

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

July 20, 1979

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, July 20, 1979 at 1:09 p.m. in the board room. President Vernon Dalton presided over the meeting.

Directors present were: John Krenka, Ferris Brough, Jesse Larsen, Gene Pengelly, Vernon Dalton, Ester Quilici, Ray Crawford, Bill Wright and Clarence Swett. Daryl Eriksen was 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. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Additions to the agenda: Discussion on Policy 1-3, Section II, #6.

Auditor: Warren Jaynes from Ernst & Whinney was present at the meeting to discuss Ernst & Whinney's past audits and their proposal. After Warren left the meeting, the different proposals were discussed. JOHN KRENKA MOVED WE HAVE ERNST & WHINNEY DO OUR AUDIT FOR THE COMING YEAR. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Energy Research: Sterling Merrill, General Manager of Deseret G & T was present at the meeting to discuss the Moon Lake Project. He met earlier with the Energy Research Committee and discussed the Moon Lake Project with them. To be able to participate in the Moon Lake Project, we have to be a member of Deseret G & T and also in 1984, we would have to become a member of ICPA. We must guarantee \$20,000 per MW for participation in the Moon Lake Project. This would only result in an expense to W.R.E.C. if the plans for the facility fell through. It will cost us nothing to join Deseret G & T. To become a purchasing or contracting member of ICPA, they take your monthly KWH and apply a cost factor that their Board of Directors sets. In 1978, it would have cost us approximately \$6,900 to become a member of ICPA. We can become an associate member for \$500. ESTER QUILICI MOVED WE JOIN DESERET G & T. GENE PENGELLY SECONDED THE MOTION. CLARENCE SWETT MOVED WE TABLE THE MOTION UNTIL THE NEXT MEETING. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. The Energy Research Committee will discuss this and make a presentation at the next meeting.

Dan received a letter from Fred Toombs, Manager of Columbia Basin Electric. They are entering into a feasibility study for a wood waste co-generation facility at Heppner, Oregon. BPA has agreed to aid with the delivery of this energy. Estimated capacity is from 5 to 25 MW with an annual plant factor of 75% minimum. They would like to know if we are interested in power from this plant and at what price. They sent out 100 letters and received 60-70% response.

Nominating Committee: The Nominating Committee met in the board room at 10:00 a.m. on Thursday, July 5, 1979. Those present were Lourinda Wines, Clarence Jones, Dale Callister and Odetta McGargill. Jess Urresti from the staff also attended the meeting. The first order of business was to choose a chairperson for the committee. Odetta McGargill was selected. The committee approved the notice to the consumers to be mailed out noting that we have three board members whose terms expire this year. The committee will meet Monday, August 13, 1979 at 10:00 a.m. to check the nominations for eligibility. We have received 2 nominations at this time.

Policy Committee: The committee met on July 10th. A new policy, Special Request Purchase, Policy 7-7 was developed. Copies of the Policy were sent out to Directors for their approval. ESTER QUILICI MOVED WE APPROVE POLICY 7-7, SPECIAL REQUEST PURCHASE. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

An organization chart was made and presented to the board for approval. GENE PENGELLY MOVED WE APPROVE THIS CHART. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Policy 1-3, Section II, #6 states qualifications for directors. Jesse Larsen would like Section II, #6 to be changed from, "Cannot hold full-time employment with the Company" to "Cannot be employed by the Company." JESSE LARSEN MOVED WE AMEND POLICY 1-3, SECTION II, #6 TO READ: CANNOT BE EMPLOYED BY THE COMPANY. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Area Development Committee: Chromalloy is going to go ahead with their project. We have not received any money from them yet.

Appliance & Safety Report: The Safety Meeting was held in the Service Center July 10th. This was instructed by the Ruralite instructor and we had 13 men in attendance. The topic for the meeting was underground service, how to locate faults, how to handle the switching and problems relating to pad-mount transformers. There was a slide presentation on the hazards of trenching for the underground lines and how accidents occur with cave-ins. We had no accidents or near misses to report for the last month. We sold three dryers plus a dishwasher and one water heater.

Construction Report: June construction activities consisted of services replaced and repaired, several security lights repaired and replaced, irrigation pumps were connected, some consumers upgraded their service and some single phase to three phase conversion took place. Irrigation pumps that were connected in June included the Anderson Angel Creek Ranch, Len Wines Ranch, Vern Westwood Ranch, Jim Whited Ranch, Farnes Egbert Ranch and others that will soon be completed. Moschetti and Sons ice house upgraded their three phase service. We installed larger transformer bank, increased size of service to the building and installed CT metering. S & D Supermarket in Wendover converted a single phase tap to three phase. Also in Wendover, Lutes Construction Co. started in late June on WO56-5-99AB upgrading and relocating line 2. At the end of June, this project was barely started but should be completed in early August. Maintenance operations were many, probably the most important was the installation of the new current transformer at the Carlin line metering point on June 21st. The original CT burned up on June 3rd and was removed at that time with the line cut in solid until the installation was completed.

Regional Power Planning: Dan made a call concerning the Regional Power Bill. The bill as proposed is laying around. Apparently, there is going to be a new amendment to the bill. We will keep on top of this and report back.

Hydro Plant: Last fall as we began to run the water in the old portion of the pipe line, we found some leaks in the line that goes to the reservoir. We presently are starting on the repairs on that segment. Hopefully the rest of that pipe will hold so we can start the filling of the reservoir. Baring any unforeseen problems and keeping the personnel on that project; hopefully we can get most of the project completed in two or three weeks. Dan has asked Jess to get a slide presentation together for the next meeting.

Engineering Report: We have contracted the relocation of line 2 in Wendover to Lutes Construction of Twin Falls. Approximately 12 of the 22 structures have to be set in solid rock. The relocation is necessary to accomodate the installation of additional apartment building by G & T Construction. The line is also being upgraded to 4/0 conductor for future growth in West Wendover. We initiated 23 construction and 13 retirement work orders during the month of June; including a new irrigation pump bank installation for V. Westwood as well as other routine work.

Employee & Director Institutes & Schools: Rich Loveland, Mike Braun and Pat Nolz have attended a one day supervisor training course in Salt Lake City. Bob Crump participated in a reclosure maintenance training program at Mt. Wheeler in Ely. Reservations have been made for those attending the Rate Symposium in Boise. Dan Bryan, Pat Nolz, Daryl Eriksen, Gene Pengelly and Ray Crawford will be attending. All employees and five directors attended the Human Behavior Workshop held June 19 & 20. Responses to the course were good and all indicated they would like to see more of this type of training program.

Power Source: CH2M Hill is working on our PON's. We received the notice we were expecting. We must be declared a candidate site before we will be considered as a demonstration site. To do that, we must fill out a PON requesting to be a candidate site. We are going to have to do two PON's

instead of one and it will cost us twice as much. There is no use in doing one without doing both. Dan has instructed Mike Elliott to proceed. Contacts have been made to several people requesting support for our project. We have received two letters of support so far. Mike Elliott of CH2M Hill was here for a half a day. We have a map of the Pequop Summit showing ownership of each section of land. Dan contacted Blue Ridge in Boone, N.C. They have the Mod-1 unit. We have seen what they submitted and the kind of information they used.

We received our BPA rates. It is going to be an 87% increase to us. That 87% will probably reflect 12-14%. There is a rate meeting on August 1st in Idaho Falls at 1:00 p.m. Martin Derksema suggested we be at this meeting. Dan is going to attend. This might be an appropriate time to have someone come in and do a cost of service study. GENE PENGELLY MOVED WE GO OUT AND GET BIDS FROM VARIOUS FIRMS FOR A COST OF SERVICE STUDY TO MAKE A DECISION AT THE NEXT MEETING. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

<sup>63</sup> GENE PENGELLY MOVED WE APPROVE THE 21 MEMBERSHIPS FROM WELLS, 21 FROM CARLIN AND 21 FROM WENDOVER. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Actual expenses for the Annual Meeting were \$2,867.11.

We received a thank you note from the Elko High School Rodeo Club for our donation.

Dan attended the N.R.E.A. Meeting. They discussed the taxation of Cooperatives and the new proposal. Dan was asked to sit in on the presentation of this. The new proposal will be presented, if requested, to the tax commission on August 7th.

Dan Bryan was named as chairman of the Nevada Statewide ACRE Committee. ESTER QUILICI MOVED WE DELEGATE DAN BRYAN AS W.R.E.C.'S REPRESENTATIVE ON THIS COMMITTEE. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

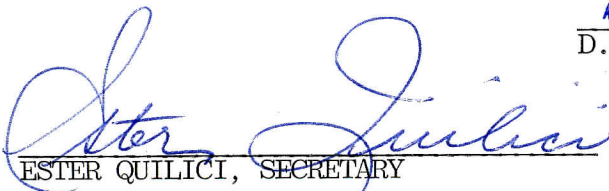
We have been informed that the insurance company will pay for the Ned Smiley claim.


Dan gave a report on the outage. On July 17th, we had a brush fire on Moor Hill. It burned a pole on the Wendover 69 KV line and this pole will have to be replaced. It knocked out the 3Ø-breaker at the Wells sub. All the insulators were changed before the line could be energized. The outage lasted 5 hours and 2 minutes. The following day, we had an outage that affected the entire Elko County area. The breaker on the Idaho Power 138 KV line to our sub tripped. When Carlin was added, the overloads were not adjusted on those regulators. Idaho Power used our people to bypass the regulators to get the power restored. They flew down and went over the regulators. They reset them and put them back through and they held.

Bill Burpo from CFC will be here Monday. Charlie Harper from REA has indicated that he would like to attend the September board meeting.

We have some write-offs for checks that have been returned as unable to deliver or stale dated. The total amount is \$330.50. GENE PENGELLY MOVED WE APPROVE THESE WRITE-OFFS IN THE AMOUNT OF \$330.50. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 3:35 p.m.

  
ESTER QUILICI, SECRETARY

  
D. VERNON DALTON, PRESIDENT

MEMBERSHIPS TO BE APPROVED

JULY 1979

WELLS

1. Birdzell, Carl
2. Bonn, Casey A.
3. Cameron, Forrest W.
4. Collins, Forrest
5. Douglas, Neal
6. Dunleavy, Michael
7. Gilbert, Darrell
8. Hammons, Debra
9. Hopkins, Linda J.
10. Jones, David
11. Klein, Duane
12. Kurtz, Joe
13. Larsen, Beth
14. Larsen, Steele
15. Miller, William
16. Murphy, Edward A.
17. Peltier, Robert A.
18. Pinedo, Jesse
19. Sackett, Kenneth B.
20. Sullivan, Mary E.
21. Zatoray, David S.

MEMBERSHIPS TO BE APPROVED

JULY 1979

CARLIN

1. Camacho, Robert
2. Duncan, Justin
3. Edwards, Robert J.
4. Evans, Charles J.
5. Hardy, Kathy
6. Jackson, Randy
7. Jensen, Les E.
8. Kley, Howard J.
9. Larios, Dorothy P.
10. Montrose, Owen
11. Mutchler, John
12. Pirtle, George F.
13. Potter, David
14. Sharp, David W.
15. Smith, Jim
16. Steele, Leonard
17. Thomas, Janet
18. Webster, Ralph C.
19. Youngberg, Frank
20. Zander, Nancy A.
21. Zeeb, Gerald

MEMBERSHIPS TO BE APPROVED

JULY 1979

NEWENDOVER

1. Anderson, Judy
2. Athanas, Linda
3. Collazo, Gregorie R.
4. Deitz, James R.
5. Eastline Housing Development Co.
6. England, Robert G.
7. Flint, James T.
8. Hamlin, Edward
9. Harding, Linda D.
10. Henderson, Bill
11. Howlett, Lori
12. Huotari, Keith
13. Olsen, Wendell D.
14. Richey, Theresa
15. Riley, Sally L.
16. Rodriguez, Ruben R.
17. Sanchez, Julio
18. Shires, Brent R.
19. Stevens, Farrel G.
20. Turner, Gorman B.
21. VanHoose, Valarie