

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

November 20, 1981

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, November 20, 1981 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan, Patti Blackett, Lee Standley and Warren Linnell. Charlie Harper from REA and Don Angell, Pete Van Der Meulen and Ken Schlecht from Power Engineers were also present.

Corrections to the minutes: Bob Vaughan suggested we add an excerpt for the minutes of the October meeting regarding WPPSS. GENE PENGELLY MOVED WE ADOPT THIS ADDENDUM. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Directors Expense Committee: They met at 11:00 this morning. Handouts for directors expenses were given to all the directors. The budget figures for 1982 were presented as \$10,000 for board meetings, \$5,000 for committee meetings, \$8,000 for accredited schools, \$5,000 Region IX, \$5,000 Annual Meeting, \$5,000 meetings of other association and \$5,000 miscellaneous expenses. A total of \$43,000 for the 1982 budget. In 1980, the actual expenses were under budget. So far year to date, the board expenses are well in line. The Managers actual expenses are also under budget.

On November 3rd, a training and safety meeting was held. Two linemen were given tests and both passed. One man completed his final book test for the third year. He needs to take one more over-all test and he will have completed our 3 year training program. He will then have to take a performance test and then he will be a graduate of our training program.

We need to set up a Finance Committee meeting to review the 1982 operating budget. This meeting will be on Monday, November 30th at 1:00 p.m.

Approval of Work Plan: Don Angell from Power Engineers was at the meeting to go over the work plan. DARYL ERIKSEN MOVED WE ACCEPT THE 1981, 1982 AND 1983 WORK PLAN AS PRESENTED BY POWER ENGINEERS. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Safety Report: The Safety Meeting for October was held at the Service Center October 30th with 14 employees in attendance. There were no near misses or accidents that involved lost time. There was one minor accident reported that resulted in a pair of broken glasses. As of October 30, 1981, we have logged 1014 accident free days with no lost time. A group discussion on procedures and activities surrounding a possible PCB spill and/or contamination from PCB was held among the employees. Lee Standley explained what we must do to comply with EPA requirements for PCB spills, storage and disposal. Safety glasses, clothing, rubber goods and rubber gloves were discussed. Safety in substations was discussed with all employees with very good response. The twelve basic rules for gun handling was well covered. This is an annual discussion every year at deer season. Wells Rural Electric Company received a dividend check for \$1,406.30 from NIC in recognition of our success in preventing costly injuries to our employees during the period July 1, 1977 through June 30, 1980. The dividend is concrete evidence that accident prevention and loss control pays. (Quote from NIC). The next safety meeting will be held on November 9th by Ruralite.

Construction Report: In the Wells area during October, the Smiley tap in Starr Valley was completed, an extension to a stockwater pump for Steve Wright was completed. New services were connected for Laura Rigel, Max Lindberg, Tony Schwab and J. Murphree. Additional cleanup work has been progressing in the alleys. G D Construction Co. has started the Starr Valley job and is busy rebuilding line 3 getting ready for the conversion which will be the next phase of the project. In Carlin, a tap to Bud Barrows trailer has been completed, the Duggar Apartments now have service, a line extension to Peter Paris in the Jiggs area is complete. Also in Carlin, conversion work and alley cleanup work is under way. In Wendover, the new Stateline Motel has a new 500 KVA 3 phase transformer in place and is ready to be energized. The Western Motel has converted to total electric and was given a new 3 phase service for this. Other service work and security lighting has been completed.

Engineering Report: In Wells, a line extension for the new city sewer plant has been staked and construction will begin very soon, we are close to completing the lighting job for the Nevada Department of Transportation at the Wells interchange, we are getting ready to insert four poles in line 10 to stop problems caused by wind and ice, we are getting ready to supply power to a trailer park for Sally Gibbs, we are planning the lighting of Humboldt Avenue, a staking sheet has been prepared to rebuild the alley behind the Quiet Motel and we are in the process of preparing an estimate for Mick Birdzell's proposed sub-division. In Carlin, a line extension for Bob James will be started in the near future, we are ready to start an alley rebuild project originating on 8th street, Joe Munos has paid for a temporary power source in Western Hills, we have had plans sent to us for a 28 unit trailer park in Carlin and we are planning a service for the Fish & Game Dept. near the Zunino reservoir. In Wendover, we are about ready to serve the new jail and tennis court, Stateline Properties is planning to build 18 new apartments and also to build a 50 unit trailer park and we are planning how to serve Nevada Crossings housing project.

Outage Report: We had a total of 13 outages system wide for the month of October. Three outages were scheduled and the remaining 10 were unscheduled. Outages ranged from rebuilding the system neutral and blown fuses. We had a total of 348 hrs. of consumer outage time affecting 657 consumers. The Wells area had 8 outages, 2 of those were scheduled for the month. Wendover had 3 and Carlin had 2.

Hydro Plant: The hydro plant is still in operation, however, the water supply is still low and output is about one third of full capacity. On November 2nd, a letter from FERC gave us permission to operate under the old license since only maintenance had been completed in its preparation for start up.

Member Services Report: Bonneville Power Administration received our proposed budget for 1982 concerning the conservation agreement. Dick Stroh told us he would call as soon as he had word of approval or otherwise. Dr. Margaret Maxey has notified us that she would "be happy to speak at our Annual Meeting" and thanks us very much for the invitation. The first of our "school planned" programs for the coming school year is complete. Mr. Chuck Spets of Oak Ridge Associated Universities has been conducting seminars on the use of breeder reactors in our energy future as well as conservation and the stewardship of our vital resources. We have presented this program in Carlin, Elko, Wells, Wendover and it is scheduled at the UREA meeting in Park City, Utah for Thursday, November 12th. A total of 203 people were in attendance for these presentations. Our "couples groups" are off and running. Dinner meetings are planned on November 10th & 17th at the 4-Way Banquet Room. Couples from throughout the service area have indicated an interest in the programs and plan to attend. Dan K. will be attending the UREA Annual Meeting with some of the directors on November 11th, 12th & 13th. We are taking in a collage of pictures, history of the company and a nice door prize.

Power Supply: We have met with representatives of BPA to discuss the possibility of gaining a

second delivery point at Elko. The BPA load forecast shows a nearly 50% load increase from 1981-1985 was discussed and accepted by WREC. BPA agreed that the forecast would be looked at again at any time a new or major load would develop. We have nothing new on the Sierra Pacific line to be constructed to Elko. It is still scheduled to be in operation by December 1982.

WPPSS: Projects 4 & 5 are officially "mothballed" at least for the month of November. Papers were signed by enough participants to secure needed funds for this month. Our November share was \$8,550. Our December share will be \$7,949.

Employee & Director Institutes & Schools: Gene Pengelly reported on the Utah REA Annual Meeting in Park City. They want a representative and an alternate. DARYL ERIKSEN MOVED WE APPOINT GENE PENGELLY AS THE REPRESENTATIVE AND RAY CRAWFORD AS THE ALTERNATE. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 19 MEMBERSHIPS FROM WELLS, 17 FROM WENDOVER AND 13 FROM CARLIN. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We have a form to sign to accept a new date for rate increases from BPA to be in effect. This would be changed from July 1 to October 1. JOE RIORDAN MOVED WE ACCEPT IT. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Carlin Office: We have been looking at a temporary facility to put on our land in Carlin if our landlord tries to raise the rent to an excessive amount.

We have the new territory line on our map indicating the sections Raft River took over to serve the Pilot Peak Ranch.

We are proceeding on the Carlin Gold situation. We have a meeting scheduled with them for December 3rd. We are preparing information to be filed with the Nevada PSC to serve that territory. We will be able to file in a couple of weeks.

Union negotiations are December 14th & 15th.

The Christmas Party is December 12th at the 4-Way.

Wind study results: An average wind speed for July was 16.1 MPH. Approximate generating potential was .79 MW. Average wind speed for August was 14.1 MPH. Approximate generating potential was .48 MW.

Elko County School District sent us a request for money on the work study program.

We have filed in Utah for a rate increase of 4.1 mills. The public hearing is December 2nd at the office.

We have an American Express card in the Company's name and Dan Bryan's. Does the company want to retain the card in Lee Standley's name? We will keep it.

Lee is preparing to send out letters to the irrigators on the power factor.

We have asked for bids on the Wendover substation. We have proceeded on the purchase of the land. We will have the lease at the next meeting. They cannot sell the land until June.

We have some forms we need to have signed for Charlie Harper putting Lee Standley in as General Manager. GENE PENGELLY MOVED WE NAME LEE STANDLEY AS GENERAL MANAGER EFFECTIVE DECEMBER 14TH. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Chuck Spets enjoyed his stay here. He has been invited to appear before the Nevada Presbyterian Church Annual Conference.

We received a thank you note from Crystal Wines for buying her beef.

The meeting adjourned at 4:27 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY