

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

October 19, 1979

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on October 19, 1979 at 1:00 p.m. in the board room. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan and Patti Blackett.

Corrections to the minutes: On page 1 under CPN Proposal, put Jesse Larsen's name as opposing the motion and on page 2 under Safety, third line, strike have adopted and add plan to adopt. The minutes will be approved as corrected.

Additions to the agenda: Executive Meeting, Safety and comment on picnic.

Dan Bryan introduced Ray Bleak. He is the new Line Superintendent. He was the Journeyman Lineman in Carlin. He will be in charge of the actual operations of the entire system and reports to Lee.

Energy Research Committee: Gene Pengelly attended the meeting in Salt Lake at the Deseret G & T and ICPA office. He requested that they let us purchase some power in the Moon Lake Project but it doesn't look too good. They will let him know next month. The site consists of 900 acres of state land but they don't have the land yet. They are going to meet again on November 20th and they said they would have an answer on the letters by then. Gene did find out that the transmission line to Wells has been included in the White Pine Project.

Pacific Northwest Generating Corporation is headquartered in Portland. They have a \$70,000,000 REA loan which they are purchasing 10% of the 560 MW coal fired boardman plant. They will have 56 MW to be on line June of 1980. It is 40 mill power plus or minus a little bit. PNCG is open to any Co-op that is a recipient of BPA. At the present time, they have 17 members in it. If you participate in this, you are going to have to give a 4 year call on power. If you say you want 4 MW, 4 years from now you must take it. They will, if you only need 3 MW, try to sell the other MW for you. If they can't you must take it. If we do decide to join, they have a board which we would be a member of. There is a monetary commitment of \$10 membership fee plus a one time assessment of \$5,000. They will also have a wholesale power supply contract to sign in which the board would have to act upon our request. If we label that we had purchased 5 MW from White Pine, 5 MW from Moon Lake, they could grandfather that into our power supply. Anything we buy after that would go to them. Dave Piper is the General Manager. He would be happy to come to Wells for the next board meeting and meet with the committee in the morning and the board in the afternoon. We will contact him to see if he would be available to come to the next meeting.

We have revised the list of director committees. These committees will remain in effect for the next year.

The Financial Advisory and Manager Appraisal Committee met jointly on October 18th. Dan presented the proposal for the salaried personnel. The committee recommends that we adopt this range plan. BILL WRIGHT MOVED WE ADOPT THE SUGGESTED RANGE FOR SALARIED EMPLOYEES AS PRESENTED. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Appliance & Safety Report: We sold 2 water heaters, 1 washer, 1 microwave and 1 refrigerator. Last months safety meeting was our annual Hotline School. This turned out to be a very good school again this year. It is one of the largest for Ruralite out of the four that are held. A safety meeting was held for the office employees including the people from Wendover and Carlin. The meeting was on fire prevention and fire extinguishing. The slide presentation was well accepted by all. Also available were various types of fire extinguishers. Their application for the different classes of fire were explained.

Construction Report: During September, three phase service was supplied to the new location of the Joe Quilici batch plant, extension to Jones trailer and Bottari property was completed October 5th. Other activities in Wells consisted of smaller extensions, transformer work, services and security lights installed and replaced. Service to Stateline Quad apartments in Wendover was completed in September, billboards were lit on the south side of I-80 and other new services and lighting were installed. Wendover crew worked with FAA and was successful in locating faulty cable that was causing interference. Temporary repairs were made, a new cable will be installed. In Carlin, activities for the month consisted of line extensions, security lights and services. Carlin crew worked with Western Communications in setting new antenna pole for Carlin base station.

Hydro Plant: We have been working on the Hydro the past three weeks. We plan on going back up there the next couple of days. Bud Reynolds is back working up there. We have the cat up there and we are cleaning up. We are still experiencing problems with the pipe. We have had water going into the unit and have had the unit turned on but not producing any electricity. We have all the paper work from FCC and Clarence Lee is writing up the map. I have been in contact with the Federal Energy Regulatory Commission.

Engineering Report: Western Hills subdivision staking is complete and ready for construction. Layout of the Jones-Bottari line extension was completed in September. Wendover is very active, at present relocation of poles for rebuilding Jim's Casino and Truck Stop, preliminary work has started for service to a new casino near the west exit and more billboards are being installed that are to be lit. In Carlin, the SPRR Apartments are approaching the stage where they will need permanent service, other extensions in the Carlin area are at present making up the engineering activities in that area.

Power Source: We are notified by the DOE that all 4 wind turbine units will go to BPA at Goodnoe Hills, Washington along the Columbia River. We were not named a candidate site. Dan received a call from Mike Elliott of CH2M Hill. He contacted the DOE. The reason we were not named a candidate site was that we did not request their meteorological towers and equipment. However, we were considered for the actual site. Mike called again this morning. They have talked to Mr. Stewart of the DOE in Richland, Washington. He said we will be considered for these meteorological towers if we write a letter requesting to be considered. He felt we had a good chance of getting the test site. Mike has sent that letter to the DOE. They said if we get these towers and these sites, there would be a strong possibility that we would be considered for the MOD 3 & 4 units. They will not announce the towers until after the first of the year.

Rate Study: Dan has talked to Dave Rumolo of Miner & Miner. He hopes to have the first segment of his rate study done about the 1st week of November. We received notification from BPA. They have adjusted the rates they are going to charge. They are not going to stay with what they were originally going to charge us. They have raised the December through May demand from 1.70 to 1.95, lowered the June through November demand from 1.41 to 1.19 and changed the mill charges from 4.1 to 4.13 and from 3.7 to 3.76. Dan called Dave Rumolo to let him know the new figures.

Employee & Director Institutes & Schools: The UREA Annual Meeting will be November 8th & 9th in Kanab. In 1981, WREC will host the UREA Annual Meeting. Ester Quilici gave a report on the CFC Meeting in Spokane. She also attended the National Rural Electric Womens Association meeting. The 1980 Region IX meeting will be in Billings, Montana and the 1981 meeting in Alaska. The WREC Board is 100% ACRE members. We are about 3 short for 100% employees. Gene Pengelly attended the NREA Meeting. Kent Wick remained the President. The other Co-ops in the state would like to have a joint meeting of the board of directors from each Co-op. The subject of having board meetings in the other areas was brought up. ESTER QUILICI MOVED WE RESCIND THE PREVIOUS MOTION ON HAVING BOARD MEETINGS IN THE OTHER AREAS. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. NRECA is going to start a new institute next year. It is going to be legal problems for a director.

Freeport Gold: Dan has been in contact once a week with Joe Farrell. We are their first choice to serve them power. Their proposed mine is in CP National's territory. We will help them if we can.

CPN Study: Copies of studies done by Pat and Dan were given to all directors. This would be so involved. Anything we do beyond this report should be done by a firm of experts in acquisitions. It would be a very costly venture. The breakeven point is 4 1/2 million dollars. They will not accept anything below this breakeven point.

⁵⁰ New Memberships: GENE PENGELLY MOVED WE APPROVE THE 21 MEMBERSHIPS FROM WELLS, THE 23 FROM WENDOVER AND THE 14 FROM CARLIN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Some work has been done on the irrigation study. Those people who have off season irrigation rates are higher than their on season irrigation rates. Possibly the best approach to it would be either not to have a season or to extend the season a little bit longer on each end.

Pat and Dan will be attending the NRECA insurance review October 29th and 30th.

Christmas Party: We sent out questionnaires to the employees and listed different types of parties. We also asked if they would like to have a gift exchange. The majority of the employees wanted a dinner at a restaurant with a bar available. A gift exchange was also the majority. Jess contacted the 3 restaurants in town for a price on 60 people. The El Rancho said \$7.50 per person for a smorgasbord with prime rib and ham with all the trimmings. The 4-Way said \$10 per person for the same thing. The Ranch House said \$10 per person for a prime rib dinner. Vernon suggested the Community and Area Development Committee work with Jess on this. Jess Urresti recommends we go with the Ranch House this year. We could do our own decorating. We would have it on one of the first two Saturdays in December. DARYL ERIKSEN MOVED WE BUDGET \$1,000 FOR THIS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Buddy Welsh is the new bookkeeper. We will be trying to fill his old position. Our first priority is to fill the lineman job in Carlin.

We have a BPA allocations meeting that has been set. There will be one technical session in Portland on October 31st. There will be another one held in Idaho Falls on Tuesday, November 6th at 7:30 p.m. They are proposing 8 changes on the allocation proposal.

We also have notification from PPC that they are going to have a joint allocation and alternatives committee on October 24th to discuss this BPA allocation and their alternatives.

We received a letter from IBEW notifying us that it is time for renegotiations.

We have the lease agreement with the Wendover Clinic that needs to be signed. It is a 10 year lease. The attorney drew it up. It is the same as the old one with the modifications the board approved.

Line Loss: We contacted and talked to a number of engineers. We have Idaho Power due in on October 30th and 31st to check the meters here. We have checked the loss between here and Wendover on the 69. We have found very small portions.

Martin Derksema will be here next Monday and Tuesday. He is bringing Floyd Actis and Greg Booth with him.

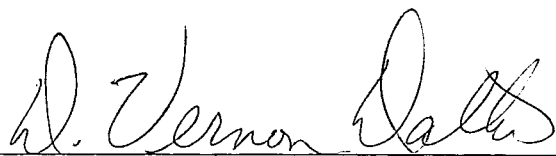
Safety: We originally planned to give the test to the linemen on the 31st of this month. We have changed it to the 30th because there is a safety meeting on the 30th so it will save time and money.

Company picnic: Due to the lateness in the year, inclement weather and deer season, Jesse Larsen recommends we do not have the picnic this year. In the future, we should pick a date and have a set date. DARYL ERIKSEN MOVED WE DISCONTINUE IT FOR THIS YEAR AND TAKE ANOTHER LOOK AT IT NEXT YEAR. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

FERRIS BROUGH MOVED THAT TO QUALIFY FOR RE-ELECTION, A BOARD MEMBER MUST ATTEND 75% OF THE BOARD MEETINGS UNLESS OF SICKNESS. GENE PENGELLY SECONDED THE MOTION. After some discussion Gene Pengelly withdrew his second. ESTER QUILICI SECONDED THE MOTION AND MOVED TO TABLE IT UNTIL THE NEXT MEETING. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED WITH 9 IN FAVOR AND 1 OPPOSED, JESSE LARSEN.

The meeting adjourned at 3:15 p.m. and went into an executive session.

IT WAS MOVED AND SECONDED TO RAISE THE MANAGER'S SALARY, NAMELY DAN BRYAN, TO \$32,900 ON NOVEMBER 1st. THERE WERE 7 IN FAVOR AND 3 OPPOSED.


D. VERNON DALTON, PRESIDENT


ESTER QUILICI, SECRETARY

MEMBERSHIPS TO BE APPROVED

OCTOBER 19, 1979

WELLS

1. Willie G. Boswell
2. Joe Bowman
3. Wilde Brough
4. Glenn Brown
5. Stan Caldwell
6. Alain Coquet
7. Pierre Dutois
8. Dinae Freeman
9. Frank R. Gloria
10. Roland Guillard
11. Randy Horn
12. Leonard Hulse
13. Larry J. Lisk
14. Jimmy R. Love
15. Mike Moran
16. Jacques Nouigat
17. Ken Pawley
18. Marion Reynolds
19. Jay Robinson
20. Louana Terlisner
21. Norman F. Warren
21. George Joe Williams

WENDOVER

1. L. F. Burie
2. George H. Chadwick
3. Rafaél Cortez
4. Richard Crowe
5. Paul Cushing
6. Cynthia K. Ducklow
6. Rosie B. Duncan
7. Jose Fierro
8. Trino Gonzales
9. Joan B. Hager
10. James H. Harbacke
11. H. Joel King
12. William Lushenko
13. Michelle McGoldrick
14. Roberto Pacheco
15. Charles V. Payne
16. Yvonne Preziosi
17. Kitty Pridie
18. Don Roach
19. Asencion Rodriguez
20. Ethelan Rose
21. Jim W. Rowden

MEMBERSHIPS CONTINUED

22. Dalores Talamantes
23. Pedro Villa

CARLIN

1. C. C. Armstrong
2. Wren Doxey
3. Marvin Colyer
4. Jene P. Gagner
5. John Rodriauez (K-Line)
6. Richard D. Keith
7. Joe Mehaffey
8. John C. Paulson
9. Daryle Peck
10. Frank M. Rial
11. Kelly Sloan
12. Charles T. Villemin
13. Philip Williams
14. Delores Diann Young