

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

September 18, 1981

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, September 18, 1981 at 1:15 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: The minutes of the August 12, 1981 board meeting will stand approved as written.

Election Report: The election results are as follows: Mary Wright - 311 votes, Jesse Larsen - 269, John Krenka - 273, Ray Crawford - 315, Vernon Dalton 354 and Kenneth Johns - 239. Those elected were Vernon Dalton, Ray Crawford, Mary Wright and John Krenka. JOE RIORDAN MOVED WE ADOPT THE ELECTION REPORT. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Election of Officers: GENE PENGELLY MOVED WE MAINTAIN THE SAME OFFICERS WITH THE EXCEPTION OF ESTER QUILICI. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. GENE PENGELLY MOVED WANDA BORDEN BE NOMINATED SECRETARY/TREASURER. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Policy Committee: The committee met this morning and went through the entire package of rules and regulations. We will get these prepared to be filed in Utah and have the same set of rules and regulations in both states. We consulted the attorney on all of these changes. The disconnect policy had some changes. The policy states that if we disconnect the meter, we charge \$20 during working hours and \$30 after hours. We have added a paragraph entitled collection fee. It would be \$20 per delinquent meter. The second change is that the utility has the right to extend credit for unusual circumstances that may prevent a customer from complying with the utilities regular billing and collection process. We need to add this. JOE RIORDAN MOVED THEY BE ACCEPTED. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We purchased a beef from the 4-H at the fair for \$1,800. It was sold and we paid the difference.

We received a letter from Ester Quilici on her resignation effective the date of the September board meeting or when it was convenient for the board. GENE PENGELLY MOVED WE APPOINT THE NEXT DIRECTOR IN LINE WHICH WOULD BE JESSE LARSEN. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Safety Report: The Safety Meeting for August was held at the Wells Service Center on underground materials, installations and procedure. This was an hour and 45 minute slide presentation from Ruralite. It was an excellent program and all linemen thought it was very educational. There were no near misses or accidents that involved lost time. There was one minor accident reported. As of August 18, 1981, we have logged 941 accident free days with no lost time. The safety awards,

jackets & vests, have been ordered for 27 employees. The annual Hotline School will be held in Wells on September 22-24. We expect to have from 40 to 50 linemen in attendance. The meeting was adjourned at 10:15 a.m.

Construction Report: The Starr Valley line has been staked and we have bids out for construction of the line. In Wells, the Indian housing project has been completed. All wiring is in, transformers are energized and services were installed. In addition, twelve street lights have been installed within the subdivision. The service and meter has been installed at the Senior Citizen Center. Brown's trailer park on Humboldt Ave. has its first trailer in place and it has service. The alley behind the D & A Bar has been upgraded with new poles, transformers and services. In Starr Valley, the Tom Morgan trailer has been connected. In Ruby Valley, a new trailer has been connected at the school. In Wendover, service to the Stateline Apartments has been completed. Culp Construction Co. has temporary construction service for building the Nevada Crossing Casino and Truck Stop. In Carlin, upgrading in alleys, services replaced and security lights have kept the crew busy during August.

Engineering Report: In Wells, we are about ready to serve the Jim Mauer house; we are in the process of upgrading transformers, rerouting services and replacing the neutral in the alley between the Old West and the Catholic Church; staking sheets are being made up to convert the Starr Valley line. We hope to get bids on the job in the near future. Steve Wright has contacted us about serving an irrigation pump and a stockwater pump; Bob Larsen has asked about security lights for his storage sheds; Jack Gardner has inquired about power for an irrigation pump; Robert Stiles has inquired about power to serve a home in the Devils Gate area and we are in the process of informing county realtors about the new policy concerning power for mobile home units. In Carlin, a line has been staked to serve the new Gear-Jammers' Cafe. We are waiting for right-of-ways. Bud Barrows has asked us about service for a trailer he is moving out to the Tomera Ranch and the City of Carlin is interested in some new street lights. In Wendover, the main project seems to be the Nevada Crossing development in West

Wendover near the Red Garter Casino. We have served them one temporary power source and they have inquired about another; Bob Scobie plans to put in two trailer lots near the Hideaway Casino and the new Stateline Motel will need service in approximately three months. We hope their transformer arrives in time.

Outage Report: We had a total of 15 outages system wide for the month of August. One outage was scheduled and the remaining 14 were unscheduled. outages ranged from burned secondary connectors to broken insulators causing phase to phase contact. We had a total of 1,177 hrs. of consumer outage time with a total of 354 consumers affected. The Wells area had 10 outages for the month. The City of Carlin had 2 and Wendover had only 1.

Member Services Report: Margaret Maxey's fee is \$500 plus expenses to speak at the Annual Meeting. We do need to budget for the Annual Meeting. GENE PENGELLY MOVED WE INCLUDE IT IN THE 1982 BUDGET. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Dan Kessler came into the meeting to present some ideas and to discuss the BPA Conservation Contract. We were told in Idaho Falls by Bob Laffel that we do not need to sign the contract as long as we have a conservation program. The two initial programs that BPA has proposed are: 1. Shower flow restrictors and 2. Water heater wraps. We can handle these two programs without any addition to personnel. The allowor flow restrictor program will reimburse us at 8cts per restrictor. We would distribute 2 per consumer. It is estimated that it will cost us 25cts per consumer for the distribution. We will also include a certificate for 1 water heater wrap in this. They would present the certificate at the office and take home their water heater wrap kit. BPA will reimburse us \$32 per wrap per consumer installed. We will break even on this program. There are 1,650 electric water heaters in our system. This would be effective January 1, 1982. VERNON

SCOTT MOVED WE SIGN THE CONTRACT. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We are setting up the area meetings. We will have 2 this fall. One in Ruby Valley and one in Starr Valley.

Dan K. has done some research on how we could reach every member. We are going to try to send out a quarterly newsletter. It would cost \$500 per quarter.

We would also like to put together a young couples group within the cooperative to meet quarterly. We would have a 20 - 40 year old age group and also a group of couples over 40. We will have each director suggest three couples from their area in the order they would like them to be asked.

Gene P. would like permission to take Dan K. to the UREA meeting on November 12th and 13th since we will be putting it on next year. Vernon Dalton would also like to attend.

Hydro Plant: It is back in operation. We had NRECA do some checking for us. We can operate on the old license. Marshall Morgan has filed for water use rights on our stream, down stream. We filed a protest. We have rights that go back to 1924.

BPA: We have received the BPA contracts. We are going to meet in Idaho Falls in October. We will be meeting with BPA, REA and Power Engineers on October 7th at 9:30 a.m. BPA has finished our load forecast.

We are working on getting a loan package put together.

Rate Information: Our new rates are in effect. At the last board meeting, Dan B. mentioned that he had talked to the Utah attorney about the rate increase. Warren had to call the Utah PSC so Dan asked him to talk with the staff about the increase. The staff said as far as they were concerned, if all it did was maintain the rate of return, they would recommend to the commission that we pass through this last increase. The Commission could go ahead and have a hearing and then we could withdraw if we wanted to. GENE PENGELLY MOVED WE FILE IN UTAH AND IF IT COMES TO A HEARING, WE WILL WITHDRAW. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

WPPSS: The resolution was accepted and they plan to go out for bids. Our share was voted as a yes. In 30-90 days, the board will have to take formal action on these provisions. Less than 7% voted no. The WPPSS Annual Meeting is in Seattle November 4th & 5th. Dan B. is going to attend.

Wind Project: April data - the average wind speed for the combined 3 levels equalled 17.8 MPH. 58% of a MOD-2 turbine generating capabilities occur between 28 and 47 MPH. Our April potential was .91 MW. This is the best month that our site has recorded.

Wendover Substation: We contacted Power Engineers and asked them to give us their recommendations on the land. We also checked into other parcels of land on the Utah side. Power Engineers favors the west Wendover site. There is 50 acres available on the Utah side we can lease for \$450 a year. WANDA BORDEN MOVED WE BUY THE LAND FROM NEVADA CROSSING WITH THE OPTION ON THE 2 ACRES AND ALSO LEASE THE \$450 LAND. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Power Engineers: We received the report on Raft River. There is only 1 feasible way to go and really no economical way to go. We have a formal letter from Sonny Longston and Steve May requesting us to relinquish 4 or 5 sections to Raft River. We are 12 miles from this land and Raft River is mile. Dan

B. suggests that WREC and Raft River go to Carson City and meet with the staff of the PSC and ask them how they want this done. GENE PENGELLY MOVED THAT WE ALLOW RAFT RIVER TO SERVE THAT AREA. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Employee & Director Institutes & Schools: Gene and Ferris attended the Crisis Prevention school in Alaska. Gene attended the NREA meeting on August 31st. There were only 4 people in attendance so they met up in Alaska. Vernon will be the statewide director representative. They are going to try to set up a meeting in Ely in December. Those who are going to attend the NRECA Annual Meeting in Atlanta in February are Vernon Scott and Daryl Eriksen. Pat Nolz will be the staff member attending.

New Memberships: GENE PENGELLY MOVED THE 25 MEMBERSHIPS FROM WELLS, 28 FROM WENDOVER AND 29 FROM CARLIN BE ACCEPTED. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Our interruption policy was approved by the Nevada PSC.

We need to sign the Wendover Clinic lease. It was amended to allow the clinic to sub-lease office space to an attorney. GENE PENGELLY MOVED WE ACCEPT THE ADDENDUM. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We need a board resolution authorizing Power Engineers to inspect and certify our work orders. GENE PENGELLY MOVED WE DO IT. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

BPA is sponsoring an alternate energy workshop in Missoula, Montana September 28 - 30, 1981.

Christmas Party: We need to decide on a place and date for this year's party. VERNON SCOTT MOVED WE GO TO THE 4-WAY FOR PRIME RIB OR STEAK ON DECEMBER 12TH. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

It is ACRE time. Risa Paul and Dan K. were in charge of the employees. They have 6 employees who are century members.

We invited people in to look at doing a study on this building. We received 3 bids. J.D. Long bid \$11,000; Mac Davis bid \$8,000 and David Hayes bid \$6,150. JOE RIORDAN MOVED WE ACCEPT THE BID FROM DAVID HAYES FOR \$6,150. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED WITH 5 IN FAVOR AND 1 OPPOSED, Wanda Borden.

Capital credit checks are being prepared.

Dan B. would like to start rotating the staff members to attend the Region IX Meeting. There were no objections.

The Directors Expense Committee needs to meet as soon as it is appointed for budget purposes.

The meeting adjourned at 4:55 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY