

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

August 19, 1980

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Tuesday, August 19, 1980 at 9:00 a.m. in the board room. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan and Patti Blackett. Lourinda Wines, Chairperson of the Nominating Committee was also present.

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

Additions to the agenda: Board meeting time.

Youth Energy Seminar: None of the young people were able to attend the meeting. We had an excellent response from the young people who went to Colorado. We received a letter of thanks from David Hatcher from Wendover. Dan heard from the Colorado people that our representatives were good representatives. The total cost was \$653. This was within the budget.

Nominating Committee Report: The committee met twice. There were 5 nominations, Ester Quilici, Daryl Eriksen, Vernon Scott, Jesse Larsen and Ferris Brough. This is the order they will be placed on the ballot. GENE PENGELLY MOVED WE ADOPT THE NOMINATING COMMITTEE REPORT. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We need to appoint an Election Committee. Those people suggested were Lourinda Wines, Ruby Valley; Linda Zunino, Jiggs; Dean Johnson, Wendover; Jim Kelley, Wells and Ethel Scott, Carlin. Jim and Ethel will be alternates. JOE RIORDAN MOVED WE ACCEPT THESE NAMES. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Energy Research: ICPA is in the process of purchasing part of the Hunter II Project. Merrill Millett called and said there is no problem with us participating in the White Pine Project. There is another meeting on September 25th. This coincides with the presentation we have been asked to make in Salt Lake City. The Washington State Utilities & Transportation Commission authorized Puget Sound Power & Light Company to refuse new hook-ups and conversions for electrical resistance space heating in it's service territory. The Commission Directive also prohibits new use of electricity for water heating if natural gas is available and prohibits electricity as the primary heating source for swimming pools. The Utility requested this last September.

Daryl brought up federal grants for hydro electric plants. He wondered if we could get a grant to do a feasibility study. ESTER QUILICI MOVED WE BEGIN A PRELIMINARY INVESTIGATION OF POSSIBLE FUNDING SOURCES OR GOVERNMENT GRANTS FOR HYDRO ELECTRIC ENERGY. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Community & Area Development: Daryl went to a meeting on the T.V. District. There were questions on Wells being able to join because of the cable system. The PSC has rules regulating this where a cable system is involved. We might have to get their approval. Dan will check with Bob Vaughan.

It was suggested that we get a group of people from Metropolis to set up a meeting regarding rebuilding and raising the Metropolis dam.

Safety & Apprentice Training: On August 13th, testing was held for the eligible apprentice linemen. Tests were given to Don McDonald and Roger Dickinson. Both of them passed. Don is on his second year first training book and Roger is on his first year fourth book. In July, Bruce Widmer passed his first year fifth book. Dave Sharp was scheduled to take a test on the 19th on his second year first book. We are in the process of drafting an on the job training test for the completion of the first year. On the 14th, a Safety Meeting was held. The safety awards for 1979 were discussed. There are 22 employees eligible. Some employees do not want jackets. The question was raised at the meeting if a gift certificate or check in the amount of the cost of the jacket could be given in place of the jacket. FERRIS BROUGH MOVED WE GIVE THEM THE JACKETS. JESSE LARSEN & DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED WITH 8 IN FAVOR AND 1 OPPOSED, Ester Quilici.

It was also suggested that we have Dan Kessler check with Mrs. Guzenske on a mobile for hearing tests and also the bloodmobile. There were no lost time accidents last year. 35,000 hours accident free. As of August 13th, 571 accident free days. JESSE LARSEN MOVED A PHYSICAL EXAMINATION BE REQUIRED BEFORE EMPLOYMENT TO THE COMPANY. Dan has asked Dan Kessler to check into this and write a policy on it. JESSE WITHDREW HIS MOTION PROVIDED THIS BE PUT INTO THE POLICY. He will

come to the next meeting either as a board member or a member of the Cooperative to see that this is done.

Manager's & Director's Expense: Everyone received a list of Director's & Manager's expenses. The Directors are close in line with what was allocated. The meetings of other association might go over. We do not plan to change the budget for this area for next year. We will be looking at increasing board meetings because of the increase in the compensation. We reviewed the Manager's expenses also. JESSE LARSEN MOVED THAT DAN BRYAN CONTINUE THE JOB HE IS DOING FOR THE BOARD, THERE ARE NO PROBLEMS ON HIS EXPENSES, ALSO THAT HE WILL USE HIS PAST YEAR'S EXPERIENCE IN SELECTING FUTURE MEETINGS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. There have been questions raised on Dan taking staff members with him. He feels the staff should be able to take care of things when he is out of the office and something comes up, therefore, by taking them along, they more clearly understand situations they may have to deal with.

Safety Report: The safety meeting for the month is scheduled for August

14th and will be put on by Ruralite. Joe Presley will be the instructor with the main topic being "traffic control." The last meeting we had actual practice on pole top rescue using each lineman as an injured person lowering him to the ground. CPR was then administered. There were no accidents reported for last month. It was necessary to replace some hose on the digger truck and the bucket truck had minor repairs to the motor and controls. Our Hot Line School will be held on September 9-11 by Ruralite. Along with hot line field practice, General Electric, Apparatus Division, will conduct a 4 hour training session on transformers. There will also be a care and maintenance demonstration by Kearney Tool Company.

Construction Report: In wells, work is progressing on the upgrading of line 3 to Starr Valley. A new overhead service was installed in the Ranch House Motel immediately after the fire so that the motel can operate again. Also new line extensions were completed to Darrell Weeks in Clover Valley, Rulon Brown and Bill Dedman's line extension was also completed in Clover Valley. In Starr Valley, the Spratling residence and Veterinary Clinic were given services. Several secondary and service work orders were completed in the Wells area. In Carlin, the K-Line job is complete, the crew has been working on the 13th St. line extension and numerous secondary and service work orders have been completed. In Wendover, the Red Garter Casino was given permanent service. A new transformer bank on a platform was installed for three phase service and C.T. metering completed. Other secondary and service work and security lights have been installed also.

Engineering Report: The proposed wind tower site in the Pequop Area will be ruled on by BLM, hopefully this week. We are now being considered for a "temporary use permit" on this project. Engineering has been completed on the Great West Land Company's 30 line extension to serve their tungsten mill in Clover Valley and preliminary engineering has begun for David Anderson of Clover Valley. Preliminary surveying has begun on the upgrading of the Carlin system to 14.4/24.9. The crews have been busy with primary, secondary and service orders in their respective areas.

Outage Report: In July, we experienced system wide 2 scheduled and 14 unscheduled outages ranging in cause from lightning strikes, blown primary fuses, loose connections and one bad transformer. Our crews handled the outages with no major difficulties and are responsible for keeping outage time to a minimum.

Member Services: Dan Kessler has been selected for the position of Member-Conservation Services Director/Administrative Assistant. He will take over his new job effective August 18, 1980.

Hydro Plant: The Hydro Plant is complete, ready to go on line and has been tested. The only remaining hold up is the permit from FERC. Mr. Ed Tracy of FERC called on July 29th to inform us that the plant would have to be inspected by someone from FERC before the license could be issued. Later, a Mr. Arthur Martin of FERC's Fort Worth office called saying he would be here August 25th to make that inspection. If approved, the license would be issued soon after that.

Power Source: We received the temporary use permit from BLM for our wind test tower. After we received the TUP, the contractor's had a problem in their schedule. They will be here the week of September 12-15.

White Pine Project: Permission was requested of REA by the cooperatives and borrowers in Nevada to participate in the White Pine Project. REA responded no, we won't give that permission. Gil McBay of Mt. Wheeler spent yesterday in Washington with REA. They have their problems remedied. They will now approve our participating in the White Pine Project. They wanted Mt. Wheeler and WREC to give their portion of it to Deseret and have them wheel it for us. That would take some of the percentage out of Nevada and the project would fail. Dan asked Bob to review the election letter. We will go ahead and type this letter for Vernon to sign but won't mail it until we get the written letter of approval from REA.

Lee/Jiggs - Carlin: We have experienced voltage problems in the Carlin area due to high air conditioning load. On an extension we built to an individual for some water pumps, we have not been able to provide him with the kind of service we should be giving him. Due to the voltage problems, he has not been able to use one of his pumps. Lee Standley came into the meeting. He has a proposal to present that would help to alleviate some of the problems in Carlin. This is a project we will eventually have to do in Carlin. This would be the first step. This would have to be approved as an addition to our budget. This would involve converting part of line 2 out of our substation to 14.4/24.9. The line on 8th street is the one involved. We would build approximately 875' of new line from the substation to a point on 8th street that we would tie into the existing line. We would upgrade it to 14.4/24.9, reinsulate it and replace all the bad poles. This would run all the way out to the Maggie Creek Ranch where the pumps are. Later

we could start converting the whole town. We ran a preliminary cost estimate on this which comes to a total of \$39,187. We would probably want to bid it out. We should be able to get REA money for this. WANDA BORDEN MOVED WE DO THE CARLIN PROJECT AS OUTLINED BY LEE STANDLEY. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We will be contacting Sierra Pacific to get an appointment with them to discuss our power supply problems we have in the Elko area. Sierra Pacific is looking at Elko County for another generating plant.

Employee & Director Institutes & Schools: We need to make room reservations for the Region IX Meeting in Billings, Montana. Those interested in going are Ferris Brough, Ester Quilici, Joe Riordan, Jesse Larsen, Gene Pengelly, Vernon Dalton and Dan Bryan.

Patty Comstock Smith will be here October 1 & 2 for an employee and director training program. A schedule will be presented at the September meeting.

GENE PENGELLY MOVED WE APPROVE THE 16 MEMBERSHIPS FROM WELLS, 17 FROM WENDOVER AND 9 FROM CARLIN. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Board Meeting time: GENE PENGELLY MOVED WE CHANGE BACK TO 1:00 P.M. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED WITH 7 IN FAVOR AND 2 OPPOSED, Ester Quilici and Wanda Borden.

Manager's Report: Pat and Dan will be visiting NCDC in North Dakota and Central Cooperatives in St. Louis the week of September 8th. We hope to have a full report and recommendation to the board by the October meeting. There is a computer demonstration in Ely on the 28th.

The Ranch House was one of our largest consumers. We had at least 4 employees there all night helping out with the fire.

We received acknowledgement from NRECA on the pole line litigation.

The substation transformers will be checked next week.

1962 capital credits were sent out. A news release was also put in the paper.

After the Ranch House fire, we were talking with some of the firemen. They said had they had a unit to refill their oxygen tanks, they could have gone back in to try to get people out. They wondered if we would be willing to consider purchasing this unit for them. We will look into this and also extra tanks.

Dan thanked the board for allowing him to attend the Manager's Conference.

GENE PENGELLY MOVED VERNON DALTON USE HIS OWN JUDGEMENT ON THE 4-H BEEF. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We have several directors who have not had their picture taken. We need them to put on the wall.

The meeting adjourned at 12:00 noon.

D. VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY