

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

May 15, 1981

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, May 15, 1981 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan, Patti Blackett and Lee Standley.

Corrections to the minutes: The minutes of the April 20, 1981 meeting will stand approved as written.

There were no additions to the agenda.

Scholarship Committee: The committee consisted of Ray Crawford, Vernon Scott, Gene Pengelly and Dan Bryan. There were 9 applicants. Seven of the nine were qualified. Jeff Westwood from Wells was the winner. First alternate is Raymond Popp from Carlin and second alternate is David Hatcher of Wendover. They made a good appearance.

Community & Area Development: There was much discussion on the proposed Sierra Pacific plant and what affect it will have on Wells.

Safety Report: The Safety Meeting for April was held at the Service Center at 8:00 a.m. on April 30, 1981. There were 14 employees in attendance. The Safety Meeting was instructed by our own personnel. Eugene Supp, who is our Meter Technician, put on an excellent class on how to revive a person that was choking and how to remove an object that was caught in someone's throat. A film from Ruralite was shown called "You Can Surpass Yourself." It was a very good film on human behavior. It proved that a person can improve himself and gain confidence in his every day job and activities. There were 2 minor accidents, but with no lost time. As of May 15, 1981, we have logged 847 accident free days with no lost time. Rubber gloves were sent in for the quarterly electrical test and inspection. All vehicles were inspected for safety. There will be a hotline, overhead and underground school in Orem, Utah the week of May 18-22. Apprentice tests were given after the Safety Meeting. The next meeting will be held May 21, 1981 by Ruralite.

Construction Report: In the Wells area, the 10 line to the Sierra Pacific test facility has been completed and energized. The contractor MacGregor Triangle Co. did a good job and completed it on time. The meter was set on April 30th. Service to Brad Dalton has been completed in Clover Valley. In Jiggs, service to a 7 1/2 HP pump has been completed to the Klingman Ranch. At Ten Mile Creek, irrigation service has been completed to the Julian Tomera Ranch. Also at Ten Mile Creek, service to the Don Morrison trailer is complete. Ron Conley in Starr Valley has had his service upgraded. The alley between 5th and 6th St. in Wells has been rebuilt and upgraded. Services and security lights were installed also in various locations. In Wendover, a padmount transformer had to be changed out in the Jim's Casino Trailer Court. At the Red Garter Casino, the line was raised because of a sewer treatment facility being built under it. In Carlin, the cable under the freeway was replaced because of a fault on two phases. Service to Maggie Creek Ranch irrigation is now on. Other work in Carlin consisted of upgrading the conversion to 14.4/24.9 KV, service work and

security lights. We have had some problems around the fish hatchery. We received a letter on May 4th from a number of people who were concerned about their service. Lee Standley, Warren Linnell and Ray Bleak went to Ruby Valley to meet with these people. The letter complained about numerous outages, brown outs and the high cost of receiving power. There have been 3-5 minutes outages. There could be a bad recloser. The hatchery has had several problems with their standby generator due to these outages. The cost to repair this is \$1,500. They have filed a claim with our insurance company. There were 12 people at the meeting held at the fish hatchery office. A recording volt meter was left at the hatchery. Last night there was a 4 hour outage in Ruby Valley. B phase was hit by lightning.

PCB: In July of 1979, PCB was prohibited from being used in transformer oil. A lot of requirements have been made for coops and power companies control and maintenance procedures. Leaks are to be reported. Any transformer oil containing PCB is to be destroyed by incineration. There is only one place in the entire country that can do this. EPA published in the Federal Register requirements for interim measures program. Owners and users of PCB equipment containing 50 parts per million or greater must make certain inspections and maintenance procedures. Starting immediately, we are required to inspect for leaks, all transformers that could contaminate food and feed establishments on a weekly basis. All other transformers have to be inspected every three months. We have to maintain records of all inspections.

Substation Maintenance: We have a substation maintenance program going on now with Transformer Consultants. They ran some tests on the oil in the regulators, OCB's and transformers at the substations. They took samples to test and will send us the results. We had some transformers that they drained the oil, filtered it and put it back in. They made several different tests on these oil samples. One was gas content. Some of these gases are highly explosive. They found small amounts of gas in our units. After six months, they run tests again. The gas content is not anything to worry about due to the small quantity. Overall, everything is in good shape.

Engineering Report: In Wells, the 3 phase overhead line to serve the Te-Moak development is staked and awaiting right-of-way approval. A short extension to serve Aaron Tybo's irrigation pump is staked. A new estimate was given to the City for the sewer project due to a change in pumping loads. Final staking is completed on the two Rouse extensions to serve irrigation pumps. The BLM has indicated that up to 10 DLE's may be let in Independence Valley. In Carlin, Ventura Construction has been given an estimate to serve the McKesson Chemical Bldg. Also in Carlin, building permits were requested from the City for some 4 plexes, a trailer park conversion to permanent sites, a 70 unit new trailer park and some additional small additions. These probable loads could add 1.7 MW to our system in Carlin. In Wendover, we have given the Goldrush Casino estimates on two proposed reroutes of our 4/0 feeder line fronting their property. We are expecting some growth just south of the Red Garter Casino in housing for casino employees. There is the possibility of 300 units of apartment housing in this area. The Red Garter trailer park is staked and will add 37 units to our system.

Outage Report: Throughout the system, we had a total of 10 outages. Six were unscheduled and four were scheduled. Outages ranged from burned conductors to reclosers tripping from unknown causes. We had a total of 696 consumer hrs. of outage time. Carlin had the least amount of outage time. All of their outages were scheduled for system upgrade. Wendover had only 2 outages, both due to the same transformer at Jim's Trailer Court. Wells had problems with line #4 going south of town to Clover and Ruby Valley. Reclosers at the substation kept tripping out for no apparent reason. All outages were handled in a professional and efficient manner keeping outage time to a minimum.

Hydro Plant: The Hydro has been staying on line consistently since the stacks were cleaned, until

about April 30th when a pressure relief valve malfunctioned causing a loss of lubrication to one main bearing and had to be shut down. A new relief valve is on order and should arrive at any time. We also have a new recording voltmeter mechanism on order. Gene Supp overhauled a couple of parts and we have been running 80%. It has been operating 2 1/2 - 3 weeks.

Member Services Report: The BPA infra-red probe used in "Heat Loss Surveys" has arrived, but due to the needed 30 degree temperature difference between outside and inside temperatures, it has been rescheduled for the fall. Dick Stroh, of BPA, brought pump testing equipment with him to the Annual Meeting. He spent Thursday, April 30th and Friday, May 1st conducting training sessions and will leave the equipment for our use in the Pump Testing Program. We will return the borrowed equipment on May 23rd. Chuck Spets, of Oak Ridge Associated University, stayed in Wells until Tuesday afternoon. He spoke at the 4-Way Banquet Room on Monday, May 4th to our local civic groups and on Tuesday, May 5th to a very attentive group of High School and Grammar School kids. Both programs were well presented. A total of 142 people were present during the two day sessions. The reaction of the people was quite good. Chuck wants to come back next fall. We are thinking about incorporating the UREA Meeting. Several people in the Elko area have contacted us and would like to know how they can get a hold of him to speak in that area.

Annual Meeting Report: This years Annual Meeting, held on May 2nd, was very successful. The displays opened at 4:00 p.m. and were viewed by over 100 people. There were many interesting displays corresponding with the "Energy Issue of the 80's" theme. The business meeting went well also. A total of 94 members officially registered with many family members and friends also in attendance. A total of 28 prizes were given away ranging from power credits, beef certificates to gifts donated by our suppliers. The Cowbells prepared dinner again, and as always, it was superb! This year they fed 220 people. Entertainment was again provided by the Wells High School band and enjoyed by all.

BPA - Power Supply: We have heard from BPA that the low density discount may be changed to 7% rather than 5%. They will accept it in the contract. We cannot get a firm amount of the increase. Our overall increase would be 10% using the 53% and would be in July. Power Engineers is continuing to work on our system study. BPA is about to finish the system study for us. There is a PNGC meeting June 2 to discuss the Regional Bill. Vernon and Dan will attend.

Sierra Pacific: We received a letter from CPN regarding our encroachment into CPN's territory at Maggie Creek.

Employee & Director Institutes & Schools: Vernon and Dan attended the Legislative Conference. They met with Senator Laxalt Tuesday afternoon. Prior to going to the Conference, we received a copy of a letter Laxalt wrote to David Stockman of the OMB urging him to take a look at the FFB part of the program. Laxalt said we have his support in this matter. We also got a good response from Santini. There were 39 people at the breakfast, 11 from Nevada, 11 from California, 14 from Utah and the rest were guests. The NWPPA Annual Meeting is next week in Eugene. Dan B. and Dan K. will attend. Gail Dunning school will be June 22-24 at 8:15 a.m. The 500.2 school will be held in July in Alabama, in August in Oklahoma, in Virginia in November and Indiana in December. If NWPPA gets enough Nevada and Utah members, they will try to set it up in Reno before next summer. Patti Blackett will be attending the NWPPA Secretarial Workshop in Portland. The Region IX Meeting will be held in Alaska in September. We will need to send in reservations next month. Dan B. would like to attend the NRECA Manager's Conference in Tulsa, Oklahoma in August. There were no objections.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 15 MEMBERSHIPS FROM WELLS, 12 FROM WENDOVER AND 22 FROM CARLIN. VERNON SCOTT SECONDED THE

MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We have selected the winners of the Youth Energy Seminar. We only had 4 applicants. We had 4 others but they had other commitments. We had 3 from Carlin and 1 from Wells. The selection committee was Della Marteney, Sue Kelley and Fred Howell. The winners were Luke LeBaron from Wells and Stephanie Ustariz and Cindy Privitt from Carlin. Carolyn Carpenter from Carlin is the alternate. If we had 2 alternates, Utah REA is holding a summer program that we could send them to.

We received confirmation from General Pacific that they received our check for the stock we purchased.

The bucket truck is paid off.

The election schedule was in the agenda. We need to appoint a nominating committee at the June meeting.

Vertis Ambrose, our representative from CFC, was here with Dick Melban. They were extremely complimentary. They asked to use some of the financial reports for examples in some of their schools.

During the scholarship interviews, one of the applicants from Carlin asked for a donation for the VICA Conference in Atlanta. We will give the standard \$20.

We have been notified that Darrel Pierce is no longer associated with Power Engineers.

Dan B. will be on vacation June 12-19.

We have hired some new employees. We hired Larry Daundivier from Wendover as an Apprentice. Roy McWilliams was hired in Wells as a lineman. We hired Dave Swanson to work in the Engineering Department. We talked to Pete at Power Engineers. He thought this was a wise move. Pete said that after Dave has been here 4 or 5 months, we could send him to them for some training at no charge. We have also hired Mike Cromie and Clint Mills for summer help.

We received a letter from Mabel McElrath thanking us for the beef certificate she won at the Annual Meeting.

The meeting adjourned at 3:13 p.m.

D. VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY