

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

February 18, 1983

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, February 18, 1983 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley and Patti Blackett.

Additions or corrections to the minutes: WPN should be WPPSS. Under WPPSS 4 & 5, 4th line after "the law suit," it should read: "to have the court determine what our legal responsibility is in regards to payments to WPPSS." Then under Carlin Gold, 4th line, "through out" was changed to "brought up." The minutes will stand approved as corrected.

Additions to the agenda: Dan K. will come into the meeting under Member Services Report to make a couple of presentations. Vernon D. would like to request to go to a couple of meetings.

Utah Rate Increase: We have received approval on the rates. They will be in effect as of February 10, 1983. They have also accepted our rules and regulations so we only have one set of rules and regulations for Nevada and Utah.

Lee talked to Ned Wilson from UREA this morning. They went straight to the legislature suggesting a 9% margin. They accepted it and will present a bill to that effect. They have also approached the commission over their jurisdiction over Co-ops. They have no objections but said this is a bad year to present it.

WPPSS 4 & 5: Bob Vaughan has given us a letter of instruction to join the Rainier Escrow Account. We also need a board resolution. VERNON SCOTT MOVED WE RESOLVE TO MAKE OUR WPPSS PAYMENTS TO THE RAINIER NATIONAL BANK ESCROW ACCOUNT INSTEAD OF WPPSS, AS OUTLINED. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Carlin Gold: We have a proposed contract drawn up with Carlin Gold. The attorneys are getting together and hopefully will have a draft form to mail back to us for review.

Bob Vaughan is meeting with Linda Bowman from Reno who is retained by Carlin Gold to finalize the contract. They wanted an April 1, 1983 start date of construction of the transmission line. We did not approve of this. They asked for a 15 year power credit contract at 10% each year. Bob Vaughan will send a copy of the draft contract to each board member. The length of their service contract would tie in with BPA's contract with us. January 1, 1984 will be the start date.

Land for new office - Wells: We have a reply from Nello Cipollini saying our offer of \$31,500 is not acceptable. He says this is a very valuable piece of property in a growing community. He said he is selling the house and the adjacent property for \$149,500. Wanda said Bill Hylton came to her. He has two 20 acre parcels of land located south on Highway 93. One is on the east side and one is on the west side of the highway. Once before Wanda brought this land before the board but at the time, Bill wanted \$20,000 an acre. He said he would accept a reasonable offer. Bill Rodriguez also has 5

acres. Bill Hylton would like us to make him an offer. The board adjourned so that Wanda could call Bill Hylton to see if she could get him to make an offer. Bill will accept \$110,000, 30% down, 11% interest for 5 years with a closing date of April 15th. A break was taken to go look at the property. JOE RIORDAN MOVED WE BUY THE PROPERTY WITH THE TERMS STATED ABOVE. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED WITH 8 IN FAVOR AND 1 ABSTAINING, WANDA BORDEN, DUE TO A CONFLICT OF INTEREST.

Carlin Office: David Hayes was in. He is assembling a list of construction contractors for bid on the building. When he gets the bids in, he will have the bid opening in either Wells or Carlin.

Board Committee Reports: Jesse Larsen, Chairman of the Director's and Manager's Expense Committee reported. Copies of the 1982 expenses for the directors and manager were handed out to all directors. The overall expenses for directors are only 73% of budget. The Manager was budgeted \$9,000 last year and he only used \$5,800. His budget for this year was cut to \$6,000.

Daryl attended a meeting in Reno and met with a group of people from Elko and Wells. They met with representatives that represent our political forces. The purpose of the meeting was to discuss a land exchange for the purpose of developing Tent Mountain into a ski area. It looks like we might get some action.

Safety Report: The Safety Meeting for January 1983 was held at the Wells Service Center on January 18, 1983 with 12 employees in attendance. Leon Hunsaker from Utah State University Extension Service presented an excellent safety program on "Surviving Winter Driving." There were two very good films on how to drive on winter roads, the correct way and the wrong way. There were no near misses or lost time accidents. As of February 7, 1983, we have logged 1,480 accident free days with no lost time. All vehicles were inspected for safety. The rubber gloves were sent to Arnett Testing Lab for inspection. There was one hazardous condition reported January 12, 1983. The Gold Rush sign in Wendover is within 4 1/2' of our 7200 V "A" phase. A letter, from Warren Linnell, was written to the Gold Rush to give this hazardous condition their immediate attention. As of 2/7/83, this condition has not been corrected. The next Safety Meeting will be held on February 25, 1983.

Construction Report: All of our crews have been very busy with completing maintenance projects, line rebuilds and patrolling line. A stockwater pump has been completed for the Winecup Ranch. Construction has begun on the line 2 & 8 tie line.

Engineering Report: In Carlin, our men have been busy rerouting secondary lines so we don't interfere with telephone cable. In Wells, we are in the process of getting line 8 upgraded, planning a tie line and studying the new substation plans. In Wendover, it is very likely that two new casinos will be built this summer. A housing development is also likely. The Engineering Department has been updating staking sheet books at every opportunity. Three new projects in Wendover appear to be coming very close to starting. 1. The new Nevada Crossings Casino has their building permit for a 6 story, 50,000 square foot casino with 170 rooms. In addition, housing for 400 employees will be needed. Projected transformer capacity is 3000 kVa. 2. The Jim's Casino plans call for 150 rooms with 3000 kVa of transformer capacity. 3. We have been contacted by Desert Horizons. They expect to break ground across from the Red Garter within a month. They plan on an 87,000 square foot casino, 200 rooms and 120 apartments for employees. The casino and apartments should require between 3000 and 4500 kVa.

Outage Report: During the month of January, we had a total of 18 outages with 16 unscheduled outages and 2 scheduled outages. Outage locations are as follows starting with the highest first: Wells had 10 outages all of which were unscheduled. Carlin had 5 outages with 1 scheduled outage and Wendover had 3 outages with one scheduled outage. Total number of consumers off were 2,366

and total number of consumer hrs. was 4,463.75 hrs.

Hydro Plant: The hydro is running very smooth. Gene has rounded up some different meters and has installed them at the hydro. One is an ampere meter, one a phase angle meter frequency meter, a 3 phase kilowatt meter and a volt meter. Some of these meters are the same as was already in the plant, however, they did not cost anything and the time installing them is nil. It is a great help when a problem occurs to solve it. The road from the fence to the hydro is closed to auto traffic due to snow. It is possible to get to the small creek that goes to Fred Howell's reservoir. The rest of the way is by foot. Gene has not seen so much snow up there for a long time. There is a brown moss that grows on the screen that has to be removed about every two weeks. It plugs up the small holes in the screen and doesn't let any water fall through. There is still a lot of water for this time of the year. The kw output is beautiful for January.

Member Services Report: Dan K. came into the meeting to discuss the low income energy assistance program and the incentive program. It was decided that we would not do anything with the energy assistance program at this time. Dan passed out an outline for the incentive program. MARY WRIGHT MOVED WE IMPLEMENT THIS PROGRAM FOR A 2 YEAR TRIAL PERIOD. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Captain Power and the Power Quiz are two new energy education programs currently being taken to the area schools, grades K-6. Pigopolis; film on energy conservation, is being presented to the Head Start and Preschool programs. Boise State University will again bring their "analog computer" to our area schools on April 14th and 15th. Quarterly newsletter plans for the spring edition is progressing well. Plans are to get more information out to the consumers on Annual Meetings, rates, legislation, director elections, energy usage and other company facts of interest to our members. Annual Meeting plans are going quite well. Display materials have been committed and other plans are running smoothly at this time. Again, key speaker for this years meeting will be Harry Birdwell, General Manager of the Oklahoma Rural Electric Association. Dan K. has "video cassette" programs available for the boards viewing entitled: "Welcome to the Board," "Board Members Guide to the Financial Statement," and an update on the "White Pines Power Project." The directors will meet at 10:00 a.m. on March 18th to review some of these programs. Dan will be attending the 2nd - 2 week session in Lincoln, Nebraska in the NRECA Manager's Internship Program, March 7-18.

New Memberships: JOE RIORDAN MOVED THAT WE APPROVE THE 2 MEMBERSHIPS FROM WELLS, 20 FROM WENDOVER AND 5 FROM CARLIN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Ned Wilson brought up a proposition that they would like to send some of the people who go to the youth seminars to a tour in Washington, D.C. in June of 1984. These youths would be selected from the youths who attend the two seminars in the summer. We would select 1 of our 2 youths. There was no objection to taking a look at putting this in the 1984 budget.

We have the Sierra Pacific Jiggs/Lee and Carlin wheeling agreement ready for approval. Bob Vaughan and Power Engineers have sent us letters of approval. MARY WRIGHT MOVED WE ACCEPT THE CONTRACT. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Carlin now has 3 MW and Jiggs/Lee 800 kw.

We need approval of the work orders in the amount of approximately \$162,000. They have been approved by Power Engineers. VERNON SCOTT MOVED WE APPROVE THE WORK ORDERS. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Lee reported on the volcanic contingency plan that he and Warren attended.

BPA is sponsoring a 20 year work plan seminar next week in Portland. Clay and Lee will be attending. Vernon D. would also like to attend.

March 1st in Burley at the Burley Inn, BPA is having a meeting to discuss the rate increase. Lee will attend.

Vernon D. would like to get permission to attend an NRECA reception for new congressional members. It is in Washington, D.C. March 8-10.

Those who attended the NRECA Annual Meeting in Las Vegas commented on the meetings they attended.

The meeting adjourned at 6:10 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY