

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

**January 17, 1983**

The special meeting of the Board of Directors of Wells Rural Electric Company was called to order on Monday, January 17, 1983 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley and Patti Blackett.

The minutes of the December 17, 1982 meeting will stand approved as written.

There were no additions to the agenda.

Utah Rate Increase. We do not have final approval on this yet. The auditors have passed it on to the PSC for their approval.

WPN 4 & 5: Vernon D. went to Seattle to meet with the attorneys of the Orcas group as far as presenting testimony for our company. The trial starts today. Basically, the reason we are in it is to say we did participate in the law suit and we did everything to attempt to keep from paying. Some time in the next week or two, they will be asking for testimony from W.R.E.C. and Vernon will go up to testify. There was a news release in the last week that there is a proposal that BPA might complete one of the plants. Orcas has taken Chapter 11 bankruptcy.

Carlin Gold: They have delayed their in service date to early 1985 instead of early 1984. Bob Vaughan expects the PSC to give us an ultimatum to take the filing to a hearing or withdraw. Vern Stedronsky has talked to Bob direct and he threw out another proposal that we agree to a contract that they could stop construction at any time. That would not be good for US. They gave us a tentative contract to study but we could not agree with it. We will try to get something drawn up within 60 days. Larry suggested we contact Ralph Madsen who is the Vice President of Carlin Gold and he might be able to help.

Land for new office - Wells: Claire Morrow brought in a contract for the Humboldt property with terms. They want 12% interest on the part they carry. They will accept 1/3 at closing, 1/3 a year from now and 1/3 a year later. RAY CRAWFORD MOVED WE OFFER \$31,500 FOR THE LOTS NEXT DOOR. FERRIS BROUGH SECONDED THE MOTION. RAY CRAWFORD MOVED TO AMEND HIS MOTION THAT WE GIVEN THEM 30 DAYS TO MAKE A DECISION. FERRIS BROUGH SECONDED THE AMENDMENT AND THE MOTION AS AMENDED CARRIED UNANIMOUSLY. WANDA BORDEN MOVED WE GET SOME PLANS ON AN ALTERNATIVE FOR EXPANSION ON THIS BUILDING WITH THE PROPERTY NEXT DOOR THAT WILL BE ADEQUATE FOR 20 YEARS DOWN THE ROAD. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

New office bldg. - Carlin: We have the final construction plans for the new office building in Carlin. Two copies have gone to REA for their approval. We need to authorize the architect to let this job out for bid. DARYL ERIKSEN MOVED WE APPROVE THE PLANS AND GO OUT FOR BID. MARY WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

**Safety Report:** The Safety Meeting for December 1982 was held at the Wells Service Center by Joe Presley from Ruralite. Hearing Conservation was the main topic of discussion. The objective is to increase employer and employees awareness of hearing conservation, to ultimately protect their hearing on and off the job. OSHA has come out with a new ruling on hearing tests for employees. There was one near miss and no lost time accidents. As of 1/18/83, we have logged 1,460 accident free days with no lost time. All vehicles were inspected for safety. There were no hazardous conditions reported. The next Safety Meeting will be held on January 20th or 21st by the Utah State Safety Extension Services.

**Construction Report:** Our crews were very busy finishing up work associated with our 82-83 work plan. We have scheduled certain work to be completed at a certain time. Our crews are ahead of this schedule. We had a major line failure in Clover Valley when we lost two primary poles in a storm. Our crews are to be commended on the quickness of the repair in blizzard like conditions. Winds were gusting to 50 or 60 MPH. The chill factor was well below zero. The repair was completed in about four hours. The crew also completed 2 new jobs for Flying S. Several contracts have been updated and several jobs involving secondary wiring have been completed. Also installed 3 phase to the Mountain Store.

**Engineering Report:** Things in Carlin have been relatively quiet with our linemen doing small jobs involving secondary wiring. Ryan Puett has been sent an estimate for a trailer park but we haven't heard from him since. In Wells, we are planning to build a new 25 kV line out of the new substation this spring. In the meantime, we are preparing to apply for easements from the Highway Dept., WP Railroad, BLM and other parties. We have had a temporary slow down in Wendover, however, more activity is expected at the Nevada Crossing complex and construction will start soon on the new Jim's Casino. The BLM plans to sell some land in Wendover and this could lead to more developments.

**Outage Report:** For the month of December, we had a total of 24 outages. There were 20 unscheduled outages and 4 scheduled outages. Outage location breakdown is as follows: 8 outages in Wells, 8 in Wendover and 8 in Carlin. The outages affected 2,417 consumers with a total of 3,406 hours of consumer outage time.

**Hydro Report:** The hydro is running very smoothly. The belt that has been on the oil pump has almost used up it's usefulness. A new one has been purchased and will be put on in the near future. This is no major problem. In the Winter, there is a brown moss that clings to the screen and clogs it up. Every two weeks it has to be swept off with a broom. It cuts the output of the hydro down about 50% if it is not taken care of. On January 2nd until December 30th, the hydro had a total output of 460,100 kw. These kilowatts times the average cost of the new rates is \$23,005 for the year. However, we have had a good water supply this year. These kw were generated under the old average which is not near so much. The hydro was shut down for two weeks during high water for repairs. This cut the hydro output down considerably. Gene believes this will not happen this year. The problem he had, has been corrected, however, we will have to start thinking about some new pipe from the screen to the reservoir. The projects that the Forest Service wanted us to do was postponed by too much snow. Now Gene will have to wait until Spring. This is in agreement with the Forest Service.

**Member Services Report:** The revised Budget Billing program picked up 11 new consumers this past month, bringing the total consumers under Budget Billing to 15. One third of these are in the Senior Citizen/fixed income classification. There were no real problems with the enactment of this program this month. Dan K. recently completed the first of 3 - 2 week sessions in the NRECA Manager's Internship Program in Lincoln, Nebraska. There is too much to report in this board agenda report. He will be happy to review each session with the board or at the conclusion of the program,

whichever suits the Board of Directors interest. Annual Meeting plans are under way again. Key speaker has been obtained and ground work for the meeting is progressing smoothly. School programs regarding efficient energy use, safety, conservation and energy education are being conducted at all area schools the next three months. Dan is looking into a program to assist the needy and elderly people with payment of electric bills.

New Memberships: VERNON SCOTT MOVED WE APPROVE THE 3 MEMBERSHIPS FROM WELLS, 12 FROM WENDOVER AND 3 FROM CARLIN. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: No further word on the Mock and Long case. A Mr. Johnston, Attorney for the PSC, is to talk with Sierra Pacific and then get back to Bob Vaughan about a joint certification of the territory.

The Utah Public Service Commission is holding a hearing on January 7th concerning the prohibition of all involuntary utility terminations of service during the months of November thru April. The petition was filed by the "Salt Lake Community Action Program" and "Utah Issues" on December 7th.

Lee has a letter from the Public Service Commission of Nevada announcing a meeting on February 10th which will be a workshop on the effect of volcanic activity on utilities. The PSC has been charged by the "Nevada Division of Civil Defense and Disaster Assistance" to develop a "Volcanic Contingency Plan."

Engineering work is progressing on the new West Wells substation by Power Engineers. The transformer has been ordered, the high side circuit switcher has been ordered and the rest of the equipment soon will be on order. Power Engineers is preparing a plot plan for ground needed for the substation and will submit it to Idaho Power Co. for purchasing the land from them.

The Michael Ensign suit is a case where he was working for a contractor in Wendover who was adding a second story to one of the old barracks building. We were in compliance with the electrical code until they decided to add the second story. They did not officially notify us. Mike Ensign was putting on a piece of aluminum molding. He was standing on a scaffold and he whipped the end of it up into the primary. It knocked him off the scaffold. The claim states he is still having back trouble. He burned his hands and hurt his head when he fell. They are suing us for his medical expenses, which are around \$8,000; \$100,000 for actual damages and \$500,000 punity damages. Bob Vaughan is in on the case and the insurance company has an attorney in Salt Lake.

We need a board resolution approving the final Financial Forecast. VERNON SCOTT MOVED WE ADOPT TO RESOLUTION. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. We have \$1,700,000 in work orders that have been certified by Power Engineers. These are from April 1982 thru October 1982. MARY WRIGHT MOVED WE APPROVE THE WORK ORDERS FOR APRIL THRU OCTOBER 1982 AS APPROVED BY POWER ENGINEERS. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Sierra Pacific has sent us a new wheeling contract for Carlin and Jiggs/Lee. They are raising it from \$1.19 per kw to \$1.31 per kw. That is the major change. We are getting an increase in capacity in Jiggs/Lee to 800 kw and in Carlin to 3.5 MW. Power Engineers sees no problem with it and Bob Vaughan is looking it over now.

Ferris Brough asked about the efficiency study. Lee has talked to 2 different firms but does not have any proposal to make.

The meeting adjourned at 3:35 p.m.

D. VERNON DALTON, PRESIDENT