

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

August 20, 1982

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, August 20, 1982 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley and Patti Blackett.

Corrections to the minutes: GENE PENGELLY MOVED WE APPROVE THE MINUTES OF THE JULY 16, 1982 BOARD MEETING AS WRITTEN. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

There were no additions to the agenda.

Nominating Committee Report: Annette Branning, Chairperson, was present to give the Nominating Committee report. Those people nominated and the order they will appear on the ballot are Wanda Borden, Gene Pengelly, Joe Riordan and Larry Bradshaw. JESSE LARSEN MOVED WE ADOPT THE NOMINATING COMMITTEE REPORT. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Election Committee: Those people suggested to serve on this committee were Betty Wright, Marie Merkley, Ethel Scott and Louise Fisk as the alternate. WANDA BORDEN MOVED WE APPROVE THESE PEOPLE TO SERVE ON THE ELECTION COMMITTEE. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We received a thank you note from Valerie Thiel for sending her to the Utah REA energy seminar.

WNP 4 & 5: In a revised study by R.W. Beck & Co., the cash flow requirements have been updated and is now in our hands. As was stated in an earlier letter, no payments were necessary in July and August for the termination loans and this is reflected in the revised statement. Bob Vaughan reports that there has not been any startling news in the WNP 4 & 5 termination suits. Chemical Bank has asked for an immediate summary hearing in their suit to determine if the participants are responsible. We have received Ed Fadeley's seventh report from the Participant's Committee.

Carlin Gold: We met with Barite Mining Company, one representative from Carlin Gold, one from Newmont and a consultant doing the study for Barite Mining. They seem pretty interested in going ahead with the mine. They are located 11 miles north by northeast from Carlin Gold. This is also in an uncertified area. We discussed methods of serving them.

Cost of Service Study: A copy of the financial forecast that was prepared by Central Area has been sent to CH2M Hill. The study is on schedule. We will be receiving a 57% increase in rates from BPA.

Land for new office bldg. - Wells: The offer for the ten acres on Humboldt Avenue is still open. Vernon would like to establish a building committee. Ray Crawford will be the Chairman and Daryl Eriksen and Wanda Borden will serve on the committee. We would like to have something concrete to report at the next meeting.

New office - Carlin: We have received the new plans on the building. If we adopt these plans we will need to have final plans drawn up and sent to REA for approval. JOE RIORDAN MOVED WE APPROVE THESE PLANS. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Board Committee Reports: The Safety Committee met on August 16th concerning safety awards. There are 27 employees eligible to receive safety awards. Forty dollars has been allowed per employee. The last several years, jackets have been given. This year it was suggested that they have a choice of either a jacket or a small appliance. Three people wanted jackets and 24 wanted appliances.

JESSE LARSEN MOVED WE ACCEPT THE PROPOSAL BY THE SAFETY COMMITTEE FOR THE SAFETY AWARDS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. The Hotline School will be held above the chariot race track September 20-24. OSHA inspected the 2 Wells buildings and we received 6 violations. Frank Ryan would also like to inspect our Wendover office. We do have some problems in the Wendover office. We have a contractor doing some wiring in the office now.

DARYL ERIKSEN MOVED THAT THE BOARD RECOMMEND TO THE MANAGEMENT THAT WE MAKE A RECORD OF THE IMPROVEMENTS IN WENDOVER. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Safety Report: The Safety Meeting for July was called to order at 1:00 p.m. July 20, 1982 with 16 employees in attendance. Bill Craddock from Portland, Oregon, representative for Pittman Products presented an excellent class on the safety and operation of digger and bucket trucks. He also had a very good presentation of hydraulics for aerial equipment. There were no near misses or lost time accidents. As of August 6, 1982, we have logged 1,295 accident free days with no lost time. The next safety meeting will be held August 9, 1982 at 8:00 a.m. by Ruralite on Pole Top Rescue.

Construction Report: We have ordered the balance of the capacitors for the system. They amount to 10 separate installations throughout our system and should improve our power factor to Idaho Power Company's satisfaction as well as complete another portion of the '82 work plan. The West Wendover substation is due to come on line 8/11/82. We plan to immediately switch all of the Nevada load to this station with the balance being added as circuits are established. Work will begin this month on the Oasis Trailer Park, 48 spaces, as well as a 275 HP irrigation project nearby.

Engineering Report: In Carlin, our main concern here has been the Hilltop Trailer Park. We have encountered several problems but are hoping to have them energized by the middle of August. In Wells, Mitch Moiola has inquired about electric service at the Lucky Nugget subdivision; our line crew has been doing a lot of work on the Metropolis line and we hope to have the Barger pumps energized by the week of August 23rd and we have had an inquiry about a new service at Devils Gate. In Wendover, construction is beginning on the new Jim's Casino; James Taylor's proposed subdivision near Pilot Peak could become a reality in the near future; the addition at the existing Stateline Hotel is well under way and we will soon be ordering two transformers with a total capacity of 1.75 megawatts and the new substation is to be energized on August 11th allowing us to take some pressure off of the old substation.

Outage Report: For the month of July, we had a total of 20 outages. Nineteen of the outages were unscheduled, the remaining 1 was scheduled. The outages ranged from lightning strikes to a scheduled outage of the transmission line to Wendover for work on the new substations in Oasis and Wendover. We had a total of 13 outages in the Wells area, 4 in Carlin and 3 in Wendover. The outages affected 2,101 consumers with a total of 6,208 hrs. of consumer outage time.

Hydro Plant: Bud Reynolds was going to put the screen in the hydro. He told Gene the other day that he didn't have time and we would have to make other arrangements. Gene does have the support for the fine mesh screen to lay on and hopes to have it in this week or the first of next week. The water is falling and less kw are being produced. We had an inquiry from the historical society. They are interested in our hydro plant.

Member Services Report: BPA Conservation Program update: Last October, we agreed to participate in BPA's Energy Conservation Program (effective January 1, 1982) beginning with the Residential Shower Flow Restrictor/Water Heater Wrap Kit programs. The BPA conservation "short-term" contracts offered to us had an expiration date of September 8, 1982. In February of this year, we agreed to participate in the Commercial Shower Flow Restrictor/Water Heater Wrap program, bringing our total participation to three programs of the five offered. BPA was supposed to have developed a "long-term" conservation program and offered us new contracts prior to September 8, 1982. They have not developed the "long-term" program yet as they had planned, but have offered us amendments to the current contract which will expire in September 1983, or 60 days after they do develop the "long-term" program. The only significant change in the "amendments," is in the shower flow restrictor programs where we will be distributing information to consumers regarding "potential" hazards of installing restrictors in certain systems. We will need a "resolution" from the Board to accept the amendment to the Energy Conservation Agreement currently offered (dated May 12, 1982), and also three "resolutions" (one each) agreeing to continue participation in the three programs we previously had accepted. GENE PENGELLY MOVED WE ADOPT THE 4 RESOLUTIONS AS PRESENTED. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. The following is a breakdown of the BPA Conservation Program enacted by Wells Rural Electric Company from January 1, 1982 through August 1, 1982.

Expenditures Reimbursements

\$12,276.62 (Totals) \$14,379.84

Shower flow restrictors ordered: 7,700 Shower flow restrictors distributed: 4,595

Water heater wrap kits ordered: 960

Water heater wrap kits distributed: 473

We are currently awaiting reimbursements of \$1,255.20 which will bring the total reimbursements received by us to \$15,635.04.

We recently received the Spanish translation of our "new member orientation" program handouts. We sent a copy to the Utah PSC (as required) and received approval to distribute them. Berry Carone of Wells High School and Melanie Koska of Wendover High School recently returned from a week of fun and learning at the Colorado Rural Electric Youth Energy Seminar. Dan also attended as a counselor. Val Thiel of Wells High School and Gordon Smith of Wendover High School returned last weekend from a super week at the Utah Rural Electric Youth Energy Seminar. All four participants will attend the September board meeting to detail their experiences at the respective camps. Dr. Gail Dunning concluded an educational and motivating week here with us on Thursday, July 29th. Dr. Dunning gave presentations to the Board of Directors (WREC and Mt. Wheeler) to Supervisors (WREC and Mt. Wheeler) and to the employees of Wells Rural Electric. As always, Dr. Dunning left everyone with "high spirits" and something that each of us could work on individually to become better employees and enjoy our jobs more. Plans are underway to have Dr. Dunning return with his third sequel on Human Relations Training in June 1983. The Board of Director nominations closed on August 10th. We have all the printing and materials ready to go for the elections, except

the biographical brochures on each candidate. Ballots, etc. for the election will be sent out on the 24th of August and must be returned to Bob Vaughan's office by September 10th. Dan will be attending the NRECA Member Services/Communications Conference in Kansas City on August 16-20.

Power Supply: We met with Sierra Pacific and Power Engineers on the wheeling agreements for Jiggs/Lee and Carlin. It will cost us about \$8,000 to reconductor 1/2 mile of line and we would have to install 3 voltage regulators on their line in the Jiggs/Lee area. We would get them back when they were no longer needed.

BPA Contract: We have the new contract to be signed and have to adopt 4 resolutions. GENE PENGELLY MOVED WE ADOPT THE 4 BOARD RESOLUTIONS. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. (Exhibit II)

Employee & Director Institutes & Schools: The directors gave their comments on Dr. Dunning's school.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 25 MEMBERSHIPS FROM WELLS, 9 FROM CARLIN AND 45 FROM WENDOVER. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We have a meeting scheduled with the Utah PSC on Friday, August 27th in Salt Lake City. Those who would like to attend are Ray Crawford, Mary Wright, Joe Riordan, Wanda Borden, Vernon Dalton and Lee.

We received a letter from NRECA asking for a donation to the Agricultural Hall of Fame in Kansas.

The Region IX Meeting is in Boise October 5-7th. Those attending are Gene, Jesse, Daryl, Vernon, Ray, Wanda and Mary.

The meeting adjourned at 3:50 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY