

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

August 12, 1981

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Wednesday, August 12, 1981 at 1:04 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: The minutes of the July 17, 1981 meeting will stand approved as written.

Additions to the agenda: Consumer Federation of America and discussion on irrigation pump policy.

Lourinda Wines, Chairperson of the Nominating Committee, was present to give the report of the Nominating Committee. There are 6 candidates. They are Mary Wright, Jesse Larsen, John Krenka, Ray Crawford, Vernon Dalton and Kenneth Johns. VERNON SCOTT MOVED WE ACCEPT THE NOMINATING COMMITTEE'S REPORT. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Youth Energy Seminar: The three young people who attended the Youth Energy Seminar in Steamboat Springs were at the meeting to report on their trip.

Policy Committee: The next matter to come before the meeting concerned the amendment to Rule 9 of the Company service rules. After a thorough discussion, it was moved by director Scott, seconded by director Wright and passed as follows:

RESOLVED: That Rule 9 of the Company be amended by additions thereto of sections H.5 and 6 as follows:

5. In instances where no new transformer additions are required, and when service is requested for an indeterminate residential unit, the utility will supply up to 150 feet of single phase 120/240 secondary service free of charge, with the consumer paying the balance. If the consumer requests underground service, the consumer shall pay the entire cost of such service. In either event, if a new transformer addition is required, the consumer shall pay the cost thereof. The utility will pay costs of upgrading existing transformers.

6. Any costs paid by the consumer to the utility for an extension to an indeterminate residential trailer unit will be refunded to the consumer under the following conditions, to-wit:

- a. The unit has become real property pursuant Nevada Revised Statutes, Chapter 361;
- b. The unit has been assessed on the real property tax rolls;
- c. The utility, in its discretion has determined that the service is no longer indeterminate;
- d. Application for the refund has been made by the consumer within 18 months after the installation of the service; and
- e. The refund shall be without interest and shall not exceed the amount as determined by this Rule 9 for a permanent residential extension during the period in which the extension was built."

Our interruptible policy that we submitted to the PSC has been posted and they have had no comments on it.

Safety Committee: The committee met and discussed the safety awards. They decided to give jackets and vests to 27 employees for the 1980 safety award. It would be the employees option to select either a jacket or vest. Total cost would be \$650. The amount in the budget is \$985.50 with a savings of \$335.50. DARYL ERIKSEN MOVED WE ACCEPT THE SAFETY COMMITTEES REPORT. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We need to appoint an Election Committee. Those suggested were Francis Griffith, Betty Wright and Pauline Riordan. First alternate is Claudine Meierhoff and second alternate is Catherine Duval. ESTER QUILICI MOVED WE APPROVE THESE PEOPLE. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Safety Report: The Safety Meeting for July was held at the Wells Service Center by Ruralite. The main topic was Pole Top and Bucket Rescue. There was a classroom discussion and the actual pole top and bucket rescue was held at the hot line field where live rescue was demonstrated. There were no near misses or accidents reported that involved lost time. There were two minor accidents reported. As of July 14, 1981, we have logged 906 accident free days with no lost time. The next Safety Meeting will be held on August 18, 1981. The Safety Committee will meet on August 7, 1981 to discuss the safety awards. Suggestions will be submitted to the board for approval. The meeting was adjourned at 12:00 noon.

Construction Report: In the Te-Moke subdivision in Wells, the overhead from the substation to the edge of the subdivision is in, the underground cable is in, the transformers still have to be placed and the services run to each house. Service is ready for the Jim Mauer new house. A new pump was connected for Vernon Dalton in Clover Valley. Special metering was installed on the Cliff Gardner pumps. A new underground primary extension was completed to a center pivot at the Emerson Neff Ranch in Ruby Valley. In town, several upgrading projects were completed in the alleys. In Carlin, special metering was installed at the DuPont plant. Special metering was also installed at the McKesson plant. New services and security lights also were installed. In Wendover, services and meters have been installed at the Red Garter trailer court. Transformers have been upgraded, new services and security lights have been installed.

Engineering Report: A month ago, we received a call from Idaho Power that the transformers at the Wells substation were about 120% of capacity. CPN had fired up the diesel generators. We received

a letter from John Mohlman that the power factor at the Carlin metering point had dropped below our contractual 95%. In Wells, the following projects are underway,, work has started on the overhead portion of the line serving the Te-Moke housing development; we are working on an estimate concerning V.W. Birdzells proposed subdivision; staking sheets have been prepared for re-routing our line around the old Union 76 station near the 4-Way; a staking sheet is about ready for Tom Morgan's line extension and Joe Quilici has inquired about power for his new cabin in Starr Valley. Wendover Projects: staking sheets are being prepared for the underground tie-line between lines 3 and 4; a job has been staked for security lights at the Red Garter trailer park; Bob Scobie has inquired about power to a small trailer park, a transformer has been ordered for the new Stateline Motel and we are planning the best way to serve them and the Stateline Apartments will be needing power in about a month and we are in the process of ordering a transformer and getting the needed up-front money. Carlin Projects: Bud Barrows has contacted us concerning a 1/4 mile line extension to serve a trailer and a small pump.

Outage Report: We had a total of 11 outages system wide for the month of July. Seven outages were unscheduled and the remaining 4 were scheduled for line upgrading. Outages ranged from blown fuses due to lightning damage to a temp. service behind the Shell Station in Wells being torn down by a large truck. We had a total of 331 hrs. of consumer outage time with 99 consumers being affected throughout the system. The City of Carlin had no outages for the entire month. The Wells area had 7 outages and Wendover had 4.

Member Services Report: We did some checking to see if Dr. Margaret Maxey would be available to speak at our Annual Meeting next year if we wanted to have her. Her fee would be \$500. The participants representing Wells Rural Electric Company returned from the Colorado Rural Electric Associations Youth Energy Seminar in Steamboat Springs, Colorado. They had a great time, learned a great deal about energy and the Coop and each gained individual honors while they were there. We're working on the upcoming Board of Director election. Nominations close on August 10th. The Nominating Committee will meet then also to determine eligibility of the Nominees and the order which they will appear on the ballot. Lourinda Wines is the Chairperson of the Committee and will attend the August Board Meeting with the Committee's recommendations. Dan K. was recently invited to the Senior Citizens Center in Wells to give a presentation to the Seniors on the new computer billing cards. The program went well and seemed to answer all their questions. We prepared and sent out a package to all consumers covering the proposed rate increase. There have been mailing and news releases in both the Wells Progress and the Elko Daily Free Press.

Hydro Plant: The hydro plant was shut down on Wednesday, July 29, 1981 until the application for license can be re-submitted to FERC. We are working on assembling the necessary data to take care of this.

Rate Increase: We had the public meetings and only one consumer showed up and that was in Wells. Dan B. recommends that we go ahead with this increase. Dan checked to see if we could file this in Utah since it is a straight pass through. Lee Pratt said if we are going to have a full scale cost of service study next year to wait and get the Utah rates in line then. RAY CRAWFORD MOVED WE ACCEPT THIS RATE INCREASE OF 4.1 MILLS. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

WPPSS: BPA came to our rescue on a temporary basis. PNGC has asked us to fill out a questionnaire on our position. We will maintain the same position we took at the last meeting.

BPA - Contract: The contract will be sent to us next month. Dan B. has been in on 3 sessions regarding the contract in the last few months. We have a year to sign the contract. Dan has sent a letter to BPA following a meeting in Idaho Falls re-asking some questions we didn't get answered.

Employee & Director Institutes & Schools: Dan B. will be leaving tomorrow for the Manager's Conference. The 500.2 school is going to be held in Anchorage during the Region IX Meeting and also in Portland on December 1st. Dan also wrote to NRECA stating that Nevada has never had rooms in the headquarters hotel for the

Annual Meeting. We have 11 rooms available. There is a NREA Meeting on August 31st in Reno. Gene Pengelly's term on the NREA board expires this year. He was re-appointed as the delegate. Daryl Eriksen will be the voting delegate for NRECA director.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 16 MEMBERSHIPS FROM WELLS, 14 FROM WENDOVER AND 4 FROM CARLIN. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: On the change of office hours from opening at 9:00 a.m. instead of 8:00 a.m., there has not been much difference so we will go back to opening at 8:00 a.m. on September 1st.

We have found in talking with the architects, the master planner, two of the principals involved in the project that the size of the project of West Wendover Land Development and Nevada Crossing is greater than anticipated. They just broke ground this week on a new truck stop/casino and employee housing complex, a 12 million dollar project. Phase two depends on the water. Phase two is another casino across from the truck stop, trailer housing and RV park. They had this meeting with CPN and us. They know we need a substation in Wendover. They have come to us and told us they want to sell us some land to put us in the middle of their complex. They have also offered some land to CPN. They will sell us 1 acre with a 3 year option on 2 additional acres for future developments. The first acre will be for a substation and they will give us all right-of-way easements, everything to suit us for \$60,000 an acre. The first year option on the extra 2 acres is free. The second & third year option is \$10,000 a year with both of those prices going towards purchase price. We called Pete of Power Engineers and told him about their offer. He said to buy it. They expect to begin phase 2 before phase 1 opens which is scheduled for February 2nd. Ray asked if the substation had to be built in Nevada. He suggested we check with Kaiser. We will check into different parcels of land.

At the last board meeting, we discussed how much it would cost to have a study done on remodeling our existing facility. The appraisal fee is \$300. We have one architect who has been here and looked over the facility and two others who are going to come.

Next month, each director is to bring their policy book in for updating.

Since April of 1979, the company has experienced over 60% growth in the membership and grown in number of employees 15% since 1976.

We have employed a new engineering technician. Clay Fitch will start August 24th.

We will be starting our budgeting process the end of September.

Consumer Federation of America: Our dues for this year are \$121.00 ESTER QUILICI MOVED WE PAY IT. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Irrigation Pump Policy: Our policy doesn't actually cover some of the minimums paid per mile of line in an adequate manner. Dan B. and Warren are working on a solution to this and will present it at the next meeting.

Ester Quilici is leaving Wells and will have to resign from the board. This will be effective the 1st of September.

The meeting adjourned at 3:53 p.m.

D.VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY