

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

**December 19, 1980**

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, December 19, 1980 at 9:30 a.m. in the board room. President Vernon Dalton presided over the meeting.

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

Present from the staff were Dan Bryan, Patti Blackett, Pat Nolz, Lee Standley and Dan Kessler.

Corrections to the minutes: GENE PENGELLY MOVED THE MINUTES OF THE NOVEMBER 21, 1980 MEETING BE APPROVED AS WRITTEN. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Additions to the agenda: Bylaw change.

Apprentice Training and Safety Committee: Jesse Larsen reported on this committee. On December 12th, there was an Apprentice Training and Safety Meeting. As of December 19th, we have 700 accident free days. There will be a safety meeting on December 23rd and a Ruralite safety meeting on January 15th. All apprentices are almost complete with the 2nd year and into the 3rd. Also discussed was the Apprentice Training Agreement. We sent a copy of the page that was changed to the union for their approval. The committee brought up the safety awards. There was an extra jacket left over from the safety awards. The committee requested that we give this jacket to George Storms for a safety award. The committee recommends that we give him this jacket. There were no objections to this. The committee will consider the part time employees annually for safety awards separate from the full time employees. Jesse thanked the board for putting him back on the committee.

Member Relations Committee: The committee met briefly this morning on the logo. There were a number of entries but the committee is undecided on one logo at this time. There is a logo that is the best representation. We would have to have a commercial artist redraw this logo. There were 5 individual entries. It was suggested we talk to Mike Booth to see if he has any suggestions or to have him touch up those that we select. WANDA BORDEN MOVED WE GIVE THE TWO LOGOS SELECTED TO MIKE BOOTH AND SEE WHAT HE CAN DO WITH THEM AND GET ANY IDEAS FROM HIM. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Financial Advisory Committee: BILL WRIGHT MOVED WE APPROVE THE BUDGET WITH THE CHANGES. VERNON SCOTT SECONDED THE MOTION. There is no provision for a building in Carlin or for the payment of capital credits. We also have an addition of \$5,000 to the budget for a new truck. Pat Nolz explained TIER & DSC. THE MOTION CARRIED WITH 8 IN FAVOR AND 1 ABSTENTION, Ester did not receive a copy of the budget. GENE PENGELLY MOVED WE GET SOME ESTIMATES ON A BUILDING FROM CONTRACTORS AND CHECK INTO PREFAB. FERRIS BROUGH SECONDED THE MOTION. Gene withdrew his motion and Ferris withdrew his second. GENE PENGELLY MOVED WE ACQUIRE THE SERVICES OF AN ARCHITECT TO DRAW UP SOME PLANS FOR A BUILDING IN CARLIN. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. The projected margins for 1980 are \$306,000. If we allocated 25% of that for payment of capital credits, it would be \$76,561. The 1963 total margins that we allocated were \$74,230.36. We could allocate on a first in first out basis on the 1963 capital credits. RAY CRAWFORD MOVED WE PAY BACK THE CAPITAL CREDITS FOR 1963. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED WITH 8 IN FAVOR AND 1 OPPOSED, Ferris Brough.

We won our settlement with Idaho Power. This has to be allocated back to the members. REA sent us a letter recommending two forms. We could apply this to our 1980 margins or we could go back to all the years this built up and apply it to each individual consumer throughout those years. our auditor says to apply it to 1980 if it is legal. The attorney suggests we put it into our income statement. There is a need to amend the bylaws. JOE RIORDAN MOVED WE GO WITH WHAT THE AUDITORS RECOMMENDED. ESTER QUILICI SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. After a full discussion of the matter, on motion duly made by Ray Crawford and seconded by Gene Pengelly, it was passed by a vote of 9 in favor and 0 against as follows, to wit:

RESOLVED: That Section 2 of ARTICLE VIII of the Bylaws of the Corporation be amended by deleting therefrom the second full paragraph thereof, appearing on page 24, which paragraph relates to revenues other than received in connection with the furnishing of electric energy; and,

BE IT FURTHER RESOLVED: That ARTICLE VIII be amended by the addition thereto of a section as follows, to wit:

"SECTION 3. Patronage Capital in Connection with other Revenues. All revenues received by the Corporation other than in the furnishing of electric energy, in excess of cost and expenses, shall, insofar as permitted by law, be (a) used to offset any losses incurred during the current or any prior fiscal year, and (b) to the extent not needed for that purpose, allocated on a patronage basis, based on the fiscal year in which said revenues were actually received, and included and treated as a part of the capital credited to accounts of the patrons as in this article provided."

Safety Report: The Safety Meeting for December will be held on December 23rd at 8:30 a.m. "Lift for Your Life" and the Evolution of Low Back Pain will be the main topic at the December meeting. The do's and don'ts on how to keep your back from injury and in good condition will be discussed. This meeting is designed to educate our employees in preventing costly back injuries. Back injuries are the leading cause of lost time and disabling injuries. All vehicles were inspected for safety and all are in excellent condition. Gene Supp had an accident while meter reading. He hit some black ice and rolled his truck. He was not injured.

Construction Report: In Wells, the padmount transformer was placed on the pad and the high side connected and tested to serve the Ranch House temporary buildings. A transformer was added at Arnold and Associates Mine. A new pump was connected on the Anderson Ranch in Clover Valley. A new double wide was connected in Starr Valley for Burke Petersen. Several new services and security lights were also added in the Wells area. In Carlin, the conversion job is practically complete, new lighting for the highway interchange has been installed by contractors and will be connected by our crew. In Wendover, the Motel 6 is having some poles moved that are in the way of the building. One pole has been moved. The line will be rerouted later. Service for construction has been installed at the James Taylor Casino site, also many services have been upgraded and security lights have been installed.

Engineering Report: We have finished staking 8 new residences connected with the Temoak Project in Lee and they are currently under construction. The Motel 6 is currently under construction in Wendover. We have staked a reroute around their property. This reroute cost is to be paid by Motel 6. Also in Wendover, we have staked the Air Force extension and are awaiting the go ahead from them. The BLM met with us about some desert land entries in Ruby Valley. We discussed our line extension policies and what type of load this might add to our system. They have 16 entries under consideration and each could have up to 100 HP of irrigation. Our crews have been doing system upgrading and changing some transformers because of expected winter loading.

Outage Report: System wide, we had a total of 9 unscheduled outages and 2 scheduled outages. Wells had the least amount of outage time with only 1 hour, due to a transformer change. Wendover had 6 outages ranging from a service being torn down by a truck to transformer overload. Carlin had 524 consumer hours of outage time. 300 of those hours were due to upgrading the Carlin system by Lutes Construction. Another 200 hours were caused by CPN losing a phase to the Carlin feeder line. Our crew handled all outages in a timely fashion and are responsible for minimum outage time.

Member Services Report: At the last Member Relations Committee meeting, it was suggested that we try to organize an Annual Meeting Member Committee to solicit ideas about interesting topics or displays that might be used at our Annual Meeting. Some of the members, whose names were mentioned, have been contacted and so far the response has been very positive. The Member Services Department recently purchased a film on energy conservation titled, "Pigopolis." Subject areas of the film range from conservation, ecology, environment, natural resource utilization to science. The main theme of the film is three-fold: 1. To present basic concepts of wise energy use, 2. To improve the awareness that energy resources are finite, 3. To change the attitude of taking energy for granted. Other Coops have shown an interest in renting the film from us when it is not in use. Also, we are waiting to hear back from Boise State University's Mathematics Department regarding a program to be used in the area schools about energy resources. Professor Maloof, with his analog computer, will conduct seminars on energy resource reserves to groups of 20-25 students. This program is an excellent simulation of energy environment problems and allows the student to make decisions on the longevity of our worlds energy resources. Hopefully, we will have these presentations the last week of January.

The \$500.00 yearly scholarship amount has been paid for our recipients this year. The are: Frank Blackett, Brigham Young University; Paul Howell, College of Southern Idaho and Ralph Gonzales, Jr., Utah Technical College at Salt Lake.

Hydro Plant: The bentonite is in and it appears there are no leaks.

Power Source: We received the contract for the 5 anemometers. We sent the contract to the attorney to review. He had a question on it but came back and told us that as long as BPA does not do the work there should be no problem. If the board wants to proceed and participate in this, we need either a resolution or a signed copy of the minutes. At this time, no one else has signed it because they are raising the same questions we have. They would like to start training the people in January. GENE PENGELLY MOVED WE DO NOT PARTICIPATE. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Deseret G & T - PNGC - Regional Bill: The bill has been passed and signed by the President. Vernon and Dan spent some time in Portland on this. Vernon also talked to REA. BPA says they will supply us with the allocation of the federal base system. This bill gives them the authority to go out and purchase power to supply us with our needs over and above our allocation on the federal base system. We have to supply an amount equal to what we anticipate our load to be over their federal base system. This goes into their pool and they sell it back to us at their blended costs. If we participate in the Moon Lake Project, will BPA accept it? REA would endorse us doing that. BILL WRIGHT MOVED WE PARTICIPATE IN MOON LAKE PLANT 1. VERNON SCOTT SECONDED THE MOTION. BILL WRIGHT MOVED TO AMEND HIS MOTION THAT WE INCREASE OUR PARTICIPATION TO 10% OR 50 MW. FERRIS BROUGH SECONDED THE AMENDMENT AND THE MOTION AS AMENDED CARRIED UNANIMOUSLY. Mt. Wheeler has joined Deseret G & T.

BPA - Freeport Tap: While in Portland, Vernon and Dan talked with Bob Laffel, BPA District Manager in Idaho Falls and Roy Nishi, Regional Manager at Walla Walla, about a second point of delivery. A question concerning our growth was raised and updated information has now been sent. We hope to meet with them again in the near future.

Employee & Director Institutes & Schools: The NRECA Annual Meeting will be held in San Francisco January 25-29, 1981. A labor relations seminar is scheduled in January by NRECA. Vernon and Dan are making tentative plans to attend.

New Memberships: GENE PENGELLY MOVED WE APPROVE THE 20 MEMBERSHIPS FROM WELLS, 19 FROM WENDOVER AND 14 FROM CARLIN. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: We feel that with some of the things we are facing with growth, we are not sure we are getting the quality of engineer services from our consultants. We have written letters to a number of firms to find out the schedule of fees, services provided and what is available. An error of \$3,863 was made by Lee Engineering in 1977. We did receive a check to reimburse us.

We passed a policy requiring physicals for employees. We have had a grievance filed against us by the union. GENE PENGELLY MOVED WE RESCIND SECTION III IN POLICY 7-2 PERTAINING TO PHYSICALS. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. GENE PENGELLY MOVED WE MAKE A POLICY REQUIRING PEOPLE TO HAVE A PHYSICAL PRIOR TO EMPLOYMENT. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The Carlin land has been purchased.

Dan B. has been asked to speak to the Dept. of Agriculture at the University of Reno on wind energy on January 6th. Dan K. is going to make this presentation.

We have the contract for the computer that needs to be signed.

REA has notified us that they have approved our line extension policy.

GENE PENGELLY MOVED WE ADJOURN. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 11:55 a.m.

D.VERNON DALTON, PRESIDENT

ESTER QUILICI, SECRETARY