

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

December 18, 1981

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, December 18, 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, Ray Crawford, John Krenka, Jesse Larsen, Mary Wright and Wanda Borden. Daryl Eriksen was unable to attend.

Present from the staff were Lee Standley and Patti Blackett.

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

David Hayes, the architect, was at the meeting to make a presentation on the proposed building remodeling and the new building. He presented 7 options. Option G which is a new building by the service center looks like the best plan. We have checked into buying some land by the service center from Mrs. Anderson in Salt Lake City. We gave her 3 options and we are waiting to hear from her. The board would like to purchase as much land as possible. VERNON SCOTT MOVED WE LOOK INTO THE LAND AND BRING THE FIGURES BACK ON THE 3 OPTIONS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. It was suggested we put up 2 or 3 stories and use the additional space for rentals until we need the space. We should build the second story when the building is built instead of waiting until we need the space.

Nevada Crossing: Mike Soumbeniotis and Ralph Cromer representing Nevada Crossing and Bob Vaughan came into the meeting. We have requested \$271,245 in up-front money. They would like to have this money placed in a trust account that we could draw down on that they could earn interest on while construction is going on. WANDA BORDEN MOVED WE GO WITH THE CURRENT POLICY. MARY WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Board Committee Reports: The Financial Advisory Committee met on November 30th to go over the budget. They went over it item by item. VERNON SCOTT MOVED WE ACCEPT THE BUDGET AS PROPOSED. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Retirement & Insurance Committee: They met on Wednesday at 1:00 p.m. We had 3 proposals. Nationwide, who is our present carried, bid \$24,070, Federated was \$16,500 and Farmers Union \$19,500. The committee recommends that we go with Federated. They have the same coverage but a little bit better. GENE PENGELLY MOVED WE GO WITH FEDERATED. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Safety Report: The Safety Meeting for November was called to order by Bud Calton at 8:00 a.m. November 9, 1981 with 15 employees in attendance. There were no near misses or accidents that involved lost time. As of December 7, 1981, we have logged 1,052 accident free days with no lost time. All vehicles were inspected for safety and were all in very good condition except for a few minor items. Vic Olsen from Ruralite then presented a very good program entitled, "I Wasn't Thinking," a slide, tape and group discussion dealing with how accidents happen when you are thinking about something other than your work. This program makes you realize that everybody has thoughts, positive and negative which are neither good nor bad. We all have them but to deal with the thoughts we have and separate them from the work is the way to prevent accidents. As of

January 19, 1982, we will have had three full years or 1,095 accident free days with no lost time. We are all very proud of our safety record, thanks to Ruralite's excellent safety instructors and the fine cooperation of all employees that work for WREC. My goal for 1982 is to have NRECA accept WREC into the Safety Accreditation program. This will give WREC an additional 10% decrease in insurance premium rates.

Construction Report: In Wells, the line extension for the new Wells Sewer Plant was recently completed, the interchange lighting job is finished, poles have been inserted on line 10 at the Pequops to solve wind & icing problems, the lighting project on Humboldt Ave. has been completed, a service for the Fish & Game Dept. near the Zunino Reservoir has been completed, we have finished services for Bob James and Pete Paris in the Jiggs area and a temporary power source for Joe Munios is finished. In Wendover, the county jail & tennis court job has been completed, a service for Western Pacific Railroad is finished and the job of serving the new Stateline Inn has been completed. In Carlin, a line extension for Bud Barrows has been completed, several rebuild jobs have been completed and several new street lights have been put up.

Engineering Report: In Wells, construction of the new Starr Valley line is in progress, plans are being made to serve a new Forest Service building, the tap at Max Spratlings will be replaced soon, work on a trailer park for Sally Gibbs is in progress, staking sheets have been prepared to rebuild two more alleys in Wells, we are planning a new substation at Oasis and also to convert the existing line to the Big Springs Ranch to 30 and Mick Birdzell's estimate is close to finished. In Wendover, construction on the new substation should begin in the near future. We are in the process of asking Nevada Crossing for up-front money concerning their share of the new substation and for serving their new Truck Stop - Casino building, we are preparing an estimate for Stateline Properties concerning a new trailer park, Stateline Properties is in the process of remodeling 18 new apartments and staking sheets have been prepared to rebuild a tap on line 4 near the WREC office. In Carlin, staking sheets have been prepared to rebuild C tap and we are planning the job of converting the Emigrant Pass line and eliminating the step-up bank.

Outage Report: We had a total of 8 outages system wide for the month of November. All 8 outages were unscheduled and they ranged from open reclosers to blown fuses. We had a total of 131 hrs. of consumer outage time affecting 135 consumers. The Wells area had 5 outages, Wendover 2 and Carlin 1.

Hydro Plant: The hydro has been back on line for about two weeks. There had been a bad contact.

Member Services Report: Bonneville Power Administration notified us recently that they have accepted our proposed budget, to implement the first two programs offered by them under their Conservation Agreement, (shower flow restrictors and water heater wraps) . The materials have been ordered to implement these programs. We anticipate being able to offer these programs to our residential consumers (water heater wraps - only to electric water heater owners) shortly after January 1, 1982. The initial meeting of the newly formed "Couples Groups" were completed in early November. The turn out was good and the program very interesting both times. Many good comments have been heard about the meetings and their intent. Tentatively, we plan to have the next two meetings in late March or early April (to enlist their support for the Annual Meeting.) On December 1st, we were invited to a "Pot Luck" dinner in Ruby Valley at the Community Hall. The agenda included brief company statistics on growth, etc., general questions, answers and comments about the Coop, the power supply, rate increases and other company related topics. The meeting went well. Thank you again to John & Wanda Krenka for all their help and organization.

We have contacted Boise State University's Mathematics department regarding the return of Professor Giles Maloof's energy resource seminars. This program is an excellent simulation of

energy environment problems and allows the student to make decisions on the longevity of our worlds energy resources. Hopefully, we can schedule these presentations for the last week in January.

Employees & Director Institutes & Schools: Dave Swanson attended a NWPPA "Controlling Work Activities" workshop in Great Falls, Montana on December 9 & 10. The NRECA Annual Meeting is February 7-11 in Atlanta, Georgia. Room reservations have been made and confirmations have been received. The advance registration has also been sent in.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 19 MEMBERSHIPS FROM WELLS, 14 FROM WENDOVER AND 13 FROM CARLIN. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We have changed the organizational chart to add the 2 additional people we have in the budget. JOE RIORDAN MOVED WE APPROVE THE CHART. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Warren Linnell has requested that he be able to use his five remaining vacation days next year. He is going to use all of the days he can before the end of the year. What he has left he would be paid for. WANDA BORDEN MOVED HE TAKE IT THIS YEAR OR LOSE IT. GENE PENGELLY SECONDED THE MOTION. JESSE IARSEN MOVED THAT IT NOT BE BROUGHT UP BEFORE THE BOARD IN THE FUTURE. RAY CRAWFORD SECONDED THE AMENDMENT. THE AMENDMENT CARRIED WITH 7 IN FAVOR AND 2 OPPOSED, Wanda Borden and Vernon Scott. THE MOTION AS AMENDED CARRIED WITH 8 IN FAVOR AND 1 OPPOSED, Wanda Borden.

We have had 3 grievances filed against us in the past month. They were discussed with the union this week. Two of them were retained and one was withdrawn.

Union Negotiations: We offered them a package including a wage increase plus a few other things. They rejected the contract last night with a vote of 15 to 1. The new negotiations are set for January 11 & 12.

Jim Taylor, who has the Gold Rush, has asked for an estimate for a subdivision near the Pilot Peak area. This is on the opposite side of I 80 from the proposed Marblehead Mine. These are two pretty heavy loads so we might be looking at a substation in that area. The two people could pay the entire cost of the substation.

Carlin Gold: We met with them on Wednesday and discussed contract possibilities. We did not make any commitments. They would be interested in a 10 year contract with a 10% power credit a year. They would have to put up over \$2 million of up-front money for a line from Elko to Carlin. There would be a substation near Carlin and a distribution line to the Carlin Gold Mine. They would own their own substation at the mine. We discussed up-front money. Power Engineers was also at the meeting. Sierra Pacific has to have the line into Elko before we can ask for up-front money. We will need to get the right to serve them from the PSC first. We should have the package ready to mail to the PSC in mid-January.

ACRE Dinner-dance in Atlanta on February 7th.

WPPSS: We received some information today. There is a meeting in Pocatello on Tuesday. Warren and Lee will be going. We need to sign a resolution by January 8th concerning the mothballing and orderly termination.

Utah Wholesale Cost Pass Thru: We had a public hearing in Wendover on December 2nd. Three

people came from Kaiser. They had some questions on the pass thru. Yesterday we received a letter from our Utah attorney advising us not to raise the rates until we got PSC approval.

GENE PENGELLY MOVED WE ADJOURN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 4:50 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY