

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

August 17, 1979

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on August 17, 1979 at 1:05 p.m. in the board room. President Vernon Dalton presided over the meeting.

Directors present were John Krenka, Gene Pengelly, Clarence Swett, Ferris Brough, Vernon Dalton, Ray Crawford, Daryl Eriksen and Ester Quilici. Bill Wright and Jesse Larsen were unable to attend. Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: GENE PENGELLY MOVED WE APPROVE THE MINUTES AS WRITTEN. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Additions to the Agenda: Carlin Payoff, Amendment to the Bylaws and Wendover Clinic.

Nominating Committee: Odetta McGargill, Chairperson of the Nominating Committee presented the names of six nominees for the three seats up for re-election this year. The nominees are Frank Winchell - Starr Valley, Wanda Borden - Carlin, Stanley Wright - Wendover, Eloise McQueary - Ruby Valley, Gene Pengelly - Wells and Joe Riordan - Jiggs. The committee did not reject any nominations. CLARENCE SWETT MOVED WE ACCEPT THE NOMINATING COMMITTEE'S REPORT. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Selection of Election Committee: The Board recommended Marie Merkley, Debbie Johns and Vernon Scott for committee members. Tom Achurra and Catherine Duval were recommended as alternates. CLARENCE SWETT MOVED WE ACCEPT THE ELECTION COMMITTEE. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We would like to schedule an evening meeting in Carlin to answer any questions that the people might have on the election. There have been quite a few questions come up in Carlin. This will be set up for September 4th from 7:00 p.m. to 8:00 p.m. in the Carlin office.

Hydro Plant: Jess Urresti passed out sketches of the Hydro Plant and explained the system to the directors. He then showed a slide presentation of the Hydro.

Maintenance Report: Lee Standley was at the meeting to report on transformer maintenance. He has talked to two transformer maintenance organizations. Carl Johnson from G.E. came and looked at the facilities and gave a reasonably firm price. They would spend about 2 weeks on the Wells substation and a little over a week on the Wendover substation. They have a laboratory on wheels that they would bring right to the site. It is new and will be available about October 1st. There would be three people working there. This could be done over a two year period. We could do one substation this year and the other one next year. We will go along with Lee's recommendation as soon as possible.

Energy Research Committee: Gene and Dan attended a U.R.E.A., I.C.P.A. and Deseret G & T Meeting in Salt Lake. Gene gave a report on this. We can belong to Deseret G & T for no charge but with a commitment to serve on the Board of Directors. It would cost \$500 to join ICPA in a non-voting capacity. The Hunter 1 & 2 Project is sold out. The only thing we would be interested in at this point is the Moon Lake Project. Dan asked many questions at the meeting. Moon Lake is asking for \$20,000 per MW guarantee. They are going to end up with 30-40 mill power. White Pine is asking for \$30,000 per MW guarantee with 30-40 mill power. We will write a letter to ICPA and Deseret G & T before the next meeting asking some questions we would like answered before we make a decision. The motion that was tabled last meeting will remain tabled.

Area Development Committee: We received the check from Chromalloy for \$2,750 for the preliminary engineering fee. Andy Anderson has been in touch with us and is still interested.

Community Development Committee: Wells Housing Inc. is interested in obtaining money to build a facility to keep the Forest Service here. They are moving from the east end of town. There is going to be a meeting of the businessmen and the Wells Housing Inc. Wells Housing Inc. is going to present their plan at this meeting. FHA has 5% money available to a non-profit organization for building such projects.

There have been some people in the area looking into getting more T.V. channels, Nevada channels and better reception. Jess has talked to Lee Hirshland from channel 2 in Reno. The only thing that is holding us up from getting channel 2 out of Reno is FCC. The Elko T.V. District has been real interested in following through with this. They have already ordered the equipment and it is on it's way. This will be referred back to the committee and they will have a report at the next meeting. There are funds available for T.V. Districts. We could form our own T.V. District or join the Elko T.V. District. W.R.E.C. will help if we can.

BPA: Dan attended the rate meeting in Idaho Falls. The rate is going to go into effect. Dan did talk to some people about the transmission tie we want to pursue. They said don't worry, we will be there when you need the power. Vernon and Dan have an appointment with Senator Cannon on August 29th at 1:30 p.m. in Reno.

Appliance & Safety Report: We have a Ruralite safety meeting scheduled for the 21st of August. The topic will be pole top rescue program. We are going to try to schedule a fire extinguishing program for the office personnel this month. I have sold one dryer and two washers for the month.

Construction Report: We lost four poles in the Ruby Valley fire. Lutes Construction completed the upgrading and relocation of line 2 in Wendover on August 1st. A five pole single phase extension was completed to the J.D. Reynolds trailer, a three pole extension to a trailer on the Primeaux Ranch near Emigrant Pass was completed. A transformer pole was relocated at the 76 Bulk Plant. At the Ranch House, three phase and single phase transformers were retired along with the old services. One city street light was installed at the Snor-Haven Motel. At the Kaiser Plant, lightning destroyed two potential transformers. These are on order and will be replaced as soon as possible.

Regional Power Planning: We have no word on the regional power bill. Congress and Senate are in a month long recess.

Engineering Report: Richard Loveland has resigned. We are taking steps to replace him. We have staked the re-location of the line on Fred Howell's property in Starr Valley.

Power Source: Dan met with Mike Elliott of CH2M Hill. They reviewed the first draft of the first PON for the wind candidate site. They have done a beautiful job. We will get a few copies next week. They have started on the second PON. Mike feels we have an excellent report.

Employee & Director Institutes & Schools: Reports were given on the Rate Symposium in Boise. Pat Nolz will attend an accounting & finance workshop in September.

We need to send in the registration for the Region IX Meeting and we need to select a voting delegate and an alternate. GENE PENGELLY MOVED ESTER QUILICI BE THE VOTING DELEGATE FOR THE REGION IX MEETING AND FERRIS BROUGHT THE ALTERNATE. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Gene Pengelly will be the voting delegate for the Annual Meeting of NREA.

49 New Memberships: GENE PENGELLY MOVED WE APPROVE THE 13 MEMBERSHIPS FROM CARLIN, THE 25 FROM WENDOVER AND THE 11 FROM WELLS. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Carlin Payoff: It has been decided that we recommend the paying off of our debt to the Town of Carlin for acquisition of their electrical distribution system. We would pay it off September 10th in the amount of \$60,391.40. We would save \$47,156.75. CLARENCE SWETT MOVED WE PAY THIS OFF. GENE PENGELLY SECONDED THE MOTION. CLARENCE SWETT MOVED TO AMEND HIS MOTION THAT IF IT WILL NOT AFFECT THE EQUITY OF THE MEMBERS OF THE COMPANY. GENE PENGELLY SECONDED THE AMENDMENT AND IT CARRIED UNANIMOUSLY.

Amendment to the Bylaws: Last meeting there was a change made in the policy under qualifications of directors that a director cannot be employed by the Company. This needs to be amended in the Bylaws. GENE PENGELLY MOVED WE AMEND ARTICLE III, SECTION 2, 3C OF THE BYLAWS TO READ: EMPLOYEES WITH THE CORPORATION ARE NOT ELIGIBLE TO BE NOMINATED, ELECTED, APPOINTED OR TO SERVE ON THE BOARD OF DIRECTORS. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Wendover Clinic: The Wendover Clinic presented a plaque of appreciation to the Company. They would also like to do some remodeling on the clinic. They would like to take over the lease and have us include the garage area in the lease. The lease would be with the Wendover Medical Board and not the Town of Wendover. They would do all remodeling at their expense. The Attorney has been contacted and there appears to be no legal problems with this. JOHN KRENKA MOVED WE GO ALONG WITH THIS. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We sent out 8 letters to firms on cost of service studies. We heard from all 8, one declined because of the time frame. Bids ranged from \$9,000 to \$21,000. Hamilton Treadway bid \$9,000. They are a consultant of NRECA. Merrick & Co. bid \$10,750 lump sum with 4 to 6 months to do the study. Miner & Miner bid \$11,000 lump sum with 2 to 3 months. Dan recommends this firm. Darrell Pierce bid \$14,000. Ernst & Whinney bid \$18,000 plus travel, 90 days. Dave Hittle & Associates bid \$15,000 plus travel with no time frame. R.W. Beck bid \$21,000 plus expenses with 60 to 90 days. GENE PENGELLY MOVED WE GO ALONG WITH THE MANAGER'S RECOMMENDATION WITH MINER & MINER FROM GREELEY, COLORADO. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

There was \$1,000 worth of damage on our truck in Carlin by a hit and run driver. We will replace it.

We have set aside 4 rooms for the Annual Meeting. Dan would like to take one staff member a year on a rotating basis. There is no objection to this.

Dan went to the tax commission hearing in Reno on August 7th. They were very favorable to our proposal but we still don't have an answer.

On August 28th at 10:30 a.m., Dan and Pat will be meeting with Bill Burpo of CFC in Twin Falls. Anyone is welcome to go.

DARYL ERIKSEN MOVED GENE PENGELLY BE THE VOTING DELEGATE FOR THE REGION IX CFC MEETING IN SPOKANE. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Charlie Harper has indicated that he would like to be at the next board meeting. We have not received a confirmation on this.

We had an OSHA inspection in the Carlin office. There were 3 little problems. They suggested we have a water fountain installed.

Vernon Dalton will be in charge of the 4-H beef this year.

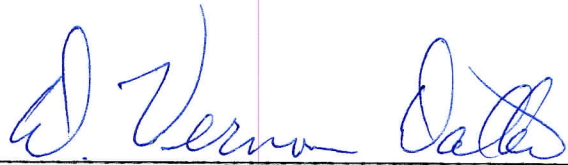
Copies of the Organizational Chart that were requested at the last meeting were passed out to all directors.

The Ruralite Hotline School will be held during the week of September 10th.

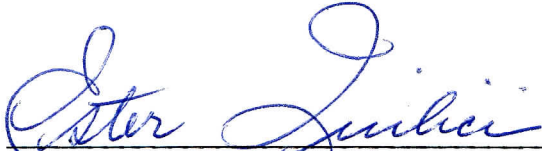
Dan is working through the Lions Club in setting up a career day in the High School.

Dan Kessler is working on setting up the first annual Wells Invitational Slow Pitch Soft Ball Tournament. We are going to have a team called the W.R.E.C. Half Watts. The game is September 8th.

The meeting adjourned at 4:30 p.m.



D. VERNON DALTON, PRESIDENT


ESTER QUILICI, SECRETARY

MEMBERSHIPS TO BE APPROVED

8/17/79

WELLS

1. Anderson, Tim C.
2. Bowlen, James
3. Digenan, Dennis
4. Feldman, David P.
5. Feldman, Kurt L.
6. Fernandez, Gerardo
7. Gaylor, Sharon
8. Hittle, Floyd D.
9. Sullivan, Frank
10. Tester, Lisa
11. Woods, Warren D.

WENDOVER

1. Benitez, Kelly L.
2. Brugh, Franklin D.
3. Carson, Elsie R.
4. Conrad, Doug
5. Elkins, David
6. Ferrin, Virginia
7. Gibson, Carol A.
8. Jones, Tommy M.
9. Martin, Mike
10. Myers, William F.
11. O'Neal, Calvin
12. Potter, James
13. Powell, Leroy
14. Richey, Glenna
15. Smart, Mahoko
16. Smith, C. A.
17. Soriano, Tony
18. Storey, Cindy
19. Timms, Kenneth
20. Troye, William F.
21. Vincent, James
22. Wade, M. W.

MEMBERSHIPS TO BE APPROVED

8/17/79

WENDOVER

23. Wilde, Cindy
24. Winn, Larry D.
25. Wirth, Jim E.

CARLIN

1. Burton, Michael J.
2. Cook, Howard W.
3. Crawford, Donald L.
4. Frazier, Wade
5. Gonzales, Dennis
6. Jackson, Randy
7. Kohls, Sharon M.
8. Lewis, Rodney
9. Madsen, Darrel G.
10. Meredith, Barney
11. Powers, Louise
12. Primeaux, Suzanne
13. Tryon, Delton R.