

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

August 17, 1984

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, August 17, 1984 at 1:08 p.m. President Vernon Dalton presided over the meeting.

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

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

Corrections to the minutes: The minutes of the July 13, 1984 board meeting will stand approved as written.

There were no additions to the agenda.

Utah Rate Increase: Jeff Rostberg and Annette Goicoechea from Power Engineers were here to go over the cost of service study. They looked at our system three different ways. They did a cost of service study for Nevada, Utah and the entire system. They took the plant and expense items from the general ledger on the various jurisdictions and also the total system and ran a cost of service analysis on them. In Nevada, our rate of return is 127%. In Utah, our rate of return is -11.6%. To earn a 7% rate of return, we would need a 24% increase. RAY CRAWFORD MOVED WE MAKE THE RATE OF RETURN IN WENDOVER 7%. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

REA Loan Package: We were notified by telephone that REA had approved our loan. CFC requires one more resolution before they approve their portion of it. The resolution requests concurrent financing. VERNON SCOTT MOVED WE APPROVE THE RESOLUTION. MARY WRIGHT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. We have requested 2% money for Pine Valley. Vernon suggested we have these people write letters to their congressmen to possibly speed up approval of the loan.

Wendover Transmission Line & Point of Delivery: We have everything in order. The contractor has moved in and has probably started on the Raft River portion.

Carlin Gold Project: We went to a prebid conference Wednesday. There were 13 bidders. All bids have to be in by August 29th. We will open bids here. The pre-construction conference is September 14th. Towards the end of September they will start construction. Carlin Gold is firm at 9.9 MW.

Land Purchase & New Office - Wells: Everything is on it's way to Washington for approval.

Power Supply: We and 99 other utilities received a summons concerning WPPSS. It has been sent to Bob Vaughan. It has to be answered in 60 days.

Mr. K.B. Semnani complaint: We have not heard from the commission.

Board Committee Reports: We received a policy for the Election Committee from Bob Vaughan. JOE RIORDAN MOVED WE ADOPT THIS POLICY. VERNON SCOTT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

We need to appoint an Election Committee. Those suggested were Linda Zunino, Lourinda Wines, Betty Wright with Dorothy Elton as an alternate. JOE RIORDAN MOVED WE APPROVE THE ELECTION COMMITTEE. DARYL ERIKSEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. Bob Priest sent us a letter withdrawing from the election.

Concerned Consumer Committee: John Krenka asked that this be put at the end of the agenda and have an executive session. There was no objection.

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