

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

October 20, 1978

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on October 20, 1978 at 1:00 p.m. President Vernon Dalton presided over the meeting.

Directors present were: Vernon Dalton, Ray Crawford, Ferris Brough, Bill Wright, Gene Pengelly, Ester Quilici, Jesse Larsen, Clarence Swett, and Daryl Eriksen. Darlene Sharp and Jim Ballard were unable to attend. Present from the staff were Mike Fox and Patti Blackett.

The minutes will stand approved as written.

Additions to the Agenda: Discussion of newsletter for the Company, Select a Utah Rural Association delegate and Selection of a new Utah Resident Agent.

Vernon went over the new list of the committees. Vernon has asked Mike to appoint staff members. Vernon would like the committees to meet as soon as possible after each board meeting to take care of any business and then have it put on the agenda for reporting at the next board meeting. The Scholarship Committee will be appointed and added to the list. It was omitted by over-sight.

Carlin Acquisition: We have received our Certificate from the P.S.C. The Application was approved without a hearing. There is some wording in the Certificate that needs to be changed. Bob Vaughan has contacted the P.S.C. about this. It will take a couple of weeks before we hear anything from them. We are also having some problems with the BLM permit. November 15th is the deadline for crossing their land. Arrangements for material have been made and we are ready to go into Carlin on very short notice. If we wait too long, we are not going to be able to complete that section of the line across BLM land before November 15th. GENE PENGELLY MOVED WE GO AHEAD AND ORDER THE MATERIALS AND GET READY TO GO INTO CARLIN. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Pine Valley: We have not gotten any new proposals out to the people yet. We are still trying to change the acceleration clause. Four or five people have complained about the high amortization cost. If we lower the acceleration clause down to 10 years, it might be more acceptable to the residents there.

Appliance & Safety Report: We sold five units for the month which include a water heater, three dryers and a washer. Many people have shown interest in purchases and some units have been sold which are on order. Our Safety Meeting for the month is scheduled for October 26. The topic will be grounding overhead lines for personal protection. Also, this month I have made one application for the Farmers Home Winterization loan. Gene Pengelly mentioned that he had been contacted by a consumer and was asked why we do not advertise that we sell appliances in the local newspaper. Vernon hopes through the Member Relations Committee we can get some ads in the newspaper. There is going to be a pump panel school on November 14, 1978. There will be an instructor from G.E. for this class.

Construction Report: The installation of the gas tank, gas pump and graveling of the grounds has been completed at the Service Center. The line crew has completed the 1/2 mile line extension to Don Griffith's irrigation pump north of Wells. A new street light has been installed at the corner of Clover & Castle and the school street lights are now back on. Unit #9, our digger truck, has been repaired at a cost of \$3839.29 by Bob Thornal and is now being used at Wendover in place of the old #4 digger. Secondaries, secondary poles and new services for Wendover and Nevada have been routine construction for the month of September. The work load at Wendover is increasing each month and will continue to do so with the Wendover growth. The Ranch House expansion will require a 500 KVA pad mount transformer. This will increase this KVA by 200.

Regional Power Planning: Recently introduced legislation will greatly affect the role of BPA in the Northwest. In addition, this legislation established a representative council which did not include any representation from the state of Nevada. Through NREA, we expressed our concerns about equal representation and have received very favorable responses from our legislative representatives. Congressman Santini has instructed his staff to draft an amendment which would include Nevada representation. The latest information is that it will be re-introduced the first of the year.

Hydro Plant: Now that Bud Reynolds is back on the job, we are making progress. We have the head gate at the reservoir partially installed. In the collection box, there is a hole cut in it for a self cleaning leaf screen. Tuesday, Bob Priest, accompanied by Gene Supp & Jess Urresti went to see about some concrete work that has to be done. We hope to have this done at the end of this week or first of next week. There is a lot of work to be done before the Hydro will be put back on the line.

Settlement with Idaho Power: Nothing new.

Engineering Report: We have had numerous inquiries for extensions and large power projects in the Wendover area. After some preliminary work, they have been turned over to Lee Engineering. We have been working on the Carlin line materials. We have been busy with work order preparations, right-of-ways, new line extension contracts and new work order procedures for work on routine and proposed work orders.

Employee & Director Institutes & Schools: There was a Director's Expense Meeting held on October 19. There are seven directors interested in attending the Annual Meeting in Texas. Only three will receive full compensation. It was the recommendation of the committee to have the Region IX Voting Delegate attend the Annual Meeting. Four of the seven that want to go are going to attend the 500.2 school. It was decided that it would be cheaper for the Company to pay \$1500 to put the school on in Wells than to have the four go to Texas. Of the other six desiring to attend, they would draw names for the other two to receive full compensation. Any other directors could go but he would not receive full compensation. The Committee also discussed a rotating system. Any of these three fully compensated directors who go to the Annual Meeting would not attend another Annual Meeting until all others who desired to go had attended. Ester expressed interest in attending a school and the Director's Update. The committee recommended that she not attend the update. Ray, Daryl and Jesse expressed interest in attending the meeting. These names were put in a hat. Those attending the meeting receiving full compensation will be Gene Pengelly, Jesse Larsen and Daryl Eriksen. The committee recommended that Jesse Larsen, Gene Pengelly and Daryl Eriksen be allowed to attend the Annual Meeting. JESSE LARSEN MOVED THAT THESE THREE NAMES BE APPROVED FOR THE HOUSTON ANNUAL MEETING. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Ray might be interested in attending the Annual Meeting. Ester would like to attend the 535.2 school February 17 & 18. Total estimated cost would be \$1000. JESSE LARSEN MOVED ESTER QUILICI ATTEND THE 535.2 SCHOOL AT THIS COST. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED BY A VOTE OF 5 IN FAVOR AND 3 OPPOSED. There will be no advance money given to Directors for spouses expenses. Compensation and per diem will be advanced at Director's request. Airline tickets will be advanced. Company will also pay deposits on rooms and issue a check for the remaining amount due on room rent. Directors will make own flight reservations. There is going to be a 531.2 school in Ely November 9 & 10. JESSE LARSEN MOVED THAT RAY CRAWFORD, FERRIS BROUGH, JESSE LARSEN, DARYL ERIKSEN, VERNON DALTON AND ESTER QUILICI BE ALLOWED TO ATTEND THE 531.2 SCHOOL IN ELY NOVEMBER 9 & 10. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. JESSE LARSEN MOVED THAT BILL WRIGHT BE ACCEPTED TO ATTEND THIS SCHOOL ALSO. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. If on your return trip, it only takes half a day, the Director will receive half compensation and per diem would be pro-rated. JESSE LARSEN MOVED THAT IF ON YOUR RETURN TRIP, IT ONLY TAKES HALF A DAY, THE DIRECTOR WILL RECEIVE HALF A DAY COMPENSATION AND PER DIEM WILL BE PRO-RATED. DARYL ERIKSEN SECONDED THE MOTION. Jesse withdrew the motion and Daryl withdrew his second. JESSE LARSEN MOVED THAT THE TRAVEL TIME BE

ROUNDED OFF TO THE NEAREST HALF DAY TO AND FROM SEMINARS, INSTITUTES, ETC. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. JESSE LARSEN MOVED THAT PER DIEM AND COMPENSATION BE ADVANCED FOR DIRECTOR ONLY. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The Cost of Living Adjustment was withdrawn from the agenda.

Power Source: On October 4, Manager met with the Elko County Commissioners, Representatives of CP National, Sierra Pacific and businessmen in the area to discuss the possibilities of an alternate source of power for Northeast Nevada. Sierra Pacific predicts the high voltage transmission line across the Northern part of the state to be completed in May of 1980. Their preliminary estimates for a substation tap at Elko approach nearly 4 1/2 million dollars. However, even at these high costs, the recent power outage greatly enforces the need for this substation at any cost.

Intercom System between Office and Service Center: Gene Pengelly was in the office one day and had someone in the office try to get ahold of someone in the Service Center. Gene was wondering if anyone had checked into putting an intercom system up there or some way so the people could hear the phone ringing or maybe putting a bell outside so the crew could hear it if they were outside. This will be checked in to.

Resolution on White Pine Project: Mike tried to find someone who had information on this but was not too successful. Mike has discussed this with Kent Wick who is quite knowledgeable about it. Bob Vaughan did some work for Mt. Wheeler on this. If we were to commit ourselves to 1% participation in the project, there is an agreement we would have to sign to that affect that we will pay 1% of the cost. Some of the wording in this agreement was not explicit as to what our total liability was. Bob Vaughan made some recommendations to Mt. Wheeler and recommended that we make the same changes in the agreement. This is a long range project. Probably eight years minimum. The City of Los Angeles is very eager to get all of this that they can. GENE PENGELLY MOVED WE PUT IN FOR 1%. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. GENE PENGELLY MOVED THAT WELLS RURAL ELECTRIC COMPANY APPROVE THE WHITE PINE PROJECT PRELIMINARY FEASIBILITY STUDY AGREEMENT, TO THE EXTENT OF A 1% INTEREST, THEREIN, THAT THE AGREEMENT IS HEREBY APPROVED, AND THAT THE OFFICERS OF THE CORPORATION ARE AUTHORIZED TO EXECUTE AND DELIVER A COPY OF THE SAME. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Resolution to amend BPA Contract to add Carlin: GENE PENGELLY MOVED THAT WELLS RURAL ELECTRIC COMPANY APPROVE AMENDATORY AGREEMENT NO. 4 TO CONTRACT NO. 14-03-29236, BEING AN AMENDATORY AGREEMENT EXECUTED BY UNITED STATES OF AMERICA, DEPARTMENT OF ENERGY, ACTING BY AND THROUGH THE BONNEVILLE POWER ADMINISTRATION AND WELLS RURAL ELECTRIC COMPANY, THE SAID AMENDATORY AGREEMENT IS HEREBY APPROVED AND THE OFFICERS OF THE CORPORATION ARE AUTHORIZED TO EXECUTE AND DELIVER THE SAME. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

GENE PENGELLY MOVED WE APPROVE THE 22 MEMBERSHIPS FROM WELLS AND THE 20 FROM WENDOVER. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Discussion of newsletter for the Company: This will be turned over to the Member Relations Committee and the committee will bring the recommendations to the board.

Selection of Utah Rural Delegate: Gene suggested that Mike be the delegate since he has been keeping on top of everything that is going on. GENE PENGELLY MOVED THAT MIKE FOX BE THE VOTING DELEGATE. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. After some discussion, it was discovered that the delegate should be a board member. GENE PENGELLY MOVED TO RESCIND HIS MOTION. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. GENE PENGELLY MOVED JESSE LARSEN BE THE VOTING DELEGATE. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

New Utah Resident Agent: GENE PENGELLY MOVED WE NAME RAY CRAWFORD AS THE UTAH RESIDENT AGENT. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: On the outage of September 18th, it still has not been determined what caused it. Idaho Power Company blames it on icing conditions in the Idaho area, north of Jackpot. During the time of the outage, Idaho Power tried to close the lines in several times from the Upper Salmon Plant and it kept tripping out. They determined that there was a permanent fault on the line and the only way to correct it was to patrol the line and find the problem. They sent out an aerial patrol by helicopter. He got out about 10 miles and had to turn back because of weather. They then sent out ground patrols. The ground patrols tried to pick up at the point the aerial patrol left off. They made it from Upper Salmon to Border Substation which is just north of the Idaho border. They didn't find any problem so they sent a crew out from Twin Falls to isolate the line at that point. They cut the line open and took some jumpers out so they could go ahead and get Jackpot on the line. They got Jackpot on a little before noon. They tried again to send out an aerial patrol. The weather caused him to turn back. Meanwhile, we had been talking to the Idaho Dispatcher and sent crews from this end to patrol our line. We started a crew at the Wells Sub and started a crew at 1000 Springs Trading Post. About that time, we met the Idaho Power crew. Because of the weather conditions, it took quite a while to make sure the line had all been patrolled. Idaho Power would not try to close back in until they had verified the line had been patrolled and all the crews were clear of the line. Around 5:00 p.m., they decided to send the crew back down to the Border Sub and tie the jumpers back in. This took about two hours to do. At about 7:00, they got the line back together and made the decision to try to energize the line one more time to see if it would hold. Meanwhile, Mike had been on the phone to the dispatchers. They had decided that since the line had been off for so long, that it would be too much load on the end of it to try to pick it all up at once. They decided to open the load by opening breakers at the Wells Sub. They had to send a man here from Twin Falls to operate the Sub. By the time he got there, we had made arrangements by phone to allow Mike to do the switching. Once the man got at the Substation, he found that the 69 KV breakers had lost the required air pressure to close them. They had to wait 30 minutes for the air to pump back up and get the breakers to where they would close back in and pick the load up. All of the things that occurred during the day enforced Mike's opinion that something had to be established to eliminate all of the time involved. Mike has talked to BPA and set up a meeting with Idaho Power. They met at Idaho Power's office in Boise with some of their operations personnel. Through some discussion and negotiations. Idaho Power has agreed to take several steps to try to correct some of the problems. They will install some in-line switches at the Border Sub which will eliminate any manual jumpers which will save a couple of hours to sectionalize. If they do encounter a fault on that line, they will send someone out to open the switch to energize it again. We also established an operating procedure between Idaho and Wells to allow our personnel to go into the substation and allow us to operate the breakers or the switches through their dispatcher by phone. They sent their substation foreman down and spent the morning with our crew and their personnel and went through the substation. They explained what all the equipment did and what the procedure would be. We are making some progress. We have installed a set of station batteries at Rocky Point so when we have an outage, we will have communication with our crews. The Telephone Company has arranged our phones so they will ring when the power is off.

U.R.E.A. Meeting: There is a \$100 charge to attend the Annual Meeting. They have also requested that each Co-op in attendance bring a gift for a door prize. JESSE LARSEN MOVED THAT MIKE TAKE CARE OF THE DOOR PRIZE. Jesse Larsen withdrew his motion. JESSE LARSEN MOVED WE SEND DOWN A SMOKE ALARM. BILL WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. JESSE LARSEN MOVED TO AMEND HIS MOTION THAT WE SEND A SMOKE ALARM AND A COOKBOOK. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Delinquent Accounts: A list of delinquent accounts through October were given to all directors and gone over. Mike was wondering if we should enforce the policy on delinquent accounts. We will go by the policy and do what it says.

We decided to pay half the bill for Bob Vaughan to attend the Legal Seminar this year. He sent some information back and it centers around three major areas. The first one is the release of information from the Co-op. We will verify information on past employees but we will not offer personal opinions. We have to be careful what information we give out. The second item was By-Laws and new concepts of By-Laws. The third item was our liability because of consumers faulty conditions. If anyone becomes aware of a dangerous situation on a consumers premises, even if it is not on our side of the service, we should cut the power off.

The meeting adjourned at 6:20 p.m.



D. VERNON DALTON, PRESIDENT

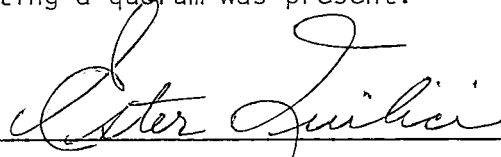
  
ESTER QUILICI, SECRETARY

RESOLUTION  
OF THE BOARD OF DIRECTORS  
OF  
WELLS RURAL ELECTRIC COMPANY

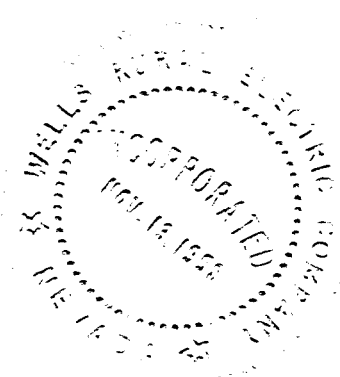
Board Resolution - White Pine County Power Project

NOW, THEREFORE, BE IT RESOLVED, that Wells Rural Electric Company approve the White Pine Project Preliminary Feasibility Study Agreement, to the extent of a 1 % interest, therein, that the Agreement is hereby approved, and that the officers of the corporation are authorized to execute and deliver a copy of the same.

I, Ester Quilici, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 20th day of October, 1978, at which meeting a quorum was present.



ESTER QUILICI, SECRETARY

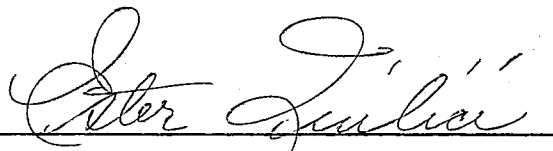


RESOLUTION  
OF THE BOARD OF DIRECTORS  
OF  
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Amendatory Agreement

NOW, THEREFORE, BE IT RESOLVED, that Wells Rural Electric Company approve Amendatory Agreement No. 4 to Contract No. 14-03-29236, being an Amendatory Agreement executed by United States of America, Department of Energy, acting by and through the Bonneville Power Administration and Wells Rural Electric Company, the said Amendatory Agreement is hereby approved and the officers of the corporation are authorized to execute and deliver the same.

I, Ester Quilici, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 20th day of October, 1978, at which meeting a quorum was present.



ESTER QUILICI, SECRETARY

STANDARD CERTIFICATION FORM FOR A VOTING REPRESENTATIVE  
FOR THE ANNUAL UTAH RURAL ELECTRIC ASSOCIATION MEETING

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Minutes of a Regular Meeting of the Board of Directors

Wells Rural Electric Company  
Name of Association

\_\_\_\_\_  
Date

RESOLUTION

Following discussion it was moved by Gene Pengelly that  
the following be adopted:

BE IT RESOLVED THAT Jesse Larsen, Director  
Name of Board Member Title

OF Wells Rural Electric Company, be, and is hereby appointed to  
represent Wells Rural Electric Company at the Utah Rural Electric Associa-  
tion's Annual Meeting for 1978.

The motion was seconded by Daryl Eriksen.

The above motion carried unanimously.

I, Ester Quilici, Secretary of  
Member filling out form Title

Wells Rural Electric Company, hereby certify that the  
Name of Association

above Resolution is a true and correct copy as adopted at a Regular Meeting  
of the Board of Directors held October 20, 1978  
Date

Ester Quilici  
Member filling out form

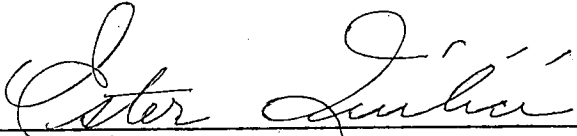
Ester Quilici, Secretary  
Title

RESOLUTION  
OF THE BOARD OF DIRECTORS  
OF  
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Change of Registered Agent

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does appoint Ray Crawford to be the Registered Agent for the State of Utah.

I, Ester Quilici, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 20th day of October, 1978, at which meeting a quorum was present.

  
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ESTER QUILICI, SECRETARY



MEMBERSHIPS TO BE APPROVED

October 20, 1978

WELLS

1. Leslie Anderson
2. Tim C. Anderson
3. Dennis Betty
4. Dawna J. Calton
5. Ronald E. Clemons
6. Michael D. Franco
7. Herbert L. Gilbert
8. W.L. Gilliland
9. Hyde Hepworth
10. Clarence D. Hyde
11. George Mason
12. John W. Mizer
13. L.D. Moran
14. Harold B. Morrison
15. Bob Peltier
16. Jorge Quintero
17. Barbara V. Reynolds
18. Leslie Schuh
19. Arnold D. Soles
20. Eva Strong
21. Harold L. Thiel
22. Guy L. Weatherly

WENDOVER

1. Thomas B. Allred
2. Don Bailie
3. Bernice Borden
4. Lori Bostock
5. Linda Bowman
6. Vincent R. Del'Ostia
7. Theron Gregg
8. Phil Gregory
9. Jo Harris
10. Marcie E. Horton
11. Sharla Jernigan
12. Viola P. Mills
13. Doreen Morquecho
14. Lola Nolan
15. Debra S. Smith
16. Gonzalo Torrero
17. Mario Trujillo
18. Roberta J. Vaca
19. Luana K. Winn
20. Jim E. Wirth