

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

**July 17, 1981**

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, July 17, 1981 at 1:00 p.m. in the board room. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan, Patti Blackett, Lee Standley, Warren Linnell and Dave Swanson.

Corrections to the minutes: DARYL ERIKSEN MOVED WE APPROVE THE MINUTES OF THE JUNE 29, 1981 MEETING AS WRITTEN. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

There were no additions to the agenda.

Nominating Committee: The nominating letters have gone out. We are going to do the biography on the directors a little bit different this year. The committee will be back at the next board meeting with their report.

Policy Committee: The committee met this morning and went through the proposed policy. Dan Bryan explained the policy to the board. Dan has checked with several co-ops who have experienced the kind of growth we are looking at. Everyone has been consistent with their first recommendation and that is to get the line extension policy covering mobile homes tough. What we have done is propose a definition change under indeterminate service. We have become more definitive in this by adding examples of apartments, subdivisions and mobile home parks. We have also changed large commercial to large power to be consistent. Bob Vaughan agrees with these changes. ESTER QUILICI MOVED WE ADOPT THIS CHANGE IN THE DEFINITION. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. The next proposal is for "New Large Single Loads" or potential "New Large Single Loads." We have written this for two purposes. One is for Carlin Gold and the other is for Sierra Pacific. BPA states that if you commit yourself now to a load larger than 10 average MW on a 12 year basis, they may not serve it and if they do, it will be at a higher rate. We ask that this be accepted pending Bob Vaughan's approval. We would also add a definition for New Large Single Load. BILL WRIGHT MOVED WE APPROVE THIS PENDING BOB VAUGHAN'S APPROVAL. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Under our line extension policy under residential, we say small commercial, large power, irrigation and other installations. We say this under the permanent but we said earlier large power is always indeterminate. We would like to delete large power. JOE RIORDAN MOVED WE MAKE THIS CHANGE. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Safety Report: The Safety Meeting for June was held at the Service Center at 8:00 a.m. on June 26, 1981 with 12 employees in attendance. The minutes from the last meeting were read. There were no accidents but one near-miss. Mike Braun reported that an insulator that was not secured almost fell through the phases to the gravel. This could have injured someone if Mike had not stopped it from falling. As of June 29, 1981, we have logged 888 accident free days with no lost time. We are

ordering 30,000 volt rubber gloves for the line crew. They need them when working on 14.4 or 25 KV line hot. Two safety and educational films were shown entitled "Insulator Changes Using Hotsticks on 13 KV" and "Safe Tying with Chance Factory Formed Line Ties." The second film illustrated installation and removal of line ties by hand, rubber gloves and hot line tools. The meeting was adjourned at 10:00 a.m. The next meeting will be held on July 14th by Ruralite. The main topic will be "Pole Top and Bucket Rescue."

Construction Report: In Wells, work has progressed on the Te-Moke housing and a three phase line extension to Cliff Gardner in Ruby Valley was completed. DiGrazia Wholesales service was upgraded with larger transformers. Three phase service to the Moschetti Ice Plant was upgraded to accommodate an additional unit. A stockwater pump was completed to Bill Hylton at Crested Acres. A stockwater pump was completed at the Goodwin Ranch in Clover Valley.

In Carlin, service to the new McKesson Chemical Co. plant was completed. In the same area, east of Carlin, the DuPont Chemical facility was given temporary construction service off the permanent transformer bank. Some new services and security lights also were connected.

In Wendover, the Mormon Church service has been upgraded to accommodate an addition to the building. The underground service to the meter pedestals has been completed at the Red Garter Trailer Court. Other work consisted of upgrading of services and security lights.

Engineering Report: An estimate has been sent to Dave Brown for supplying power to his proposed trailer court. Maps have been completed and sent to BLM concerning the Sierra Pacific job. David Neff's line extension for irrigation has been staked and we are waiting for transformers so construction can begin. Bob Dankowski contacted us about power to two houses on the Devils Gate line which will be the first houses in a proposed sub-division. A line re-route has been staked for the 4-Way Service. A line extension and service has been staked for Tom Johnson. A job has been staked for a pump at the Dalton farms. A line extension for DuPont Chemical corporation has been staked. Duggar & Arruda Development has contacted us concerning power for a four-plex. We had an inquiry concerning power for a 50 unit trailer park.

An estimate has been sent to Russ Lewis concerning his trailer park. We are getting ready to provide a new service to the Mormon Church. S & D Market has mentioned increasing their demand. The Patio Motel has mentioned adding electric heat. Dave Swanson was at the meeting and introduced as the Staking Supervisor. Lee Standley was also at the meeting. We feel a need to fill another position of Engineering Tech. that is not budgeted for. We have 2 people in the Engineering Department. We figured in mid 1982 we would have to add a third person in this department. We have had to move this up as the year has gone on. Power Engineers comes to us weekly with new jobs that need to be done. Money would need to be added to this years budget. **BILL WRIGHT MOVED WE APPROVE THIS AND ADD \$10,000 TO THE ENGINEERING DEPARTMENT BUDGET FOR THE PURPOSE OF HIRING THIS PERSON. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.**

Outage Report: Outages were light for the month of June. We had 1 scheduled outage and only 4 unscheduled outages for the entire system. Outages ranged from burned cutouts to changing a transformer bank at the Burger Bar in Wells. We had a total of 43 hrs. of consumers outage time. This is extremely low for any given month. Wells had 20 1/2 of those hours, Carlin had the remaining 22 1/2 hrs. and Wendover had no interruptions reported for the month.

Member Services Report: Letters have been sent out to the Youth Energy Seminar participants detailing the departure and arrival plans for the Colorado Rural Electric Association seminar held July 19-24. An agenda was sent to us and delivered to our kids. In talking with all three recipients,

"they're real excited to go" and I'm sure we're well represented. We're working on a "new member" orientation package to help familiarize new consumers with the cooperative way of doing business. There are a lot of ideas we're working on. Will have more information soon. We are working on the upcoming Board of Director election. We are going to have, on a set day, one staff member in each of our outlying offices on a rotating basis for any consumer who might have a question. This will start in the next month or so.

Hydro Plant: In the past month, Lee has tried to get in touch with the man who a year ago told us to go ahead and start the hydro up and not worry about the license. We are still operating it. We may have to shut it down until we get the license. Gene mentioned that in the NWPPA newsletter that FERC is trying to get Congress to give it much of the decision making power other federal agencies now hold over proposed hydro projects. Gene suggested maybe we should write to our Congressmen.

Power Supply: We have received the information on the rate increase. On a straight pass through basis of just the power cost, the increase would be 4.1 mills for each kwh bracket. The only variance from that is on street lighting which goes up a flat 7%. The increase is 11% system wide. Dan B. recommends that next year we get the rates lined up. We want to inform the members like we did last year and hold public hearings. The public hearings will be in Carlin, August 3, Wendover August 4 and Wells August 5 all starting at 7:00 p.m. JOE RIORDAN MOVED WE ACKNOWLEDGE THAT WE NEED A RATE INCREASE OF 4.1 MILLS PER KWH TO TAKE FINAL ACTION AT THE NEXT BOARD MEETING. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Wind Data: The wind data for February has been compiled. The average wind speed for the month was 16.6 MPH giving it 18.8% potential with approximately .72 MW of generating potential.

Sierra Pacific: We have been invited to participate in the Elko Tap. A week ago today, Lee Standley went to Idaho Falls and met with BPA, Raft River, Power Engineers and Dean Price, REA Field Engineer for that area. Part of the discussion was on the service of a Sierra Pacific Power plant. It moved to how we are being served and how Raft River is being served. All the Sierra Pacific load is not going to be taken off the 138 line. BPA has acknowledged the fact that we do have a service problem and with Sierra leaving part of their load on that line, it eliminates the possibility of our serving our full load over that line. We also received a call a week ago Monday from BPA asking us how we propose to serve the Sierra Pacific power plant.

WPPSS: We are participants in WPPSS 4 & 5. On July 8th, we received a call from Dave Piper of PNGC. The supply system is in trouble. It looks like 4 & 5 may have to be terminated. Financing for the projects will end the middle of August. If it were to be terminated, our payoff beginning March 1, 1983 would be \$138,600 per year for 30 years. We are the smallest participant. There was a meeting in Vancouver yesterday. Vernon and Dan attended. There is a possibility BPA could come in and bail it out for a while to buy some time until October. There is also a possibility they can continue it for 18 months to see if BPA could buy the projects and take them over. Dan B. has to go to Portland Tuesday, Dave Piper will meet with all the Coops. We have been given 5 days to make a decision. Our involvement in the project is .00045%. The only alternative we have is to set for the 18 months. RAY CRAWFORD MOVED WE GO WITH THE 18 MONTHS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. There are 88 participants, 35 of which are coops. The following week, Warren and Dan B. will be going back to Portland to meet on the final draft of the new BPA contract.

Employee & Director Institutes & Schools: There will be a 500 series school on September 9th in Anchorage. This is sponsored by NWPPA and is being held in conjunction with the Regional Meeting.

Dan B. has contacted Dr. Gail Dunning on the school for next year. He will be here July 26-30, 1982.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 18 MEMBERSHIPS FROM WELLS, 23 FROM WENDOVER AND 12 FROM CARLIN. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: The architect has the plans back and will be working on the blue prints. Dan B. talked to the architect about this building being built to add a second story. We were told a couple of years ago that it would not hold a second story. It was the boards understanding when this building was built that it was to be built to accommodate a second story. The architect said it will not hold a second story without a large remodeling job. We have a few options. We can try to purchase the land to the side and build that way; we could sell this building and try to get land by the service center or we could go to a totally different location. BILL WRIGHT MOVED WE REVIEW THIS WITH BOB VAUGHAN. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. It was brought out that the tapes of the board meeting when the construction of this building was discussed are no longer available. It was suggested that the Policy Committee take a look at making a policy on storing records. We will check and see if we could buy the property next door and also check into having a study done to see what would be our best option. VERNON SCOTT MOVED DAN BRYAN LOOK INTO GETTING SOME COSTS ON A STUDY. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We have received a letter from Power Engineers on the Wendover substation. Dan B. has contacted Bill Gibbs of the Elko County Commissioners to see if they will assist us in getting that parcel of land in Wendover. They will do whatever they can to help us.

We have also received a letter from Power Engineers on the Raft River situation.

We accepted an interruptible rule a year ago. Bob Vaughan advised us to send it to the PSC. Bob asked us what we had heard from them and we had not heard anything. We called the PSC. They had misplaced the letter and rule. We sent them another copy and the entire staff feels this is an extremely advanced policy and they were impressed with it.

We have been notified by NRECA that RS & I will increase 5% in 1982.

We have a request from a man who is setting up a cable T.V. franchise in Wendover. He wants pole attachment joint use contract with us. Lee is in the process of drawing up criteria that must be met to attach to our poles. It was suggested that he abide by all city laws and rules.

The meeting adjourned at 3:35 p.m.

D. VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY