

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

November 16, 1979

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on November 16, 1979 at 1:02 p.m. in the board room. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan and Patti Blackett.

Approval of the Minutes: JESSE LARSEN MOVED WE APPROVE THE MINUTES AS WRITTEN. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Additions to the Agenda: Directors Expense Committee & Committee Assignments.

Vernon Dalton introduced Charlie Harper to the board members. He is the REA Field Engineer and OFR.

Energy Research Committee: Gene Pengelly attended a UREA Meeting. He will be attending another meeting on November 20th. They discussed the Hunter II Project. They expect to have 31 mill power. The Moon Lake Project will start in 1980 and be on line in 1984 with 30-35 mill power and will probably be 100% owned by Co-ops.

Dan Bryan has talked to Dave Piper of PNGC. He will be here on Tuesday, December 18th for a meeting with the Energy Research Committee in the morning. The board meeting will be changed to the 18th instead of the 21st.

Member Relations: We need to set up a meeting to discuss plans for the Annual Meeting.

Financial Advisory Committee: There will be a meeting on December 11th at 9:00 a.m. to review the proposed budget.

Committee assignments: Ferris Brough would like to be on the Community & Area Development Committee.

Director's Expense Committee: They met on the 8th and reviewed the director's budget thus far. They also checked into increasing the board expenses from \$8,000 to \$10,000. The committee requests that the board approve changing the budget in the board finances from \$8,000 to \$10,000, increasing the budget from \$29,500 to \$31,500. JESSE LARSEN MOVED WE CHANGE THE BUDGET UNDER BOARD FINANCES FROM \$8,000 TO \$10,000 INCREASING THE BUDGET FROM \$29,500 TO \$31,500. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Appliance & Safety Report: We sold two refrigerators, a water heater, a dishwasher and a microwave oven for the past month. Our monthly safety meeting was held October 30, 1979 with a Ruralite instructor conducting the school. We discussed the last Hotline School and how we could improve it as well as some other topics that we could incorporate during our annual hotline school. The topic for the safety meeting was dealing with fire and fire safety, prevention and suppression through the use of different agents as well as extinguishers of different kinds. It was very informative and was well attended. There were no accidents or near misses reported for the last month, however, it was noted one of our employees experienced an arc on one of our lines and had he not been wearing safety glasses, an injury could have resulted. Utah Technical College in Provo is requesting materials and supplies for a hotline training school. Dan will make a report on any available material for the next meeting.

Construction Report: In Wells, several new trailers were connected in October, facilities were built for four new trailers in the Jack Anderson trailer court on second street, service was installed to other individual trailers, 3Ø service was supplied to the Bob Priest Enterprises on 6th street. Work is underway on the Fred Howell relocation job in Starr Valley. In Carlin, SPRR Apartments are ready for service, construction will start in a few days. In Wendover, a single phase line to a trailer court south of Highway 40 was re-routed to make room for building the new Jim's Casino and Truck Stop. Additional poles will be moved in the near future. New potential transformers were installed at the Kaiser primary metering point.

Hydro Plant: Bud Reynolds has been working up there for the past week and he is through. Most of the clean-up work and also leveling of the trenching and dressing up of the area in the Forest Service section has been completed.

Engineering Report: The Western Hills subdivision bid was awarded to Lutes Construction. They plan to begin work November 5, 1979. Wendover is still very active with relocations and some new services. We are waiting for Norman Rockwell Engineering to contact us regarding the building of the line for the new casino being built. Carlin has been involved in service and secondary construction work orders and building of new three phase lines for SPRR will begin next week. Wells' crew has been busy with new service and secondary work orders and plan to finish line extensions in this area for November as well as new job construction.

Power Source: A summary of the wind site proposal was given to all the Directors. If we want to pursue the wind energy it appears that we will have to pursue the smaller generating sites. They should be releasing PON's for smaller units in 1981 to be placed in 1983. We have still requested we be considered for a candidate site. DOE has indicated that we have a good chance of being named a candidate site. That should be awarded sometime before the middle of February. Vernon would like to attend a meeting in Washington on November 30th and also spend some time talking to some people about our proposal. There were no objections to paying his expenses if he has to stay over the weekend to talk to these people.

Rate Study: Preliminary cost of service findings were given to all Directors. Dan went over the figures. It looks like we might need a 20% system wide increase. We are going to have to consider the design of the rate. Dave Rumolo is suggesting we have a facility charge instead of a minimum. He also proposes a two step rate block. He has set up on his calendar to be here on Tuesday, December 4th. We would like to have a special board meeting on that day for the board to meet with him so that we will be able in the following two weeks to finalize things, get letters and fact sheets ready so that we can notify our consumers and give them approximately 30 days notice before the rate will go into effect. The meeting will be held on December 4th at 1:00 p.m. and will be an informational board meeting and not a special board meeting. Those interested can attend but hopefully everyone will be here.

BPA: Dan Bryan attended a BPA allocation meeting in Idaho Falls on November 6th. They want to put out all new contracts in 1981. This contract will re-establish the allocation on one of their formulas based on 1976 base load. They are saying that after 1983, we will not be able to get 100% of our power from BPA. If we have extra power, it could be held against us but we had better have it by 1983. We don't have to sign the new contract and they will honor our old contract as best as they can but they still have a power insufficiency. They are going to start dropping their DSI and Federal program users. Effective September 1, 1979, any load you get that is going to be 10 MW in size immediately or over a three year period will not be included in your allocation at all. They will figure the base load and if you have a base load of 80%, they will serve you a percent of your base load. If you have gone through a conservation program and met all their other allocations, they are going to have a surplus pool that you might be able to draw a little more out of. If you go ahead and sign the contract they want signed in 1981 to be effective July 1, 1983, you will be able to participate in their conservation program or any other programs that might help you get more power. If you do not sign the new contract by the time your old contract expires, you will be treated as a new preference customer requesting power with 0 base. They would like everyone to sign the contract in 1981.

Employee & Director Institutes & Schools: Pat Nolz and Dan Bryan attended an insurance update in Portland. Handouts were given to the Directors. Pat gave a report on this. There are two new plans under the 24 hour accident. The 100,000 and the 150,000. On the business travel, there are some changes also. It has to do with number of miles out of the system service area. The added cost for the insurance program exactly as it is, runs about 23% higher for 1980. Basic life insurance is going to go up 10%, dependent life will go up 3%, accident and sickness 7%, long term disability 35% and medical insurance 18%. Pat needs to know if there is a preference as to when this is paid. This will be referred to the Insurance Committee to take into consideration. Jess Urresti will be attending an Energy Audit Workshop in Salt Lake sponsored by UREA. Lee Standley will be attending a Northwest Operations Managers workshop in Pocatello. Vernon gave a report on the directors update he attended. A report was given on how consumers will be notified of the rate increase. They will also get a comparison sheet of the old and new rates and several kwh breakdowns. We also want to have a public meeting in each of the service areas. We will also have an employees meeting so that all the employees will be able to explain the increase and answer any questions. In response to efforts to educate our consumers about the Cooperative story, it was reported that we are putting a booklet together on what a Cooperative is. This is for the elementary level. An annual directors conference will be held in January in Atlanta, Georgia. We have the pre-registration information for the Annual Meeting in New Orleans. We need to send it in before December 31. Ray and Ester would like to attend.

Area Development: There are some new developments on Pine Valley. We have been contacted by Western Union and they have indicated they may pay the cost for 25 miles of 1Ø service to their station. If they will do this, we may be able to work out something for the residents of Pine Valley. The attorney and engineering firm have been contacted for updated information on the cost of that project.

Freeport Gold: Dan met with Joe Farrell on Tuesday, November 13th in Elko. Sierra Pacific is close to closing a deal with CPN on the area of Freeport Gold's mine. Freeport has been in contact with Sierra Pacific and they have tentatively agreed to build that 33 MW tap. It appeared when Sierra Pacific got the BLM R/W permits, they had to include an agreement of wheeling for BPA and possibly WREC. Freeport is going to pay 7/25's of that tap. It appears that BPA might be willing to talk to us about participating in that tap and in the line coming down. Sierra Pacific wants to reserve 15 MW for possible use in Elko.

⁴⁶ New Memberships: GENE PENGELLY MOVED WE APPROVE THE 17 MEMBERSHIPS FROM WELLS, 14 FROM WENDOVER AND 14 FROM CARLIN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Union negotiations are scheduled for November 28th and 29th beginning at 10:00 a.m.

Dan checked with the attorney on having the board members attend 75% of the meetings. There is no problem with this. If the board so desires to do this, it should be for regular board meetings. The motion was tabled at the October meeting and was opened for discussion. It was suggested that we bring this up at the Annual Meeting and see what the members want. THE MOTION FAILED WITH 0 IN FAVOR AND 8 OPPOSED.

The Christmas Party has been set for December 15th at the Ranch House. We will have a choice of top sirloin steak or prime rib. We need to know everyone's preference a week in advance. Dinner will be at 7:30 p.m.

A donation has been made to the Carlin Booster Club for \$10 and to the Wendover School for \$10.

We received a request for membership from the Food and Energy Council and EPRI.

We had the meters checked for the line loss and there was no problem. We have identified some of the problem in Wendover. We are going to start checking the metering in Wendover and isolating areas.

We projected we would sell 333,275 kwh per month in Carlin. We are selling 357,902. We projected \$15,495 revenue per month and we are taking in \$15,209.

Kent Wick has resigned as Manager at Mt. Wheeler. He is taking a job in Alaska. He has called a NREA Meeting for Thursday, December 6th in Reno.

There was a question raised about the cost involved in disconnecting delinquent accounts. At the present time, we are losing \$2.42 per delinquent account in Wendover, \$3.04 in Wells and \$37.22 in rural areas. We are charging a \$10 reconnect charge now. We may have to raise that to \$20 during working hours and \$30 after hours.


We will be sponsoring an ACRE breakfast for the local businessmen December 10th.

Ray Crawford and Dan Bryan attended a Wendover Clinic awards dinner in Wendover on November 15th. They presented us with a Certificate of Appreciation.

The meeting adjourned at 4:35 p.m.



D. VERNON DALTON, PRESIDENT



ESTER QUILICI, SECRETARY

MEMBERSHIPS TO BE ACCEPTED

NOVEMBER 16, 1979

WELLS

1. Borland, Jim
2. Eveatt, Don
3. Griswold, William R.
4. Haskins, Richard L, II
5. Hempel, Arthur
6. Jeane, Gary
7. Jones, J. R.
8. Jones, Robert W., Jr.
9. Long, J. D.
10. Martin, Stan
11. Reynolds, Charles E.
12. Small, Howard W.
13. Southern Pacific Comm. Co.
14. Standley, Lee M.
15. Velasques, Juan
16. Vidano, John
17. Warren, Norman F.

WENDOVER

1. Coomer, Nancy
2. Gallegos, Fred
3. Gowans, Tom
4. Lafontaine, Dominique
5. Luna, Salvador
6. Martine, Albert
7. Oxendine, Thelma
8. Peterson, Neil
9. Richey, Philip
10. Rodriguez, Manuel
11. Rojas, Rafael A.
12. Spear, Edwin G.
13. Woodruff, Eugene
14. Zappa, Barbara

MEMBERSHIPS TO BE ACCEPTED

NOVEMBER 16, 1979

CARLIN

1. Amberson, Lois
2. Bleak, Pete
3. Collins, C. B.
4. Combs, Yvonne L.
5. Dement, Elmer
6. Feasel, Steven P.
7. Fields, Ken
8. Glick, Randy
9. Jaramillo, Julie
10. McMahan, Mark E.
11. Potter, Ralph
12. Sackett, Drew W.
13. Shatzer, James R.
14. Wright, Gary L.