

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

May 16, 1980

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order at 1:00 p.m. on Friday, May 16, 1980. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: On page 2, second paragraph, second line, it should read demand "charge." The minutes will be approved as corrected.

Additions to the agenda: Under Committee Reports, add Director's and Manager's Expense Committee and the Safety and Training Committee.

Energy Research: Daryl Eriksen and Lee Standley attended the White Pine Power Project Meeting in Las Vegas. Los Angeles is going to build the plant and Nevada Power is going to operate it. The next meeting will be June 2nd and 3rd. We are on the agenda for the Deseret G & T Meeting to be held May 23rd in Springdale, Utah for our request for membership in the Moon Lake Project.

Policy Committee: The suggested change was made on page 2 of the Interruption of Service rule. Dan has talked to Jim Copenhaver about this. Dan will write a letter of explanation to the PSC explaining how this came about. GENE PENGELLY MOVED WE APPROVE THIS. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. A Policy Committee Meeting will be held on May 28th at 9:00 a.m. Dan suggested that the board meet in the mornings around 9:00 and then have any committee meetings that are needed after the board meetings. BILL WRIGHT MOVED WE DO THIS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Scholarship Committee: The Committee interviewed applicants on Wednesday, May 14th. There were 4 in Wendover, 4 in Wells and 1 from Elko. Those on the committee were Gene Pengelly, Bill Wright, Ray Crawford and Dan Bryan. Ralph Gonzales from Wendover received the scholarship. Rory Krenka was the 1st alternate and Bret Cox the 2nd alternate. Dan gave a report on the past applicants and where they are at the present. GENE PENGELLY MOVED WE ADOPT THE REPORT. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Director's & Manager's Expense Committee: The Committee met on Monday, May 12th to review the present status of the Director's and Manager's expenditures. We are running within the budget. The total expenditures for the Director's is \$8,200, 22% of the total budget.

Safety & Training Committee: They met on April 23rd and gave tests to 4 employees. All passed. Two are working on the 6th test completing one year.

Safety Report: A Safety Meeting was held at the Service Center and was conducted by Ruralite Services. There

were no accidents or near misses for the past month to report. Ken Fannesbeck, the Ruralite Instructor, spoke on several accidents that had happened recently to some of the Cooperatives. We analyzed the cause, nature and prevention of these accidents. Also pointed out was the importance of mental attitude, the time of the day and the day of the week and the factor all of these points have on the accident frequency and prevention.

Annual Meeting Report: We had around 200 for the dinner and 97 members in attendance. We did some research on the number of registered people in the past years. We were \$800 to \$1,000 under budget. The total cost was around \$3,700. FERRIS BROUGH MOVED WE DROP THE BOARD OF DIRECTORS FROM THE DRAWING OF THE PRIZES AT THE ANNUAL MEETING. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED WITH 5 IN FAVOR AND 4 OPPOSED.

Construction Report: In April, the Wells crew was engaged in many jobs. Some of them being the completion of the new underground service at the 4-Way Bulk Plant, replacement of a primary pole at the Winchell pump, addition of a single phase tap to Jack Gardner, a two pole three phase tap to Rodriquez and Bowlen, add sec, and service and secondary for Southern Pacific Railroad at two locations. In addition, several services and security lights were installed. In Wendover, 5 new security lights were installed for KOA, a single pole tap to McDonald's sign for Joel King, a three phase extension to the Red Garter Casino was completed and in addition, several new services and security lights were installed. In Carlin, a two pole tap to Vellemin, relocated secondary for H. Wright, services and security lights were also added in Carlin.

Engineering Report: Preliminary surveying has begun on the proposed wind turbine generation site on the Pequop mountain range. BLM applications are required before any construction can begin. Lutes Construction Company will be building the re-phasing and new 30 addition for irrigation wells at Maggie Creek Ranch near Carlin. Lee Standley will be visiting with the city council of Wendover concerning the possible upgrading of the line on the Air Force Base, currently city owned. Bill Dedman's irrigation project is underway first via 2 right-of-ways search. Staking and construction will follow soon pending positive responses concerning the right-of-way. The crews have been busy with routine work orders and extensions in their respective areas.

Outage Report: In April, we experienced 13 outages system wide of which 5 were scheduled and 8 were unscheduled. Outages consisted of lightning strikes, loose connections, a crane taking out a single phase line, system upgrading, a primary line extension being energized and a new voltage regulator being installed on the 14.4 side of the Wells Substation. Crews handled the outages with no major difficulties and are responsible for keeping outage time to a minimum.

Hydro Plant: Jess and Gene worked on it May 16th. We are still waiting for the map from Clarence Lee.

We received an award from the Head Start Program and a letter of appreciation from Marie swett for the use of the board room. We set a couple of poles for the Rodeo as a donation.

Member Services Report: Jess put on an electrical safety course for the Wendover Fire Department. He feels they had a very informative and helpful session. There were quite a number of questions and comments. He was very impressed with the Wendover Fire Department. Irrigation pump testing was conducted by Richard Stroh of BPA. Six pumps were tested from Metropolis to Ruby Valley. This is very time consuming but a worthwhile program. Jess hoped to be able to spend a full week with pump testing but BPA was not able to allocate any more time than the 2 1/2 days. Jess is going to try to have them come down later this summer to test additional pumps.

Power Source: We have 3 copies of the Cooperative Agreement we need to sign.

Carlin - Lee/Jiggs: We sent a copy of the Interruption of Service rule to CPN. Lee Standley came into the meeting. Lee has talked to Clarence Lee. If we put capacitors between the metering point and voltage regulators, there is a possibility we could serve the Lee/Jiggs area. Clarence Lee and Lee have discussed this. They think it might help but have to do some more studying. We would have to do a study before we could determine how much load we could add. This installation would cost around \$1,500. It would take 2 to 3 weeks to complete the study. This would lessen the load on the entire line. It would not be a permanent installation. This would not raise our wheeling agreement. In the wheeling agreement with CPN for Carlin, there is a clause in there that says there would be a one time fee for the upgrading and preparation to serve Carlin. This will be coming in June or July.

Rulon Brown has become interested in a small hydro plant. Dan has had a call from an Engineer in Twin Falls that there is another individual also interested in a hydro plant. They want to tie it into our system and sell us the power they don't use. Charlie Harper will be here next week. Dan is going to have him talk to Rulon.

Merrill Millett, General Manager of Deseret G & T, has acknowledged our request for participation in the Moon Lake Project.

There is a BPA Annual Meeting in Idaho Falls next Wednesday.

Dan received a call from the Statewide Manager in Colorado. Robert McFail, Administrator for WAPA (Western Area Power Administration) has asked that the 15 western states meet on July 1st in Denver. Dan has been asked to represent Nevada Rural Electric.

Employee & Director Institutes & Schools: Dan thanked the board for letting him attend the New Manager's Forum in Washington, D.C. NWPPA's Annual meeting is in Coeur d'Alene June 18-20. Ester is going to attend if possible. Dan reported on the Legislative Conference. There were 32 at the breakfast. Later that day, they met with Santini and Laxalt. A NWPPA Line Extension Workshop and Rate Symposium will be held July 21-23. NRECA Manager's workshop will be August 11-15 in San Marcos, Florida. Dan would like to attend. BILL WRIGHT MOVED HE ATTEND. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

There will be an ACRE Workshop in Reno on July 7th & 8th at Harrahs.

Patty Comstock Smith will be here October 1st and 2nd to present the second of the series of programs.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 15 MEMBERSHIPS FROM WELLS, 22 FROM WENDOVER AND 15 FROM CARLIN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: A concern has been raised by some members on the accounts that have been given a \$5.00 credit every month. With our new rates, the facility charge of \$6.50 or \$8.50 leaves a bill for the remainder over \$5.00 a month. There are 31 accounts affected. Eighteen in town which represent \$324 annually that are over the \$5.00 credit. There are thirteen in the rural area which represents \$546 over the \$5.00 credit. Some consumers have requested the credit be increased. GENE PENGELLY MOVED WE ALLOW THE FACILITY CHARGE ON THESE 31 ACCOUNTS. JESSE LARSEN SECONDED THE MOTION AND

IT CARRIED UNANIMOUSLY.

Dan sent letters to the Congressional Delegates on nuclear energy. We have received responses from Laxalt and Cannon.

We have a new program that is being suggested by REA. It has not been implemented yet. This is in conjunction with Deferment 12, Section 12 Deferrals. They are going to issue a new bulletin on Energy Resources Conservation Loans. The purpose of this is to do away with the FHA Weatherization loan program. REA wants Cooperatives to loan the money to a member if they want a loan for weatherization. We can charge up to 5% interest on the loan. If this bulletin goes in, they require a board resolution telling how much money you are going to loan out the first year.

We have had our second reported raptor electrocution in Clover Valley.

REA sent us a form to fill out on anti-inflation to see if we are complying.

Vernon needs to sign some new leases for the Carlin office.

We would like to pay the capital credits in August. We are going to notify the consumers of this.

In Carlin, we have grown 35% the last quarter and 20% in Wendover.

Lee and Pat came into the meeting to report on the question concerning the irrigation rate at the last meeting. The Power Factor Adjustment is needed to protect the company. Dave Rumolo said we would not want to take it out. The Off Peak Provision is the load shedding provision and we would not want to take either one out. Lee checked on the Power Factor, what would happen if we interrupt the power and what effect it would have. It would not have any effect. It was recommended that the Policy Committee get together and research it some more and have a recommendation at the next meeting.

The meeting adjourned at 3:36 p.m.

D. Vernon Dalton, President

Ester Quilici, Executive Secretary