

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

November 11, 1983

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, November 11, 1983 at 10:00 a.m. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley, Patti Zander, Clay Fitch and Warren Linnell.

Corrections to the minutes: The minutes of the October 21, 1983 board meeting will stand approved as written.

There were no additions to the agenda.

There was a delegation of consumers who requested time to meet with the board. There was no objection. Wes Bowlen was spokesman of the group. They came to state their opposition to the board moving the office out of the city limits and into the county.

Rate Increase: Clay Fitch explained that an irrigation meeting was held. They discussed combining the irrigation and large commercial class of 50 - 350 kva. Over 350 kva would be classified as industrial. This might be a better rate for the irrigator. Since we have put the rate case together, we have had a number of things change. One of the things was that we were alleviated from WPPSS. This would reduce the rate case by \$100,000. We would also take the 252 money out of the rate increase. This would lower the system wide increase. The reason WPPSS was in the rate increase was because it was an REA requirement. There has not been time to get new figures together on this. This could possibly lower the system wide increase to 10%. JOHN KRENKA MOVED THAT IN LIGHT OF THE NEW INFORMATION, WE WILL TAKE THIS INTO CONSIDERATION AT THE NEXT BOARD MEETING. FERRIS BROUGH SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

REA Loan Package: Our draw down on the CFC portion of the loan has now reached \$491,000 in addition to the \$1,750,000 from REA which represents 50% of the REA portion of the total loan package.

Wendover Point of Delivery: BLM, Power Engineers, Raft River and W.R.E.C. had a scoping meeting in Wendover this week. Right now they are looking at a preferred routing.

WPPSS 4 & 5: The next business to come before the meeting concerned the renewal of the manager's, officers' and directors' liability policy with St. Paul Fire and Marine Insurance Company which is subject to renewal on December 20, 1983, and subject to an exclusionary endorsement relating to Washington Public Power Supply System (WPPSS) claims. The recommendation of counsel and other matters were discussed and taken into consideration. On motion duly made by Director Vernon Scott, seconded by Director John Krenka, it was passed as follows:

RESOLVED: That the company seek renewal of the managers, officers and directors liability policy with St. Paul Fire and Marine Insurance Company, that the endorsement relating to the exclusion of WPPSS claims be approved and accepted and that the President of the corporation be authorized to

execute said endorsement on behalf of Wells Rural Electric Company.

Carlin Gold Contract: Bob Vaughan is proceeding on getting this to the commission and does not expect to get a hearing set before January. Carlin Gold did ask the city to put up some property for bid sale. They are going to put in 100 spaces for trailers on the north side of the freeway.

Recessed for lunch at 11:50 a.m. Reconvened at 12:50 p.m.

Long Range Work Plan: Don Angell and Reese Barlow from Power Engineers were here to go over the Long Range Plan as well as the Two Year Work Plan. In the Two Year Work Plan, it calls for a portable substation. CLAUDIA WINES MOVED WE CHECK WITH MT. WHEELER TO SEE IF THEY WOULD BE INTERESTED IN SHARING A PORTABLE SUBSTATION WITH US. FERRIS BROUGH SECONDED THE MOTION AND IT FAILED WITH 2 IN FAVOR AND 7 OPPOSED. VERNON SCOTT MOVED WE APPROVE THE 1984-85 TWO YEAR WORK PLAN. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. JOE RIORDAN MOVED WE APPROVE THE LONG RANGE WORK PLAN FROM 1982 - 2002. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Land Purchase and New Office - Wells: After a thorough discussion of the matter, RAY CRAWFORD MOVED THAT SUBJECT TO REA'S APPROVAL, WE LIVE UP TO OUR AGREEMENT TO PURCHASE THE BILL HYLTON LAND WITH NO INTENTION TO BUILD ON IT AT THIS TIME OR PUT FACILITIES THERE AND NEGOTIATE FOR ANOTHER PIECE OF PROPERTY IN THE CITY LIMITS. JOE RIORDAN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. A break was taken to write up a news release for the paper. The article was read. JOE RIORDAN MOVED WE ACCEPT APPROVAL OF THE ARTICLE. VERNON SCOTT SECONDED THE MOTION. JOE RIORDAN MOVED TO WITHDRAW HIS MOTION AND VERNON SCOTT WITHDREW HIS SECOND AND IT CARRIED UNANIMOUSLY. Some changes were made in the article. JOE RIORDAN MOVED WE ACCEPT THE ARTICLE AS CHANGED. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

New Office - Carlin: Construction is proceeding on the new building. As of September 30th, we have paid \$230,580.00 to the contractor indicating the building is about 80 to 85% complete.

West Wells Substation: Bob Vaughan has sent a request for approval to REA in Washington after getting the word from BPA that the point of delivery was approved by them.

Board Committee Reports: The Retirement and Insurance Committee met this morning. They discussed expanded Accident Insurance coverage. They have given us the option to change our insurance amounts and premium costs effective January 1, 1984. Our present policy is \$25,000. The committee elected to leave it the way it is. VERNON SCOTT MOVED WE LEAVE OUR ACCIDENT INSURANCE THE WAY IT IS AT \$25,000. LARRY BRADSHAW SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The Safety Meeting for October 1983 was held at the Wells Service Center by Ruralite Instructor Vic Olsen on October 28, 1983. There were no near misses or accidents to be reported. No hazardous or unsafe conditions were reported. All vehicles were inspected for safety. As of October 31, 1983, we have logged 1,675 accident free days with no lost time. Vic Olsen presented an excellent safety class on eye safety and eye wear. Slides and film on accidents to the eyes were shown that depicted the tragic things that can happen when you don't wear safety glasses. Everyone at the meeting was extremely impressed with Vic's presentation. All employees were then given an eye test with Ruralite's new vision eye tester. The hearing van will be here November 4th for all employees to have their hearing tested. Thanks Ruralite for all of your excellent services. The next Safety Meeting

will be held on November 30, 1983.

Construction Report: Bob Lutes has completed his work on line 8 leading to Rocky Point. Several jobs have been completed involving secondary wiring and secondary poles. Bob Lutes has completed the underground system serving Nevada Crossing's trailer park addition. The W(alls line crew has completed a new tap out to Martindale's.

Engineering Report: Construction has started on the line extension that will serve the new Silversmith Casino in Wendover. Stateline Properties has started construction on three new apartment buildings. We will be providing underground service in the near future. The proposed new line into the Wendover Air Base is looking like a reality. We have applied for an easement to cross the railroad tracks and we expect the city and the developer to reach a financial agreement soon. We have received an Electric Site Plan from "Pueblo Village" involving a mini mall in west Wendover. Construction has started on a three phase distribution line in Wells along the west boundary of property owned by Mike Seech and George Yan. Bob Lutes Construction will start on a rebuild job in Carlin this week. We have been contacted by "Meta Tantay" about a line extension to serve their property just east of Carlin.

Outage Report: For the month of October, W.R.E.C. had 10 reported outages. Four in Wells, 4 in Wendover and 2 in Carlin, all of which were unscheduled. Total number of consumers out of power were 362. Total consumer hours of outage was 132.5 hrs.

Hydro Report: Due to the wet year, the water has held up better than Gene has ever seen it since he has had anything to do with the hydro since 1949. Due to less down time of lightning and outages, the hydro did very well until the old rusty pipe broke again. The pipe is so thin that welding is very difficult. Removing the dirt around the pipe to weld the part that leaks uncovers more leaks with all the digging which has to be done by hand and welding the pipe just to see it leak in another place where the dirt has just been removed, caused a lot of down time. This down time cost 19,320 kw output of the generator. Going a little further, average output per kw amounts to \$1,062.80. How long the pipe will last, no one knows. If it blows up this winter, it will be very difficult to repair in the frozen ground. Due to the depth of the snow and frozen ground, it will increase the cost considerably. However, with all of this down time, 66,000 kw was generated. This will amount to \$3,630.

Member Services Report: Everything is coming along fine with the plans for the Utah Rural Electric Association Annual Meeting (hosted by WREC) on November 14th. The "consumer information" meetings agenda is complete and we are looking forward to presentations scheduled for Carlin, Wendover and Wells. All meetings will start at 7:00 p.m. local time. Tentative dates have been set for Jiggs/Lee, Carlin and Wells Senior Citizens, Ruby Valley, Starr Valley and a special irrigators meeting. After the rate meetings, etc., Dan will be conducting his Fall-Winter school programs in our area high schools, grammar schools and pre-schools. Additionally, Dan will be going to the Reno area in mid-November on NREA business regarding the potential Youth Energy Seminar in that area.

Power Supply: We have approval of BPA for two of the three new points of delivery. As yet, we do not have the approval for the Elko point of delivery, which we need for filing with the commission for the territory to serve Carlin Gold and for the by-pass line to the Jiggs/Lee area.

Employee & Director Institutes & Schools: We need to make reservations for the NRECA Annual Meeting in San Francisco. Vernon Scott, Mary Wright and Vernon Dalton will attend and we will check with Wanda to see if she would like to go.

New Memberships: VERNON SCOTT MOVED WE APPROVE THE 5 MEMBERSHIPS FROM WELLS,

8 FROM CARLIN, 6 FROM WENDOVER, UTAH AND 12 FROM WENDOVER, NEVADA. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Jeoff Smith from NRECA will be here the week of December 12th and then stay for the board meeting for the management audit.

We need to decide if we want to extend our option on the 2 additional one acre parcels of land in Wendover for another year which will cost \$10,000 which will be credited to the purchase price. DARYL ERIKSEN MOVED WE PAY THE \$10,000 ON THE OPTION. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

For the UREA Annual Meeting, it is going to cost about \$1,500. We have \$500 in the budget and we need board approval for the additional \$1,000. VERNON SCOTT MOVED WE SUPPLEMENT THE BUDGET FOR \$1,000. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We need to approve the Power Requirement Study and pass a resolution to approve it. Clay went over this. DARYL ERIKSEN MOVED WE ADOPT THE RESOLUTION. RAY CRAWFORD SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We have been reviewing the line extension policy again. It needs to be changed for large consumers. A policy committee will be set up.

The meeting adjourned at 5:45 p.m.

D.VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY