

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

April 16, 1982

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, April 16, 1982 at 1:03 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley and Linda Hall.

Corrections to the minutes: JESSE LARSEN MOVED THE MINUTES OF THE MARCH 19, 1982 MEETING BE APPROVED AS WRITTEN. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

There were no additions to the agenda.

Lease Option - Wendover Land Company: Lee talked to Bob Vaughan yesterday about the lease and there has been no action taken on it yet. He thinks they will have it completed by May 3rd which is the bid opening date.

West Wendover Substation: We have a special meeting on May 3rd. Power Engineers will be here at 1:00 p.m. and the bid opening is set for 2:00 p.m. We will award the bid that day. A preconstruction conference will be held in Wendover on May 17th. The substation must be complete and ready to energize on July 14th. The total cost of the substation is \$550,000. There will be a 6 ft. chain link fence with barb wire on top with 1 walk gate and 1 drive in gate. We will hold our regular meeting on May 3rd also.

Carlin Gold: The petition for leave to intervene was granted to Sierra Pacific by the PSC. We met with Sierra Pacific on Tuesday, April 13th. one of Sierra Pacific's main concerns right now is that we are way over our contractual limits in both Carlin and Lee/Jiggs. In Carlin, our contract limit is 1,500 kw and our maximum peak we reached this winter is 1,830 kw. In Lee/Jiggs, our contract is for 335 kw and the maximum this winter was 597 kw. That is 178% in Lee/Jiggs and 122% in Carlin. They told us they would officially serve notice that they wanted the contract renegotiated. They want us to pay for re-conductoring 2 1/2 miles of line on the Lee/Jiggs feeder at an estimated cost of \$80,000. We told them we would not pay for this. They said that maybe what they had would take care of Carlin for two years but they probably would want to negotiate in the next wheeling contract that we pay for the loss. Sierra Pacific is going to meet with BPA the last week of this month to discuss the wheeling.

Pine Valley Petition: The petitioners were answered by letter dated March 29, 1982 with a copy being sent to the PSC. We have had no further word on this.

Land for new office building - Wells: We made an offer of \$75,000 for the property on Humboldt Avenue. In that offer, we would accept \$1,500 in closing costs and negotiate other terms. They came back with a counter offer of \$80,000 with a \$1,500 limit on closing costs. They specified how they wanted payment made which would be \$57,400 cash at closing. The balance of \$22,600 would be payable between January 1 and January 15, 1983 at 14% interest. It was discussed that we may need more land than this 4 acres. Mick Birdzell has 10 acres available and Bud Reynolds has 20 acres. We will find out how much acreage we have at the service center and also on the 10 and 20 acre parcels.

New office building - Carlin: David Hayes is working on the preliminary plans.

Cost of Service Study: We sent letters out to 9 different firms. We have had no official replies yet. Some have called to ask

questions.

Board Committee Reports: Jesse Larsen mentioned that the directors policy manuals need to be updated. Wanda would like to see a breakdown of all expenses for the year sent out to all directors. There is going to be a Policy Committee Meeting on April 26, 1982 at 1:00 p.m. Ray mentioned that some of the people in Wendover who have been putting up large sums of up-front money would like to receive interest on this money.

Safety Report: The safety meeting for March was held at the Wells Service Center on March 2nd by Ruralite with 16 employees in attendance. All vehicles were inspected for safety. The digger trucks from Carlin and Wendover were put in the shop for repair work. There was one near miss, but no lost time. Roy McWilliams, while working on the bucket truck changing out a dead end, was struck in the mouth with the hot hoist handle which chipped several teeth and also loosened a few. As of April 16, 1982, we have logged 1,182 accident free days with no lost time. Our next safety meeting will be held on April 27, 1982 by Ruralite on first aid.

Construction Report: In Carlin, the old substation has been retired and several jobs involving secondary and secondary poles have been completed. Also, a count has been taken concerning CPN pole attachments. In Wells, more secondary rebuilds have been completed on the Starr Valley line as well as several transformer changes; a step-down rack has been completed for C tap in Starr Valley; regulator racks have been built for the Ruby Valley line and several jobs have been done involving secondary and secondary poles with the City of Wells. In Wendover, the Nevada Crossing building and some of the employee housing units have recently been energized; a tie line between underground lines has been built by Bob Lutes Construction. We plan to serve a proposed trailer park of Russ Lewis' with this line; security lights for Jim's Casino and Super Saver Market were recently installed; several clean-up jobs have been done concerning secondary wiring and Power Engineers recently held a prebid meeting to let contractors know what is expected for the new substation.

Engineering Report: In Carlin, a major alley rebuild will begin in the near future and the Carlin Gold project is still in the working. In Wells, Joe Quilici has applied for a service to a new business; a ten mile (30) line extension is being planned for the Barger property near the Deeth cutoff and Steve Wright is interested in a 1 mile 30 line extension for an irrigation pump. In Wendover, a line extension to serve the new Goldrush Hotel will be built by Bob Lutes; State Line Hotel is planning an executive housing subdivision. An estimate has been mailed to them; we are about ready to complete service to the Nevada Crossing modulars and continue our lines east to serve their trailer park and the trailer park job for State Line Properties has started and Bob Lutes will do the work.

Outage Report: System wide, we had a total of 11 outages for the month of March. Four of the outages were scheduled, the remaining seven were unscheduled. The outages ranged from broken crossarms to upgrading the system. We had 7 outages in Wells, 3 in Wendover and only 1 in Carlin. A total of 143 consumers were affected with a total of 177 hrs. of consumer outage time.

Hydro Plant: The hydro is running very smoothly at this time. A new nozzle has been installed. It is superior over the old one by approximately 20%. There is a great difference in the sound between the old and new nozzle. The increase over the new nozzle and the old nozzle will pay for itself in 3.703 months at the rate it is generating now. Gene S. had the orifice reworked and fitted to the nozzle. The face which the nozzle fits had to be grounded out, rewelded and lathed to match the new nozzle which was not done when the hydro was reworked.

Member Services Report: The Boise State University "Energy-Environmental" Program was completed, as scheduled, to all our area high schools. The programs were a big success with 195 students participating throughout the area. This program has been here two years now and our plans are to borrow the analog computer next fall and expand the program to include the lower high school grades and junior high students. We would put the program on ourselves and keep the equipment here for about a month. We recently visited our area high schools to encourage and inform interested students about our Youth Energy Seminars in Steamboat Springs, Colorado and Logan, Utah. We had excellent participation in all three high schools. A member committee has been informed and will select this years seminar participants on Wednesday, April 28th. A

community meeting was recently held in Starr Valley at the Community Hall. At the invitation of the Starr Valley consumers, WREC put on a short program to update them as to the progress on the rebuild/conversion job. There were no serious problems mentioned. Those in attendance from the company included: Lee Standley, Dan Kessler, Pat Nolz, Ray Bleak and Rod Hannon. The meeting was attended by 25 people and went very well. Our second pair of meetings with the "couples groups" is scheduled for Thursday, April 8th and Thursday, April 15th. Daryl thinks the couples meeting was a good meeting but we need more couples attending. It was suggested that each director should personally invite the couples invited to the dinners. It was also suggested we have one meeting instead of the age group split.

Annual Meeting Report: This years Annual Meeting is organizing quite well at this time. As Dan mentioned last month, it will be held again in the Wells High School Auditorium, starting with displays (energy oriented) open for viewing from 4:00 p.m. till 6:00 p.m. Registration will be from 5:00 p.m. to 6:00 P.M. with the meeting starting at 6:00 p.m. Dinner will again be served by the Elko County Cowbells at approximately 7:30 p.m. We plan to have displays on renewable resource technology, conservation, pump testing and many other interesting topics. The "key" speaker will be Dr. Margaret Maxey, from the University of Texas' Energy Research Department. An afternoon matinee has been arranged for the kids to be shown at 4:00 p.m. The cub scouts and girl scouts will present the colors at the flag ceremony. Many utility personnel from the Pacific Northwest have responded to our invitation saying they would attend! There is some work yet to be done - but shaping up quite well - this years meeting promises to be a good one!

Power Supply: We were notified of the amount of the rate increase. It will be 68.92%. This is an increase from 10.4 mills to 17.58 mills per kWh. BPA's budget was increased 52-58% over 1981.

Employee & Director Institutes & Schools: Lee will be attending a Central Area Data Processing Annual Meeting in St. Louis April 20th and 21st and also the New Manager's Conference in Washington April 26th thru 29th.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 18 MEMBERSHIPS FROM WELLS, THE 29 FROM WENDOVER AND 14 FROM CARLIN. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Bob Laffel, Norm Jacox and representatives from Power Engineers are going to be in attendance at our Annual Meeting.

We have a CFC survey that has 50 questions on it. It is addressed to the board members and needs to be returned by May 15th. Copies of the survey will be sent out to each director to review and discuss at the next meeting.

The amount of capital credits for 1964 and 1965 to be paid back in 1982 equals \$124,000 and this exceeds 25% of our 1981 margins and requires REA approval. Therefore, we need a board resolution to pay the two years and submit it to REA for approval. GENE PENGELLY MOVED WE PAY BACK CAPITAL CREDITS FOR 1964 & 1965 IN THE AMOUNT OF \$124,000 DURING 1982. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

BPA needs two resolutions on the conservation programs, amendment #2, water heater wraps and amendment #4, shower flow restrictors. Dan K. explained the amendments. GENE PENGELLY MOVED WE APPROVE THE AMENDMENTS ON PROGRAMS #2 & #4. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Lee received a memo from Bob Partridge. There is a tax conference May 25-27 at the Sheraton in Minneapolis.

New Years Eve is on Friday and New Years day on Saturday. Our contract and policy says we celebrate a Saturday holiday the day before. This puts it in to the previous years accounting and we do not know how to handle it. We will contact REA on this. We might want to celebrate it the following Monday.

Joe said there is a woman in Pleasant Valley who has 7,000 power poles from a line that was taken down and she has them

for sale. They have not been down for longer than 8 years and they are supposedly sound. Joe was wondering if it might be worthwhile to look into them. He has tried to get hold of her. He thought they were \$7.00 each. The poles are in Wyoming.

Vernon Dalton would like authorization for a credit card for long distance calls he makes on his personal phone on behalf of WREC. GENE PENGELLY MOVED WE APPROVE IT. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 3:55 p.m.

VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY