

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

July 15, 1983

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, July 15, 1983 at 1:05 p.m. in the board room. President Vernon Dalton presided over the meeting.

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

Present from the staff were Lee Standley and Patti Zander.

Corrections to the minutes: The minutes of the June 10, 1983 board meeting will stand approved as written.

Bob Berry and Dick McDougal from Nevada Crossing have requested to visit with the board. They have a complaint regarding the 25% power credit we are giving them. They are only getting 1/3 of their investment back and they think it is unfair. Bob and Dick came into the meeting and told the board of their concerns. The Policy Committee will review this policy.

REA Loan Package: We have to have one more resolution but they said it is not holding up the loan. The resolution is for a Certificate of Authority for the purpose of requisitioning and accounting for loan funds. VERNON SCOTT MOVED WE ADOPT THE RESOLUTION. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

WPPSS 4 & 5: The Washington State Supreme Court ruled in a 6-2 decision, the Washington State Municipal Utilities lacked the authority to enter into agreements with WPPSS to build the two nuclear units 4 & 5. The ruling overturned a lower court ruling and default is now very likely.

Carlin Gold: Lee received a call from Bob Vaughan this morning. Dave Peters, Newmont's attorney, called Bob and said a signed contract was going to Federal Express at the time they were talking.

Land Purchase & New Office - Wells: The committee met this morning. We have the land purchase and new office more or less scheduled. We are going to submit the land purchase to REA for their approval. The committee is going to look at coop type buildings by area architects. They will then submit some names of architects for preliminary work and then submit a couple of architect's names to decide on the final architect for the building.

New office - Carlin: The walls are going up. Our drawing showed the fence not going all the way around the north end of the lot. At the time the drawings were made, the architect thought there was another lot there, so he cut the fence off in the middle and left what he thought was another lot separate. He is going to straighten that out for us. David Hayes is very pleased with the contractor. The board also discussed the scheduling of the dedication of the Carlin building. We will put this on the agenda for next month.

New Wells Substation: Idaho Power Co. was supposed to act on the release from noncompliance yesterday. Then it has to go to New York. We should get it back in 2 or 3 weeks. We have located a back-up portable substation at Lower Valley Electric. It is tied up for a couple more weeks and we will get it as soon after that as possible.

New Chairs for the Board Room: We have received the chairs.

Policy Committee: They met this morning at 9:00 a.m. The one policy they discussed was maintenance and care of the board members policy book. A motion was made in the committee meeting by Daryl Eriksen that management would be responsible for updating the manuals quarterly and it was seconded by Jesse Larsen. JOB RIORDAN MOVED THAT THE BOARD APPROVE THE MOTION MADE AT THE COMMITTEE MEETING. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. They also discussed irrigation billing. The problem is caused through the computer system. They send a letter out the first of January with a bill. Then the computer sends out a bill every month whether they are irrigating or not. After talking with Buddy, we will withdraw the bills that shouldn't be sent out until the pumps are ready to be turned on and the demand charge needs to be paid prior to them being turned on.

Retirement & Insurance Committee: They met this morning and discussed 2 items. (1) Whether or not to supply our membership list to NRECA so that they could distribute to our members the hospital supplement and dismemberment policy that they carry. We would only supply the list on a one time basis. MARY WRIGHT MOVED WE MAKE THIS INSURANCE AVAILABLE TO THE MEMBERSHIP THRU NRECA. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. (2) Company employee retirement benefit policy - they will have another meeting before the next board meeting and have a recommendation at the next meeting.

Safety Report: The Safety Meeting for June was held at the Wells Service Center by Ruralite Safety Instructor Ken Fonnesbeck on June 28, 1983. There were two near misses but no accidents. All vehicles were inspected for safety. As of 6/30/83, we have logged 1,589 accident free days with no lost time. Hazard Recognition was the main topic of discussion presented by Ken Fonnesbeck from Ruralite. All safety awards have been ordered and should be here by the end of next week. All employees were very grateful for these nice awards. The next Safety Meeting will be held the 27th or 28th of July. The date will be announced.

Construction Report: The Wendover crew recently completed a rebuilding job for the Utah Dept. of Transportation involving a trailer park. The secondary wiring at Paul Barger's irrigation site has been upgraded. The service to Kirk Dahl's irrigation pump has been completed. Also, an overhead line to his stockwater pump has been replaced with an underground line. Several small jobs have been completed involving replacing lightning arrestors, anchors and secondary poles.

Engineering Report: Wendover Land Company (Nevada Crossing) is planning to add 61 spaces to their existing trailer park in Wendover. We will be looping our system back into a major trunkline which will allow us to feed their complex from two different sources. The Engineering Department is in the process of drawing a service map of Wendover to aid Power Engineers in preparing a work plan and load study. A new line has been staked (2 miles) going to the Kaiser pumps and the material has been ordered. Construction should start sometime in July. The Wells crew has been busy replacing poles that the testers found to be bad. Bob Lutes has been working on re-insulating the Rocky Point line. In Carlin, the poles on the Immigrant line have tested out well and we will soon be reinsulating this line.

Outage Report: For the month of June, there were a total of 24 outages, 21 were unscheduled and 3 were scheduled. We had 2 system wide outages, Wells had 10 outages, Carlin had 7 and Wendover had 5. Causes of the outages ranged from lightning strikes to replacing poles. Total consumer hours of outage time were 6117.25 with 7287.5 consumers being affected by the outage. The board would like to have a year accumulative total in the report.

Hydro Report: Due to the late, wet cold spring, the water was late reaching it's peak this year. In the

past, Gene has seen 40 to 42 cubic feet of water in the peak run off in the spring. This year the water has reached the peak of 55.2 cubic feet. There was water everywhere, water running down the road. It was over the banks of the creek after it came out of the canyon. The U3 Ranch had to dig a ditch around their weir so it would not wash out the road to the hydro. The little hydro is still humming to the tune of 68,600 kWh for the month of June. Gene is in the process of riprapping the overflow in the reservoir. The over flow creek is done and ready for inspection. The road will be the next project and this will complete the wishes of the Forest Service.

Member Services Report: The Human Relations Training Program #3 recently was completed here by Dr. Dunning. The program dealt with the importance of teamwork and was very well received. The Nominating Committee met last week and plans for the upcoming director election have been finalized. Dan attended a workshop at UREA in Sandy, Utah recently dealing with the upcoming Youth Energy Seminar and the UREA Annual Meeting which Wells Rural will host this year. Dan will be on vacation from July 5th thru the 8th.

Power Supply: BPA called yesterday. They are still working on our point of delivery.

Employee & Director Institutes & Schools: Mary Wright attended a legal seminar in Portland and gave a report.

New Memberships: DARYL ERIKSEN MOVED WE APPROVE THE 7 MEMBERSHIPS FROM WELLS, 6 FROM CARLIN AND 17 FROM WENDOVER. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Enclosed with the agenda were two documents sent to us by Administrator Harold Hunter requesting board action. One is a Basic 5 point REA Civil Rights Development program for cooperatives. The other has to do with non-discrimination on the basis of handicap. DARYL ERIKSEN MOVED THAT VERNON DALTON SIGN THE FORM CONCERNING HIRING THE HANDICAPPED. WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Clay Fitch came into the meeting regarding the financial forecast. He needed to know the board's decision on the equity ratio and capital credit program. We will go with the 1% equity and the capital credit program the way it is.

Dr. Dunning has one week available next year in July for the 4th session. There was not a good turnout of the directors for their session so it was suggested that he come in late fall or early winter. Dr. Dunning schedules his trips out here in coordination with the other coops to save on expenses. VERNON SCOTT MOVED WE ASK DR. DUNNING TO COME BACK FOR THE WEEK OF JULY 30TH TO PRESENT HIS PROGRAM. MARY WRIGHT SECONDED THE MOTION AND IT CARRIED WITH 9 IN FAVOR AND 1 OPPOSED, Wanda Borden.

Dr. Dunning has also suggested that his son, David, come out and work with the staff on items regarding OSHA, personnel relations, legality, discrimination, job application procedure and ways to be more responsive to training. He had one week free in August. JESSE LARSEN MOVED WE INVITE DAVID DUNNING TO PRESENT HIS PROGRAM TO THE SUPERVISORS. MARY WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Bob Vaughan has notified us that he is going to raise his rates 3.47%. Total increase on an 8 year average is 6.89%.

We need another resolution authorizing a transfer of funds from Purpose #2 - Transmission to Purpose #1 - Distribution in the amount of \$1,527,150.00. VERNON SCOTT MOVED WE APPROVE

THE RESOLUTION. JESSE LARSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The NRECA Region IX Meeting is in Salt Lake City September 27-29. All of the directors will attend plus Lee, Warren and Dan from the staff.

The UREA Director's Workshop is August 16th at 9:46 a.m.

ICPA and UREA are jointly holding a board meeting next Wednesday and Thursday, July 20th and 21st.

We are hosting the UREA Annual Meeting this year. Ned Wilson likes Wendover as a site.

The meeting adjourned at 4:30 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY