

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

September 7, 1984

A special meeting of the Board of Directors of Wells Rural Electric Company was called to order in the board room of the Wells office on Friday, September 7, 1984 at 1:00 p.m. President Vernon Dalton presided over the meeting.

Directors present were Wanda Borden, Larry Bradshaw, Ferris Brough, Ray Crawford, Vernon Dalton, Daryl Eriksen, John Krenka, Joe Riordan, Vernon Scott, and Mary Wright. Claudia Wines was not present.

Lee Standley, Warren Linnell, Dan Kessler, Clay Fitch and Tommi Reynolds were present from the staff.

Pete Van Der Meulen, John McGrew and Reese Barlow were present from Power Engineers.

ADDITIONS TO THE AGENDA

Purchase of a blueprint machine and a Utah rate increase were topics added to the agenda by Lee Standley.

CARLIN GOLD PROJECT CONTRACT

The special meeting was called to discuss the awarding of a contract for the Carlin Gold Project. This was the first business to be addressed.

Representatives of Power Engineers, Inc. reported on the progress of the Wendover Project and reviewed the bidding and the award of the contract for the Carlin Project. (See Exhibits I and II)

It was noted that nine bids for the Carlin Project had been opened on the 29th day of August 1984 and that the low bidder was Wasatch Dynalectric Company. The Wasatch bid was \$280,131.00 below Power Engineers' estimate. (See Exhibit III) The contract documents have been assembled by the engineers and approved by legal counsel. After a review of the contract documents, and a thorough discussion by staff and board members it was ON MOTION DULY MADE BY DIRECTOR DARYL ERIKSEN, SECONDED BY DIRECTOR VERNON SCOTT AND PASSED BY A VOTE OF TEN IN FAVOR AND NONE AGAINST AS FOLLOWS:

"RESOLVED: That subject to the approval of the Rural Electrification Administration, the bid of Wasatch Dynalectric Company in the sum of \$2,784,936.00 for the project erection and materials of the Carlin Project, including the Eightmile - Carlin 120 kV line, the Carlin-Quarry 1000 kV line, the Eightmile Creek Switchstation, the Carlin Station and the Mill Substation, be and the same is hereby accepted;

BE IT FURTHER RESOLVED that the Contract documents for the Carlin Project, designated as Project No. 105301 and herebefore described, executed by Wasatch Dynalectric Company on September 5, 1984, wherein the total contract price of \$2,784,936.00 be and the same are hereby approved; and

BE IT FURTHER RESOLVED that the President or Vice-President of the Corporation and the Secretary are authorized to execute the Contract documents relating to the Carlin Project and to

execute any and all documents relating thereto or appropriate or necessary in the performance thereof."

It was agreed that an effort should be made to get work started on the Carlin Project as soon as possible so as to take advantage of good weather. With this in mind the contracts were express mailed the same day approved. Furthermore, FERRIS BROUGH MOVED TO APPROVE THE CONTRACTORS TAKING DELIVERY OF MATERIAL AND STARTING CONSTRUCTION ON THE ACCESS ROADS PRIOR TO THE SCHEDULED DATE FOR FORMAL REA APPROVAL. It was pointed out that funding is in place and that REA has given preliminary verbal approval. JOE RIORDAN SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

Power Engineers will send a letter to the contractor advising him of the go-ahead.

It was noted that work on the Grouse Creek portion of the Wendover Line is running well ahead of schedule.

BLUEPRINT MACHINE

The next item addressed by the Board involved purchase of a new blueprint machine and map storage unit. After reviewing the proposal (See Exhibit V) presented by the Engineering Dept. JOE RIORDAN MOVED TO AUGMENT THE APPROVED 1984 CAPITOL BUDGET BY \$350.00. VERNON SCOTT SECONDED THE MOTION; IT PASSED UNANIMOUSLY. The existing blueprint machine and flat map storage unit will be sold to the Wells High School.

CFC DISTRICT IX

Neither Vernon Scott nor Daryl Eriksen will be attending the CFC District Nine members' meeting this year. As they are official delegates a motion was needed to nominate new delegates to represent Wells Rural Electric Co. ON MOTION DULY MADE BY JOHN KRENKA AND SECONDED BY VERNON SCOTT THE BOARD UNANIMOUSLY VOTED TO BE REPRESENTED AT THE DISTRICT NINE MEETING BY LARRY BRADSHAW WITH WANDA BORDEN TO ACT AS ALTERNATE.

CARLIN PART-TIME POSITION

Lee Standley then approached the Board with a request for approval of hiring a part time meter-reader/customer-service-clerk for the Carlin office. Standley pointed out that negotiations with the Union have been completed and that the Wendover office currently employs a person in a similar position. He further explained that Carlin's linemen are currently spending approximately 30% of their time on meter related duties and that someone must be sent from Wells, or the Carlin office must be closed, when Carlin's customer-service-clerk is away sick or on vacation, all of which is an inefficient use of personnel. After thorough discussion VERNON SCOTT MOVED TO APPROVE HIRING A PART TIME METER-READER/CUSTOMER-SERVICE CLERK FOR THE CARLIN OFFICE. MARY WRIGHT SECONDED THE MOTION; THE MOTION CARRIED WITHOUT OPPOSITION.

UTAH RATE INCREASE

Clay Fitch then reported on the meeting with the Utah Public Service Commission regarding equalization of Utah and Nevada rates (See Exhibit VI). He explained that the rates had been adjusted to create a 7% rate of return in Utah. Facility charges will now be the same on both sides of the State line, while the cost per Kwh will temporarily remain lower for Utah consumers. A letter will be sent to the affected consumers informing them of the rate change now scheduled to go into effect October 12, 1984. A hearing will be held in Wendover later in September. An audit will be

made by the PSC, probably after years-end, to determine the 7% rate of return has not been exceeded.

After thorough discussion JOHN KRENKA MOVED TO APPROVE THE RATE CHANGE. FERRIS BROUGH MADE THE SECOND AND THE MOTION PASSED UNANIMOUSLY.

Lee Standley reported that BPA is scheduling a rate increase, tentatively set at 10% to be in effect July 1, 1985 through October 1987. The actual increase to Wells Rural Electric would be 8.65% after the low density discount has been applied. September 27th has been tentatively set for a hearing.

NRECA SEMINAR

Standley told the Board that an NRECA directors seminar put on by Management Services is scheduled for December 9th through the 12th.

The special meeting recessed at 2:45 p.m. and the Board went into executive session. In this executive session the Board voted not to interview any applicants for the position of General Manager. Dan Kessler was voted to be the new General Manager starting November 1, 1984.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY