

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

**April 18, 1980**

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, April 18, 1980 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

Corrections to the minutes: On page 4, first paragraph, last line, insert "over" after us.

Addition to the agenda: Scholarship Committee.

Energy Search Committee: The committee met this morning. Vernon, Gene, Lee and Dan went to Salt Lake City to meet with Deseret G & T and PNGC. If we go with PNGC, it is an all power requirement contract. Deseret G & T is not. We could sign up with Deseret G & T with no membership fee. The committee recommends we apply to Deseret G & T for 7% of the Moon Lake Project and appoint a member of the board and an alternate to attend the meetings. 7% would give us around 28 MI of power. Our only obligation, if the plant failed, would be to pay for our 7% which would be between 1.2 and 1.4 million dollars. They will try to sell the power we do not use. The project must be in operation by December 1984. GENE PENGELLY MOVED WE APPLY TO DESERET G & T TO PURCHASE 7% OF THE MOON LAKE PROJECT FROM THEM. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. FERRIS BROUGH MOVED GENE PENGELLY BE THE DELEGATE. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. GENE PENGELLY MOVED DAN BRYAN BE THE ALTERNATE. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. On April 15th, Dan, Gene and Lee went to Las Vegas to attend the White Pine Power Project meeting. Nevada Power recommended that they would like the City of Los Angeles to go ahead with the development of the project and they would like to take over the construction and operations. The City of Los Angeles will be in charge of development and construction and Nevada Power will be the Operating Supervisors. Before the project can start, we all have to sign the letter of intent. If it looks like the project is not going to go, 50% of the participants can abort the project. We would have to build our own transmission line. Gene asked the President of Sierra Pacific if we could trade our 1% in White Pine for 1% on the line out of Elko. He said he thought we could work something out. Lee stayed down there for another day of meetings. They have set up the next meeting for next Friday. This will be between Nevada Power, Sierra Pacific and Los Angeles. May 8th and 9th will be the next meeting to review the changes in the manual. They are going to meet through June 30th. We need to have our letter of commitment or withdrawal in by June 30th. If we decide to participate, we will be eligible for representation on their management committee. This all has to be in to them by the end of August.

Policy, Rules & Regulations: On Policy 7-8, Equipment and Supply Purchases, the committee proposes a change on IIB. This would eliminate the bidding. RAY CRAWFORD MOVED WE ADOPT THE PROPOSED CHANGE. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED WITH 6 IN FAVOR AND 3 OPPOSED.

Irrigation Rate: Under terms of payment, it is proposed that we change the first paragraph to: The annual demand

charge will be billed in January, but not due and payable until ten (10) days prior to the consumer wanting his service connected. DARYL ERIKSEN MOVED WE ACCEPT THIS. ESTER QUILICI SECONDED THE MOTION. Vernon had a question on the Off Peak Provision. Dan will talk to Dave Rumolo on this. The motion was tabled.

Interruption of Service Policy: The committee recommends that the board tentatively approve this policy to be reviewed at the Annual Meeting on May 3, 1980 with permanent action following that meeting at the next regular board meeting. On the second page, first paragraph, it needs to be more specific requiring failsafe or backup equipment. This will be changed. GENE PENGELLY MOVED WE PRESENT THIS TO THE MEMBERS AT THE ANNUAL MEETING FOR APPROVAL WITH THE CHANGED WORDING. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Wanda mentioned that the City of Carlin gave the Senior Citizen Center a generator for use when the power goes out. It has never been prepared for use. We will write them a letter advising them to prepare it for emergency use.

The committee also recommends that mileage be paid by the Company at the rate of 25c per mile and that the directors be paid \$100 per day based on quarter days of 2 hours per quarter. RAY CRAWFORD MOVED WE ADOPT THIS. JOHN KRENKA SECONDED THE MOTION. It was asked if the motion made at the last meeting concerning travel time was superseded because of this. Ray withdrew his motion and John withdrew his second. The Policy Committee will come back with the proper wording for the Policy. It is the report of the Policy Committee to not make any preference to employees or directors in regard to appliance and supply special purchase.

Community & Area Development Committee: Daryl presented a form that would be sent out to survey the consumers on T.V. This will be done after the Annual Meeting.

Apprentice Program: A section for Item H will be added saying that the individual has so much time to complete this program. The committee can extend the time for unusual circumstances for one 6 month period. Failure to complete the program in the time allowed may result in discharge. JESSE LARSEN MOVED WE ADOPT THIS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. The President of the Board, Manager, Shop Steward and Union Representative will sign this.

The Scholarship Committee will meet during the week of May 12th.

Safety Report: The monthly safety meeting was held at the Service Center. There were no accidents or near misses to be reported. The first item covered on our safety meeting was emergency procedures in case of accidents. S.O.S. cards listing emergency telephone numbers as well as step by step emergency procedures to follow were handed out. The next item covered was the importance of daily vehicle inspection and why we should be checking lights, tires, oil and other items on a daily basis. Another item discussed extensively was our two trailers, the pole trailer and the "cat" transporting trailer. We need to check the lights and brakes on these units more often. The balance of the meeting was used for actual vehicle and hot line tool inspections as well as the fire extinguishers and first aid kits. The linemen's belts and climbing gear was also checked. We had 13 men in attendance.

Annual Meeting Report: The program has gone to press. We have received confirmation that Governor List will be our speaker. Between the hours of 4:00 - 6:00 p.m., displays will be open for viewing in the gym at the High School and registration will be between 5:00 - 6:00 p.m. with the meeting beginning at 6:00 p.m. and the dinner at approximately 7:30 p.m.

Construction Report: In Wells, new services have been installed to trailers and homes during the month of March, security lights also have been added. The Fred Howell bypass has been completed including the retirement of the old line. The Parsons Construction Company was connected to their construction trailer, Southern Pacific's new signal service was connected in Wells with meters at two locations. In Wendover, the meter testing program has been completed with good results and soon the testing program will begin in the Wells area. Also, the Stateline Casino and other routine service work was completed. In Carlin, routine service work and security lights were most of the work for the month.

Engineering Report: Line has been staked for Ned Smiley for his stockwater extension 4 miles east of Wells. We are currently applying for right-of-way with BLM to serve him as well. Delbert Reece of Maggie Creek Ranch in Carlin is currently involved with a phase addition on his line to bring 3 phase power to the ranch for additional irrigation needs this summer. Plans for staking and estimates begin this week. Boyd Spratling plans to need power to his new veterinarian clinic in Starr Valley as well as a new residence near it as well. Some upgrading of existing line is needed to bring him service for these and are currently being completed. We were recently contacted by the U.S. Air Force regarding service to existing buildings on line 4 (Air Base) in Wendover. The line is currently owned by the City of Wendover and is "primarily" metered by WREC. Any additional load must be billed through the City of Wendover which currently has a contract with the USAF. We will not be involved with any service additions or transformers needed. The crews have been busy with routine work orders and line extensions in their respective areas.

Outage Report: In March, we experienced, system wide, 4 scheduled and 7 unscheduled outages. All "system" outages were minor with only minimum down time. Reasons for the 'system' outages ranged from loose connections, an

overloaded transformer, routine upgrading of services to energizing a new section of line in Starr Valley. Crews responding in the respective areas encountered no major difficulties in returning power to our consumers and are responsible for keeping outage time at a minimum.

Member Services Report: On Sunday, March 23rd, our local BPA organization hosted a meeting in which other chapters throughout the state were invited. Jess was asked to put on a program. The program selected was on energy conservation in which he showed a movie followed by questions and answers. There were many questions dealing with insulation and a very good session was held. Everyone in attendance received the handbook "Citizen's Workshops on Energy and the Environment." Jess also made a presentation for the Carlin Volunteer Fire Department. The program presented was titled "Facts to Live By" which deals with electrical hazards. This program explains how to deal with power lines that might be down caused by automobile accidents and other means. It tells the Fire Department and other emergency personnel how to cope with these hazards. Following the presentation, there were comments made by the Carlin personnel in regards to some of their problem. Jess stressed the fact that in any emergency case that involved power lines, WREC should be called immediately and that only our personnel should take care of the electrical emergency.

Power Source: We met with Pacific Northwest Laboratory from Battelle. They will be shipping materials immediately to have the test tower set up and in operation by July 1st. If the information we get from it is the type suitable for a turbine, it is feasible that, should the DOE get new turbines between now and a year from now, we could be in line for one at any time. All we would have to do is re-submit our latest PON with the updated wind data. There is an agreement we have to sign. GENE PENGELLY MOVED WE SIGN THE AGREEMENT. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Carlin - Lee/Jiggs: We have an indirect report that negotiations between CPN and Sierra Pacific are moving at a faster pace and that Sierra Pacific is aware of our situation should they successfully purchase the Elko system. BPA says if we had an increased wheeling agreement, there is a 3.1 mile section of line at Elko that is in itself a bottleneck and an increased power flow is virtually impossible.

Employee & Director Institutes & Schools: Pat Nolz and Risa Paul attended a Plant Accounting Workshop sponsored by NWPPA. Lee and Jess attended the Ruralite Annual Meeting. Dan Bryan was elected to the board. Dan will be leaving Sunday for Washington, D.C. to attend the New Manager's Forum. May 7th and 8th is the Legislative Rally in Washington, D.C. Dan and Vernon would like to attend. GENE PENGELLY MOVED VERNON DALTON AND DAN BRYAN ATTEND. JOE RIORDAN SECONDED THE MOTION

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 16 MEMBERSHIPS FROM WELLS, 19 FROM WENDOVER AND 12 FROM CARLIN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We have notified Andy Anderson by letter what the order of business will be. We have not heard back from him.

The attorney has suggested that we amend our Bylaws, Article VI, Section 10 as follows: SECTION 10. Company Responsibility. The Company will use its best efforts to furnish adequate and dependable electric service to its members. However, it cannot, and therefore, does not guarantee a continuous and uninterrupted supply of electricity. The Company reserves the right through its Board of Directors to adopt rules and regulations relating to discontinuance, modification or restrictions of service to individual consumers, new consumers, new services, types of service and/or areas of service as may be necessary to keep the use within the capacity of the facilities and within the available source of supply. WANDA BORDEN MOVED WE ADOPT THIS. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Capital Credits: Dan talked to REA on early payment of capital credits. They told us we can return capital credits if we want to without their approval as long as the total amount refunded is not equal to or greater than 25% of last years margins. If you go higher than that, then there is a resolution that must be adopted, it must be submitted to them and they must approve it. 25% of last years margins would be \$64,000. The first year total is just over \$20,000. RAY CRAWFORD MOVED WE PAY THE CAPITAL CREDITS FOR 1962, ONE YEAR. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED WITH 7 IN FAVOR AND 2 OPPOSED.

We have been notified by CFC that in July 1980 our line of credit will expire. We need to renew it prior to that time. GENE PENGELLY MOVED WE APPLY FOR CONTINUATION. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 3:45 p.m.

D. VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY