

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

April 20, 1981

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Monday, April 20, 1981 at 1:10 p.m. in the board room. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: The minutes of the March 27, 1981 meeting will stand approved as written.

Additions to the agenda: Under Member Services Report, the Logo report was put under that and it should be put under Member Relations Committee under Board Committee Reports and per diem allowance from the company.

Community & Area Development Committee: Daryl is trying to get some ideas and people to see if we can fill the 3 seats coming up on the city council. Daryl Eriksen would like to have an executive meeting after the board meeting.

Member Relations Committee/Logo Report: If we are going to select a new logo, we need to do it soon. We need to re-order some supplies. When the committee met, they decided none of the logos submitted by the consumers were acceptable. We will contact the artist at the Carlin High School and see if he has any ideas.

Safety Report: The Safety Meeting for March was held on March 19, 1981 at the Service Center with 14 employees in attendance. The Safety Meeting was instructed by Vic Olsen, Safety Instructor from Ruralite. There were no accidents or near misses reported. As of 4/20/81, we have 822 accident free days with no lost time. Dan Bryan, General Manager, reported to the crew on REA financing and the status of the company at present. He encouraged the crew to write to their representatives in support of the government continuing REA financing. The 1980 hard hat safety decals were passed out. Mr. Olsen's safety program was "Driver Improvement" that was adapted from the National Safety Council's defensive driving program. This course was designed by Ruralite Services to cover 37 important topics, in the allotted time, to encourage experienced drivers to improve their driving ability and become a defensive driver. The next meeting will be held on April 28, 1981 at the Service Center.

Construction Report: In the Wells area, the 1 phase line to the Sierra Pacific test facility on the Winecup Ranch is being started by the contractor, who is MacGregor Triangle Co. from Boise, Idaho. The project should be completed and in service by May 1st if no bad weather interferes. That is Sierra Pacific's target date to have their test equipment in service. In Starr Valley, a one pole primary extension to the Conley place has been completed, a 4 pole extension to Guy Weatherly is complete. The alley in back of Sharp Electric Service has been upgraded. Also, the Sharp shop has been given a 3 phase connection. A new service & CT metering to the Stinker Station is complete. In Wendover, the Taylor Casino transformers energized and service is ready for the customer. Repairs

have been completed to one of the transformers at Stateline Casino which was leaking oil. In Carlin, two alleys have been rebuilt and upgraded. A 1 phase line extension to some houses in east Carlin is complete. Also construction service has been given to the new DuPont site. The City has enough permits to more than double our load in Carlin.

Engineering Report: We are in the process of obtaining the easement for a 3 phase line to serve the Wells Te-Moak Housing Project. We are still working with the city on a tie line between lines 2 & 8. Staking is complete and materials all in for the Humboldt Street light project. We have been contacted by Marvel Head Mine Co. about 3 phase power for a mill in the Silverzone area. Staking is complete on 2 new line extensions for Bob Rouse at the Warm Springs Ranch south of Wells. In Wendover, we met with contractors & Mountain Bell people to establish service to the Bonneville Motel being built by Stateline Inc. The County of Elko is starting construction on a recreational center in Wendover. In Jiggs/Lee, Julian Tomera has requested a 4,700' 1 phase line extension for a stockwater pump. Jack Klingman is installing a 7 1/2 hp pump for irrigation. We have a request for 7 new services at 10 Mile Creek, 2 of those have already been staked. In Carlin, we have written up another alley to be rebuilt. We met with Ventura Construction to decide on a permanent 3 phase installation for McKesson Chemical. The system is showing rapid growth. All crews have been busy with system upgrading and service.

Outage Report: System wide, we had a total of 9 unscheduled outages with no scheduled outages this month. Outages ranged from several bad transformers to the I.P.C. 138 KV transmission line losing a phase taking our entire system out for 15 min. Wells had a faulty OCR at the substation on line 3 to Starr Valley taking C phase out for several hours. Wendover only had 2 outages. Both were transformer related problems. On 3/31, the entire town of Carlin was out for 7 1/2 hours. The problem was isolated to a fault in the underground where our lines cross Interstate 80 heading toward Maggie Creek. There were a total of 5,912 consumer hours of outage time with 4,665 of those hours being caused by the Carlin outage. Another 634 1/2 hrs. were due to I.P.C. transmission line failure. Though this may seem severe, all outages were handled in an efficient and professional manner keeping outage time to a minimum.

Hydro Plant: It is necessary to locate and get bids on the needed parts for the hydro plant. This information is now being accumulated and as soon as possible, we will get the pricing and make it available.

Member Services Report: The Energy Conservation Program for the area schools ended March 30th with the judging of the posters submitted by the students from grades 2-6. We had a total of 276 poster entries. Prizes were awarded for 1st, 2nd and 3rd place. The winning posters will be displayed at the Annual Meeting. The BPA infra-red probe gun used to conduct heat loss surveys has finally been repaired and will be shipped to us this week. We have conducted two community meetings so far this past month. One in Jiggs and one in Carlin. Both times the agenda included power availability in each area, new billing conversion, pending rate increases and the RE program. Questions were taken from the members in attendance. A fine meal was served to us in each area. Dan K. has been invited to Mt. Wheeler Power to display pictures and interact with their members at their Annual Meeting, Saturday, April 11, 1981. There were 25 presentations made during the month of March for a total of 943 people. So far this year, we have made 30 presentations for a total of 1,143 people.

Carlin Meeting Report: On Wednesday, April 8th, the staff of Wells Rural Electric Company was invited to Carlin to make a presentation to community members. The invitation was extended by the Senior Citizens Group and was attended by 36 members and 11 staff members, employees and directors of WREC. The agenda included presentations by Dan Bryan on the power supply situation in Carlin, the outages that have occurred, the RE program and a general overview of WREC in

regard to the Carlin acquisition. Dan K. gave a short presentation on the new computer billing soon to be used by WREC and how the billing date would be lengthened in Carlin in order to coordinate total system billing on the 1st of each month. A fine meal was served by the Senior Citizens. Questions were taken immediately following the presentation and answered by Dan Bryan. We were well received and extended an invitation to return later this year.

BPA - Rates: BPA has responded regarding our January 1980 rate increase. They feel our rate increase was more than necessary. The conclusions they derived are: 1. "Without further information, we cannot verify that a 23.3% increase is needed at this time. A revenue increase of between 6.2 and 10.5% is sufficient for an appropriate rate on the utilities rate base." (Their figures show the 23.3% increase would result in a 16.8% revenue increase.) 2. "The utility has made some improvements in rate design. Customer charges have replaced most minimum charges and the number of declining energy blocks have been reduced." 3. "We suggest the utility consider (1) moderating customer charge and raising energy charges in order to encourage conservation,

(b) instituting a customer (facility) charge in the irrigation schedule and (c) further narrowing the charge differential between residential and small commercial customers." In discussing this with BPA, there is no real emergency and they don't feel that we need to redesign our rates after over a year interval. In explaining some of the Company's policies and goals, they felt that this was the kind of explanation that we should give if the Portland office should make inquiries. The 53% rate increase looks pretty firm.

General Pacific: Dwight Garrison called April 4th and asked about buying stock in General Pacific. We received an updated letter today giving us more information. VERNON SCOTT MOVED WE BUY THE 10 SHARES OF STOCK FROM GENERAL PACIFIC. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Power Supply - BPA: We had a very good meeting with Power Engineers, Charlie Harper and BPA on April 7th. For us to get the Elko tap, BPA has to accept the load growth projections that we have. By BPA representatives being here, they helped us establish these. Power Engineers helped get BPA down here. Power Engineers see no reason why there would be any problem in BPA accepting the load. All the areas are equal priorities. We did not include anything on Sierra Pacific or MX. This will be considered in addition if something does come up. Dan K. and Warren are in Elko today checking with people in the area and the Jiggs/Lee and Carlin areas on the projected growth in and around these areas. Then we will send out a letter asking the consumers for estimates on future loads.

Annual Meeting Report: Preparations for this years Annual Meeting are in full force so far. The displays promise to be very interesting, as does the business meeting and key speaker. We had a firm confirmation from Mr. Chuck Spets this past week. He also plans to address our civic clubs and a group of high school students on Monday, May 5th and Tuesday, May 6th. There will again be a delicious meal served by the Cowbells immediately following the business meeting. A free movie will be shown at the Wells Theatre for the kids.

Employee & Director Institutes & Schools: Vernon and Dan have appointments with Paul Laxalt and Jim Santini while attending the Legislative Conference. We have registration forms for the NWPPA Annual Meeting. We need to check on the locations of the 500.2 school. The Gail Dunning School will be June 22-23.

New Memberships: ESTER QUILICI MOVED WE APPROVE THE 19 MEMBERSHIPS FROM WELLS, 19 FROM WENDOVER AND 23 FROM CARLIN. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We need a Scholarship Committee meeting set up. The week of May 4th would be good. We will have it May 5th and also the 6th if necessary.

Senator Cannon has introduced a bill that will exclude us from having to pay the BLM right-of-way fees. Senator Laxalt has cosponsored it. They feel it will go thru.

We will be running our first parallel billing next month.

We have a questionnaire from NRECA on combining the Annual Meeting and Legislative Conference every other year. Dan read the three questions. VERNON SCOTT MOVED WE FAVOR THE WAY IT IS NOW AND HAVE THEM LOOK INTO THE COST OF HAVING THE ANNUAL MEETING CLOSER. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

People from NREA went to Carson City a little over a month ago. One of the primary purposes was to work against the idea of us having to be subject to a consumer advocate in the State of Nevada. We talked to Ken Redelsberger from Pahrump and Dean Rhoades. They said they would do everything they could to keep us from under the jurisdiction of a consumer advocate. We received a call from Pete Kelley. The bill sets up a consumer advocate's office but excludes cooperatives from being under the consumer advocate. It also deletes the section that calls for us to pay a mill assessment and deletes the section that calls for us to give annual revenue reports to the PSC. It passed 36-4 before the assembly.

We have taken a poll on changing the office hours. The results from Wells indicate that there would be no inconvenience closing from 8 - 9 or 4 - 5. There was only one objection and that was from 4 - 5. Mary indicated that person has been in during other times. In Carlin, 19 people indicated they would be affected, 12 indicated no affect on their business with us. Out of the 19, Stella indicated there is only 1 or 2 she hasn't seen in the office at other times. In Wendover, Shirley indicated that everyone she spoke with would be able to conduct business with us at another time during the day and no one voiced an inconvenience. Daryl Eriksen recommended that we close from 8 - 9 but not 4 - 5. We will try it for a 3 month trial basis. We will start the first of June and announce it at the Annual Meeting.

We sent in a request to BPA to negotiate a new contract. We received confirmation from the Federal Register that we are listed along with the rest of them.

We hired 2 journeymen linemen who started March 1st. One started in Wendover and one in Wells. The one in Wendover lasted 2 weeks and the one in Wells lasted 6 weeks. We are looking at hiring a couple of kids to work during the summer.

Dan went out and saw Sierra Pacific's line to the met tower. They are doing a good job. We have everything taken care of with the Commission on the 2 1/2 sections of land.

Pat Nolz, Sally Gibbs and Buddy Welsh just returned from an accounting finance workshop in Boise.

We have a total of \$1,127 in our state ACRE Program.

We have an invitation to Valley Electric's Annual Meeting & Open House.

At the last meeting, you asked about the Nevada Tax Payers. We have researched it. The dues would be \$154.81. DARYL ERIKSEN MOVED WE JOIN. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The winning posters from our Energy Conservation contest were on display in the board room.

JOE RIORDAN MOVED WE PAY OFF THE LOAN AT COMMERCIAL SECURITY BANK ON THE BUCKET TRUCK. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Per Diem Allowance: With the increased costs, Ester feels it is not fair to only get \$21 per day. She has talked with other directors who get \$40 a day. ESTER QUILICI MOVED WE RAISE PER DIEM ALLOWANCE TO \$35 PER DAY. WANDA BORDEN SECONDED THE MOTION. After some discussion, Ester withdrew her motion and Wanda withdrew her second.

The meeting adjourned at 3:45 p.m.

D. VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY