

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

**February 19, 1982**

The regular meeting of the Board of Directors of Wells Rural Electric company was called to order on Friday, February 19, 1982 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley and Patti Blackett.

Corrections to the minutes: GENE PENGELLY MOVED THE MINUTES OF-THE JANUARY 22, 1982 MEETING BE APPROVED AS WRITTEN. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Additions to the agenda: Billing procedure.

WPPSS 4 & 5: They are in controlled termination. They have enough documents signed to put it in controlled termination. Some utilities are making resolutions appealing to BPA to take it over.

Utah Rate Pass Thru: There is nothing new on this yet. It has not gone to the PSC for approval.

Nevada Crossing: They are looking at an April 1 opening date. All the material for the substation will be in in July. We are in the process of getting ready to get the underground conduit and cable in to serve the housing.

Purchasing land for the substation: Bob Vaughan looked over the lease they sent us. He penciled in some changes and sent it back to the law firm. The changes were reviewed.

Carlin Gold: We have filed for the territory. We received a letter from the PSC today indicating that it has been filed. We notified BPA by telephone and followed it up with a letter. Lee talked with Lyle Johnson and he was not too surprised. We met with Carlin Gold and Power Engineers on February 5th. They have not been paying the bills. They only sent half the money. We put a hold on everything and shut the project down. They now know specifically what they have to pay.

Humboldt Ave. Property & office Building: Claire brought in a price for the property. It is \$100,000 for the 4.1 acres. The land next door is not for sale. Lee will look into other parcels of land.

Write-Offs for 12/31/81: For Wells, the amount of write-offs is \$3,185.88, Wendover is \$829.92 and Carlin \$1,407.35. VERNON SCOTT MOVED WE ALLOW THE WRITE OFFS. MARY WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Public Safety Program: Jim Copenhaver looked over the proposed policy and said there is no problem with it and we should adopt a policy like this if we don't already have one. JESSE LARSEN MOVED THE BOARD ACCEPT THE POLICY AS PRESENTED FOR LEGAL APPROVAL. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Lee introduced Rod Hannon who is the new Administrative Assistant.

Board Committee Reports: Daryl Eriksen has a meeting set up Monday in Park City with someone who might be interested in developing Tent Mountain. The on-the-job training test will be given in 3 month intervals.

Safety Report: The Safety Meeting for January was held at the Service Center January 13th with 19 employees in attendance. All vehicles were inspected and all are in good condition. There were no near misses or accidents that involved lost time. Leon Hunsaker from Utah State University, instructor for Cooperative Extension Service, presented a very good safety and educational program with film and slides. The next meeting will be held March 2, 1982 by Ruralite on CPR and first aid training.

Construction Report: In Carlin, several jobs involving secondary wire and secondary poles have been completed. In Wells, our line crew has completed a lot of work on the new Starr Valley line; a single phase tap has been completed for the new Forest Service office building on Humboldt Avenue; we have installed a wind anemometer near 10 Mile Creek for Fred Pedri and a tie line between lines 2 and 8 has been staked and we are in the process of obtaining easements. In Wendover, several jobs involving secondary wire and secondary poles have been completed and the underground line to serve the Nevada Crossing truck stop/casino building has been staked. Several line extension contracts from Carlin, Wells and Wendover have been finalized and updated.

Engineering Report: In Carlin, a major issue is the new gold mine. Power Engineers are involved in this project. In Wells, the main concern lately has been the Starr Valley conversion job. Our line crew has been busy upgrading several taps and doing transformer work; the new owners of the Big Springs Ranch are considering building a trailer park just north of Oasis; we are expecting the money for three phasing the line from Oasis to the Big Springs Ranch; we are nearly finished staking a new line for B tap in Starr Valley and we have received several calls asking about costs to construct power lines. In Wendover, a new motel for the Gold Rush Casino is under construction and we have ordered a 1000 KVA transformer to serve this new motel; an addition at the Wendover Motel (Best Western) is being planned. At this time, it appears that their transformer capacity will be 300 KVA; we have received a partial payment from the State Line Casino to start on the line extension for their trailer park at the old KOA site; State Line Properties is also adding onto the existing casino building. We are hoping that the two transformers now in use can handle the new load and our major concern is still the Nevada

Crossing project. They have been slow in sending us money needed to order material. We have received \$165,881 and we are expecting \$162,000 more this week.

Outage Report: System wide, we had a total of 15 outages for the month of January. Two outages were scheduled. The outages ranged from burned connectors to open reclosers. We had four outages in both Wells and Wendover and the remaining 7 were in Carlin. A total of 791 consumers were affected with a total of 808 hrs. of consumer outage time.

Dan Kessler came into the meeting regarding the Colorado REA Youth Seminar. Last year we did not send anyone to the Utah REA Youth Seminar. We did send a conservation film. Dan would like to send someone to the UREA as well as CREA Youth Seminar. For every 9 people we send to the CREA Youth Seminar, we commit ourselves to sending a counselor. Dan will be going as the counselor this year. Dan recommends that we send one student from each of the area high schools to each seminar. There was no objection to this as long as he stayed within the budget.

Hydro Plant: The Hydro was on line most all of January. A few days it was off due to line failure. After the Line Crew got this corrected, it was put back on line. There is a problem with the main switch. It will not go on line electrically. It has to be put on line manually. Now all of the automatic controls will work normally. Gene is looking into a more efficient nozzle for the hydro. It should pay for itself in approximately 3 1/2 months. A leak developed in the pipe near the reservoir. This pipe is the pipe that comes from the collection box to the reservoir and will someday be replaced. As soon as Gene Supp can get some equipment up to the reservoir, he will repair the leak. The plant is running very well at this time.

Member Services Report: Confirmation has been received from Boise State University Prof. Giles Maloof regarding the energy-environment program using the analog computer. Plans to take this program to area high schools are scheduled for March 22nd thru 25th. Recently myself and Mike Braun visited the Ruby Valley School and put on a line safety demonstration and energy conservation program for the 33 students and 3 teachers. The program went very well. Plans to visit the other two rural schools and three public schools are scheduled for February 16th thru 19th. BPA Program (conservation) is doing quite well. We've given out over 250 blankets so far and over 4,400 flow restrictors. our participation in Program #4 (flow restrictors and water heater wraps only) is pending approval of our Commercial Conservation Budget. Annual Meeting plans have been quite active this past month. Tentative agenda includes an "energy fair" exhibit in the gymnasium, with renewable resource information available (geothermal, solar, wind, biomass, hydro) and hopefully coal fired as well as nuclear generation.

Power Supply: When Lee attended the WPPSS meeting in Burley, BPA had the second half of the meeting. They gave an estimate for this year's rate increase. The cost now is 13.4 mills. They think it will go up to between 18.5 and 20.5 mills in October of this year. Then it will go up 2.05 to 2.08 mills in 1983.

Employee & Director Institutes & Schools: Reports were given on the Annual Meeting in Atlanta.

New memberships: DARYL ERIKSEN MOVED WE APPROVE THE 12 MEMBERSHIPS FROM WELLS, 13 FROM WENDOVER AND 15 FROM CARLIN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Basil Majors, REA Field Accountant, audited our books and requested that we transfer funds to the closed budget. GENE PENGELLY MOVED WE TRANSFER THE FUNDS. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Bob Vaughan is sending a petition to Golden Gardiner of Raft River to take in the territory for the two ranches they are serving in our territory.

On the proposed Carlin building, we contacted a sales representative from Butler Buildings to come in and see us. We have close to \$2,000 invested in the preliminary design for the Carlin building. We can go ahead and finalize the design and then go out for bids. We will contact REA and find out what architects have designed similar electric utility buildings in the Pacific Northwest.

Loan Package: GENE PENGELLY MOVED WE APPLY FOR \$5,284,304 TO BE USED IN ACCORDANCE WITH REA BULLETIN 20-2. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

RAY CRAWFORD MOVED WE APPROVE THE 10-YEAR FINANCIAL FORECAST AND STATEMENT OF ASSUMPTION. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

VERNON SCOTT MOVED WE NOTIFY REA OF OUR INTENTION TO MAINTAIN TIER & DSC AT THE LEVELS REQUIRED. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

RAY CRAWFORD MOVED THAT REA BE NOTIFIED THAT IT IS THE POLICY OF WREC TO PROVIDE ADEQUATE & DEPENDABLE ELECTRIC SERVICE ON AN AREA COVERAGE BASIS THROUGHOUT IT'S SERVICE AREA- ACCORDING TO THE LINE EXTENSION POLICY FILED WITH THE NEVADA PSC AND UTAH PUC. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

DARYL ERIKSEN MOVED WE APPROVE THE TWO YEAR WORK PLAN 1982-83 PREPARED BY POWER ENGINEERS. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY).

JESSE LARSEN MOVED WE APPROVE THE POWER REQUIREMENT STUDY PREPARED AND UPDATED WHICH WILL BE USED TO SUPPORT E6 LOAN-APPLICATION. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Donation to Vocational Department: GENE PENGELLY MOVED WE DO NOTHING ABOUT IT. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Billing Procedure: Gene has had a lot of people come into the station asking why the bills are late and sitting in the Post Office a couple of days. A report was requested on the time lag between meter reading and billing.

GENE PENGELLY MOVED WE ADJOURN. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The meeting adjourned at 4:17 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY