGELLY MOVED WE APPROVE THE AUDIT AS PRESENTED. BILL WRIGHT AND ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Vernon thinks we should see if we can get approval from REA to start paying back capital credits. ESTER QUILICI MOVED WE BEGIN PROCEEDINGS TO RETURN PATRONAGE CAPITAL. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Energy Research: There is a joint meeting with Deseret G & T and PNGC on April 3rd at 11:00 a.m. in Salt Lake. Dave Piper will be there to meet with us. Merrill Millett is the General Manager of Deseret G & T. He has resigned from Moon Lake. Dan received a call from Mike Elliott of CH2M Hill. He discussed an interesting proposal that has been made to PNGC from Wind Farms Limited. This is an organization that has approached PNGC in an attempt to find sites in which they would like to locate 100 wind turbines, each of 2 1/2 to 4 MW capacity. Forty of these have definitely been scheduled for the Hawaiian Islands. They met with Dave Piper and Dave has assigned an engineer with CH2M Hill to do the hard engineering. They have also been working with Oregon State. CH2M Hill has forwarded copies of our PON's to these people stating that when they get ready to put it in the Pacific Northwest, we have a good site. PNGC is looking at 20 possible lowhead hydro sites with a minimum of 1 1/2 MW in which some developmental money is available.

White Pine Report: Lee and Dan attended a meeting Tuesday with the participants of the White Pine County Project in Ely. Everyone received a copy of the financing documents. There is a meeting in Las Vegas on April 15, 16 and 17. Everyone will have until June 30th to work with them to make suggestions and corrections. They will then put together their final draft of the financing documents. We will then have until the end of August to sign them. Once they are signed, by September 1 or October, they will get into the actual financing of the project. The project cannot go over 1500 MW. We are the smallest participant with 1%. To get anymore in the project, someone in Nevada would have to reduce their participation. White Pine County, Sierra Pacific and Nevada Power will be listed as co-owners of the project.

Community & Area Development: There was a meeting this morning with Andy Anderson. The committee is recommending that W.R.E.C. build approximately 2 miles of 10 distribution line to the Elko County line at which point Andy Anderson will construct his own distribution line to serve his proposal located outside of W.R.E.C.'s

service area. This 2 miles will be built under our indeterminate line extension policy. The line to be built beyond W.R.E.C. metering point must meet REA specifications. All service to Anderson's proposal would be on an interruptible basis as outlined by BPA. The possibility of a maintenance contract and the rights of W.R.E.C. to purchase the line from Anderson if further load should develop will be reviewed prior to the final contract. BILL WRIGHT MOVED WE ADOPT THIS. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Daryl attended a meeting on cable T.V. in Denver.

Jess Urresti came into the meeting and brought Joe Granducci from G.E. Enterprises in Roy, Utah. Mr. Granducci came out to discuss the possibility of

getting an earth satellite system. He went over the costs of the equipment. He recommended that we go on a step by step basis and not on a package deal. It was brought up that a motion was made not to spend power money on the T.V. system. DARYL ERIKSEN MOVED WE RESCIND THE PREVIOUS MOTION MADE. BILL WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The tests were given to the apprentices. Two people took the test, completed and passed the test. In the book they took the test on, there was a section on the Union. The Committee does not think the employees should have to complete the section on the Union. It was suggested that we look and see if we can find courses from another place. It was also suggested that at the end of the year, they should have a test in which they would do actual work in the field.

Director & Manager Expense Committee: The new Director's Expense form was presented and explained. The Committee met on March 10th. They discussed mileage, last years budget, revision of the budget and provisions for miscellaneous and directors budget and trying to account for what the directors spend and is charged to the directors. Also proposed a \$10 and \$20 increase in compensation. The committee does not recommend an increase in the mileage at this time. The Committee discussed raising the compensation to A. \$10 or B. \$20. JESSE LARSEN MOVED WE ADOPT PROPOSAL A, \$90 A DAY TO BE PUT IN POLICY 1-6, PAGE 16, GENE PENGELLY SECONDED THE MOTION. ESTER QUILICI MOVED WE TABLE THE MOTION. THERE WAS NO SECOND. Jesse withdrew his motion and Gene withdrew his second. ESTER QUILICI MOVED TO TABLE THE MOTION. JESSE LARSEN SECONDED THE MOTION AND IT FAILED WITH 4 IN FAVOR AND 6 OPPOSED. There was discussion on compensating those directors who have to travel a long distance. DARYL ERIKSEN MOVED WE COMPENSATE THOSE WHO HAVE TO TRAVEL PLUS 18cts A MILE ON A QUARTER OF A DAY BASIS UP TO MAXIMUM. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED WITH 9 IN FAVOR AND 1 OPPOSED. DARYL ERIKSEN MOVED WE LEAVE THE COMPENSATION AS IS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED WITH 6 IN FAVOR AND 4 OPPOSED. Ester Quilici, Bill Wright, John Krenka and Wanda Borden. The 1979 budget was \$29,500. We spent 29,652.33. This was 1% over. In the revised budget, for board meetings, we have proposed to leave it at \$10,000; committee meetings \$5,000; institutes \$5,400; accredited schools \$4,400; Region IX \$3,600; annual meeting, \$4,100 and miscellaneous \$2,000.

This would make the budget \$34,500, an increase of \$5,000. JESSE LARSEN MOVED WE ACCEPT THIS AS A REVISED DIRECTOR'S BUDGET FOR 1980. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Lee/Jiggs - Carlin: CPN has agreed to combine the 2 contracts which gives us 1880 kw. We still have a problem with the 4 miles of line to Jiggs. In Carlin, we have enough inquiries for approximately 600 HP. This would put us

over our contractual limits in Carlin.

Outage Report: In February, we experienced, system wide, 9 unscheduled outages and 5 scheduled. Six were in Carlin, four were line 3 to Starr Valley and Deeth, two at Wendover, one on line 1 to Metropolis and one on line 7 to Contact. All "system" outages were minor with only minimum down time. Reasons for the "system" outages ranged from loose connections on transformers, lightning strikes, wind and storm damage, tree falling (consumer caused) to a low flying aircraft hitting primary lines over RR tracks. Crews responding in the respective areas encountered no major difficulties in returning power to our customers and are responsible for keeping outage time at a minimum.

Member Services Report: Jess was invited to attend the Wells Ambulance Meeting and showed a movie titled "The New Breath of Life" dealing with cardia pulmonary resuscitation followed by many questions and answers dealing with CPR. He also demonstrated the Heimlich Maneuver which is the first aid for choking victims. The group questioned him on the first aid kits W.R.E.C. uses to obtain for members in the past. He is in the process of making arrangements for them to purchase these directly. There were 28 people in attendance. Dan Bryan and Jess have shown the slide presentation to Junior classes of Carlin, Wendover and Wells explaining to the youth the Energy Seminar Youth Camp we will be sponsoring starting this year. We hope we stimulated the interest of some of the students in these three schools to apply for the summer camp. There appeared to be good interest shown.

Jess attended a meeting in Elko on Wednesday, February 3rd put on by the Nevada Department of Energy. The discussion of utility involvement in energy conservation, winterization was the main topic. It was apparent that we are more involved and further in this program than most utilities in the state. On Wednesday, February 20th, he was asked to judge the Lions Club Speech Contest which is a yearly affair for this organization. There were four youths competing. It was a good contest with lots of interest. Jess would like to thank the board for giving him the opportunity to attend the N.R.E.C.A. Annual Meeting in New Orleans. This was the first time that he has ever attended one of these functions, needless to say, he was awe stricken with the number of people in attendance & the enthusiasm and interest, all toward the same goal. The speakers and workshops were very good and overall, his feeling is that these meetings are very informative and educational. He hopes that the board will continue to send members of the staff to these functions.

Power Source: The people from Batelle will be here on April 9th to take a look at our site. It will be a 150' tower with readings at the 30, 100' and 150' level. They hope to have the equipment erected and tests going by the end of July.

Employee & Director Institutes & Schools: Ray Bleak attended a Supervisor Training Program in Reno sponsored by Ruralite.

New Memberships: DARYL ERIKSEN MOVED WE APPROVE THE 35 MEMBERSHIPS FROM WELLS, 18 FROM WENDOVER AND 18 FROM CARLIN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: The meter testing program in Wendover is now completed. Irrigation meters are next on the agenda.

The Wendover Medical Board is planning to re-roof their portion of our building. They have received bids to do the entire building. Our cost would be \$2,425 for our share. This is not budgeted. JESSE LARSEN MOVED

WE PAY OUR SHARE OF THE RE-ROOFING. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

In addition to Harold Cantrell's retirement, Martin Derksema also retired effective February 29th. Floyd Actis is now, the Acting Manager of the Idaho Falls office. Roy Nishi has stated that they will continue to work on our project.

There is a meeting in Denver of the NRECA-CFC Power Supply Study Committee.

We have done some checking on the ambulance equipment. They have asked us to delay a month until they hear from the County Commissioners.

In checking with other Co-ops about the line extension policy, one allowed for a pay back similar to the way ours was; one required basically 100% up front although they did not work much with irrigation, one required the irrigators to pay the full cost of underground with no pay back and one was virtually identical to ours.

On the Idaho Power case, Bob Vaughan spent a day and a half in San Francisco this week presenting the next step in the procedure of the hearing. He made a 15 minute presentation.

The Legislative Rally is May 7th, 8th and 9th.

Mark Callister has resigned in Wendover. Bill Bozarth has been hired in Carlin. He is from Alaska. We hired Roger Dickinson in Wendover to replace Mark.

We received a letter from the County Commissioners. There is a meeting on April 10th at 4:00 p.m. in Elko on the tap.

Dan has copies of a book called "Overload." He recommends that everyone read it.

ESTER QUILICI MOVED WE WRITE A LETTER TO OUR CONGRESSMEN URGING THEM TO SUPPORT ALL NUCLEAR CONSTRUCTION. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

In order to expedite our board meetings, Vernon would like the committee chairmen to hold their meetings earlier in the month and get written reports out with the agenda.

The meeting adjourned at 7:00 p.m.

D. VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY