

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

January 22, 1982

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, January 22, 1982 at 1:09 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley & Patti Blackett.

Corrections to the minutes: Joe Riordan said we need to change the motion on Nevada Crossing to read "current policy." JOE RIORDAN MOVED WE ADD THE WORD "CURRENT". JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. GENE PENGELLY MOVED WE ACCEPT THE MINUTES OF THE DECEMBER 18, 1981 MEETING AS CORRECTED. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Additions to the agenda: Report on training and safety committees.

Resolution for WNP 4 & 5: There were not enough participants for the mothballing program. We are in controlled termination. There was a meeting in Portland yesterday that Warren attended. We have a package coming on the controlled termination. We will probably need a resolution for Vernon to sign. It will cost us more money than the mothballing. The first payment will be about \$48,000 around the middle of the year. They are ready to sell bonds on 1, 2 & 3. GENE PENGELLY MOVED WE GIVE VERNON DALTON AUTHORITY TO SIGN THE RESOLUTION ON CONTROLLED TERMINATION. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. DARYL ERIKSEN MOVED WE AUTHORIZE VERNON DALTON TO SIGN THE OTHER RESOLUTION ON MOTHBALLING AND ORDERLY TERMINATION. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Architect: At the last meeting, there was discussion on building a second and/or third story on the new building and renting out the extra space. REA frowns on three stories but might approve a second story. David Hayes said the new building is made for a second floor and it can be put on in the beginning. REA funds can be acquired but only 10% of our distribution plant which would be around \$425,000 for both buildings. We need ground to put a new building on. The Andersons want us to make them an offer. Gene Pengelly talked with John Quilici and he said he might be able to talk Mrs. Cippolini into selling the lot next door. VERNON SCOTT MOVED WE OFFER \$10,000 PER ACRE FOR OPTION 4 WHICH IS 4.1 ACRES OF LAND BY THE SERVICE CENTER AND AFTER THEY COME BACK WITH A COUNTER PROPOSAL AND CONSIDER WHAT THEY OFFER. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. The motion and second were withdrawn. We will wait and see what happens on the lot next door.

Safety Report: There was a committee meeting Tuesday. We discussed proposing an addition to the policy for an active public safety program. This was proposed by Ruralite. Copies of this policy were in each director's folder. It was suggested that we look at this and vote on it at the next meeting. Also, we discussed putting a monthly column in the paper on electrical functions and hazards. Also, we talked about tower antennas. There is a situation in Carlin where the antenna is anchored to a power pole. If the wind were to blow it over, it would fall on our line. We wondered if we should have our attorney draw up a form to have these people sign to release us from any liability in case of an accident. It was stated that it would be hard to get anyone to sign such an agreement. On December 21st, two linemen completed their written tests. The next step is the on-the-job training course and they will have completed the entire program. In the near future, another lineman will be completing the tests and we will have them all take the on-the-job training course together.

Construction Report: In Wells, an estimate has been completed for the Mick Birdzell sub-division; the service for the dial exchange building on the Jiggs Highway has been completed; service for the Sally Gibbs trailer has been completed; the line crew has been busy correcting problems on the Ruby Valley Clover Valley line. In Wendover, several security lights have been installed and many small jobs have been completed involving secondary wiring and secondary poles. In Carlin, we have completed a temporary service for an office building for Carlin Gold and several jobs involving secondary and secondary poles have been completed.

Engineering Report: In Wells, we are preparing to serve the new Forest Service building on Humboldt Avenue; the Starr Valley rebuild job is progressing smoothly, we are planning to 3-phase the line to the Big Springs Ranch in the near future; we have had an inquiry about temporary construction power in Lee concerning a dam; there is a possibility of a trailer park development one mile north of Hwy. 93 and on the east side of 93 and there were 300 work orders for 1981. In Wendover, a line has been staked to serve the Nevada Crossing modular housing project; we are preparing an estimate for a trailer park being built by Stateline Properties; the Gold Rush Casino is adding a motel which will need power early this spring and the new substation in Wendover is a major concern. In Carlin, a staking sheet has been prepared to retire equipment in the old substation and we are planning several rebuild projects.

Outage Report: System wide, we had a total of 25 outages for the month of December. All of the outages were unscheduled. They ranged from blown fuses to burned lightning arresters. We had a total of 23 outages in the Wells area including one involving the 7200 V side of our substation. The City of Wendover had the remaining two. A total of 2,168 consumers were affected with a total of 2,792 hrs. of consumer outage time.

Hydro Report: The hydro was on line all of December. It is producing approximately 35 kw. There are a few leaks in the pipe from the collection box but they are not that serious.

Member Services Report: We are waiting for confirmation from Prof. Giles Maloof of Boise State University, regarding "Energy - Environment" programs scheduled for our area schools. 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. (For High School students). Also, we plan to take our film "Pigopolis" to the Kindergarten and 1st grades at the area schools. They did not see the film last year. I have two programs planned for the 2nd thru 8th grades on Energy Education. They involve handouts, some visual aids ... but mostly class participation. These two programs are lengthy enough so that the teachers can continue lessons on energy when time permits, after our initial visit. Also planned are line safety and electrical safety programs for all grades. The Department of Energy authorized a private engineering company out of Redding, California to do some studies on small (low-head) hydro potential in the area last summer. The results have been-forwarded to us and we plan to copy them and send the reports on to each participating consumer. Annual Meeting organizing has started again. Dr. Margaret Maxey, Assistant Director, South Carolina Energy Research Institute will be the "key" speaker. We plan to have many displays on energy usage, availability, etc. Dan Kessler came into the meeting to discuss the BPA Conservation Program. On program 1 & 2, the water heater wraps and shower flow restrictors, we sent out 4,404 shower flow restrictors and 181 water heater wraps. We are over 50% paid back in reimbursement on the books. Program #3, street and area lighting, proposes that we convert all area & street lights from mercury vapor to high pressure sodium. They are 37% more efficient. We have 542 lights in our system. Total revenue we receive from these is approximately \$33,000 per year. The cost we pay for wholesale power to light these is approximately \$5,500. To totally convert these to BPA specs., the estimated cost of our participating is \$111,000. BPA plans to reimburse us for approximately \$54,000. The estimated savings in energy is \$2,000. If we were to participate now, it would take us 27 1/2 years to recover from making this conversion. We do plan to install high pressure sodium in all our new lights. Program #4 is a commercial conservation program, lighting and water heating. They plan to offer shower flow restrictors and reimburse us at 8 cents a piece and water heater wraps to commercial consumers at \$32 per wrap reimbursement. On tile energy efficient lighting system, they want us to encourage our commercial consumers to convert or upgrade to energy efficient lights. There are 2 plans to reimburse us. The first one is that we purchase all the lamps and distribute them to our commercial consumers. The second one is the commercial consumers purchase the lamps and are reimbursed by us either in the form of an energy credit or a reimbursement in dollar figure. BPA plans to reimburse us \$1 per light. These energy efficient lights sell for \$13 per tube for 8' tubes. Dan Recommends that we do not participate in program #3 but that we start to install the low pressure sodium lights. on program #4, we do not have to participate in all 3 parts. We can pick part of the program. We can offer the shower flow restrictors and the

water heater wraps and provide them with the factual information to encourage them to make the conversion themselves on the lights.

WANDA BORDEN MOVED WE ACCEPT DAN KESSLER'S RECOMMENDATION. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. We will not participate in #3 but will participate in part 1 and 2 of #4. When Dan Bryan was here, he was the utility officer and each month we would take a recap of the program and send a form into BPA requesting reimbursement. Dan Bryan was the only one authorized to sign this. We now need a resolution installing Lee Standley as utility officer. JOE RIORDAN MOVED LEE STANDLEY BE THE UTILITY OFFICER. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Dan K. talked with Jim Jund and was told that the Nevada Legislature passed an assembly bill entitled No. 317 which said that vocational departments in the high school could take donations and that they would match it with state funds, \$10 for every \$1 donated to the vocational department. We are asking that the board donate \$50. In the letter that was sent out, it was not stated that the money that was donated from the Wells area would stay in the Wells area. This was the impression Dan got from Mr. Jund. We will get some clarification on this and then make a decision.

Employee & Director Institutes & Schools: The NRECA Annual Meeting is in Atlanta, Georgia February 7-11, 1982.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 16 MEMBERSHIPS FROM WELLS, 20 FROM WENDOVER AND 6 FROM CARLIN. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Union Negotiations: We completed labor negotiations on January 11th. The package was presented to the employees last night and it was approved. We need board approval. The changes were reviewed. GENE PENGELLY MOVED WE APPROVE THE CONTRACT. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. It is a two year contract.

Our new insurance carrier has taken over. They have an adjuster in Elko.

DOE is cancelling our wind tower test site on Pequop. There is a 99% possibility of BPA picking it up. Lee talked with BPA and they might pick up the cost and we will continue with the maintenance work.

Our Carlin rent is \$380 per month. The lease arrived today for one year. Lee talked with John Clawson on the Carlin plans. It would probably take 3 to 4 months to get some plans drawn to be submitted to the bidders. We will put the maximum in the loan package on the two buildings. Pamphlets on Butler buildings were passed around. We will have a salesman come and talk to us.

We still have not heard anything definite on the Utah rate pass thru. The PSC has not acted on it yet.

The meeting adjourned at 3:44 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY