

The Regular Meeting of the Board of Directors Of Wells Rural Electric Company

February 20, 1984

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Monday, February 20, 1984 at 1:00 p.m. President Vernon Dalton presided over the meeting.

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

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

Charlie Harper, REA Field Engineer, was also present.

There were no corrections to the minutes and no additions to the agenda.

RATE INCREASE

The rate increase will be worked out as soon as possible to submit to the Utah Commission for approval.

REA LOAN PACKAGE (See Exhibit 1)

Clay Fitch noted that the 5% loan package is for a total of \$5,351,500.00. \$3,746,000.00 will come from REA and \$1,690,000.00 will come from C.F.C.

The 2% loan package for the addendum to the two year work plan will be about \$3,000,000.00 or possibly a little more. The addendum proposes to give service to Pine Valley and to rebuild Carlin.

These are separate packages.

Vernon Dalton reported that he had met with Bill Davis, Western Area Director for REA, on 02/17/84. Mr. Davis indicated that the packages should definitely be separate and that questions answered on the 2% loan package would considerably delay the first loan package.

Vernon Dalton read the Board Resolution Requesting Concurrent Financing. VERNON SCOTT MOVED TO ADOPT THE RESOLUTION AS READ. DARYL ERIKSEN SECONDED THE MOTION. IT WAS UNANIMOUSLY APPROVED BY THE BOARD AND SIGNED BY WANDA BORDEN AND LEE STANDLEY.

WEST WELLS SUBSTATION

Warren Linnell reported that the transformer would be set up on the pad February 22, 1984 and that some structures were up.

WENDOVER POINT OF DELIVERY

Lee Standley indicated that he would cover this in the Power Supply Report.

CARLIN GOLD CONTRACT

The final application has been signed and will be mailed to Bob Vaughan on 02/21/84. Bob Vaughan is of the opinion that since no one has contested it, a hearing may not be necessary. Warren Linnell noted that REA has approved the Environmental Assessment. All approvals have been made for submitting the application to the Commission.

BOARD COMMITTEE REPORTS

Scholarship (See Exhibit 2)

At the Policy Committee meeting proposals were made to (1) increase the WREC scholarship from \$500.00 to \$1,000.00 annually (2) raise the ceiling on scholarships from other sources from \$100.00 to \$250.00 and (3) to require scholarship recipients to take full (twelve credits or more) course loads and to complete their courses of study within three years.

VERNON SCOTT MOVED TO ADOPT THESE CHANGES. LARRY BRADSHAW SECONDED THE MOTION. IT CARRIED UNANIMOUSLY.

Special Agreement for Electrical Service and Line Extension (See Exhibit 3)

Bob Vaughan has drafted an agreement covering the new power line replacing the old one at the Wendover Air Force Base. A copy was given to each Director. MARY WRIGHT MOVED THAT THE RESOLUTION& ON THE LAST PAGE OF THE DRAFT, BE PASSED. VERNON SCOTT SECONDED THE MOTION. IT PASSED UNANIMOUSLY.

The Policy Committee reviewed the agreement at its morning meeting. Warren Linnell reviewed the draft, and changes made in it, with the Board.

Because the old transformers contain PCBs (polychlorinated bi-phenols) some concern was raised that WREC might be held responsible if Wendover failed to properly dispose of the transformers. It was agreed to have Bob Vaughan review the wording and change it as needed to firmly establish the Applicant's ownership and responsibility for disposal of the transformers in question.

It was further agreed that removal of old facilities must be completed in the time prescribed or power credits will be withheld. VERNON SCOTT MOVED TO ACCEPT THE AGREEMENT AS DISCUSSED AND TO INCLUDE THE ABOVE CHANGES. WANDA BORDEN SECONDED THE MOTION AND IT WAS UNANIMOUSLY APPROVED.

This agreement will be offered to Wendover on Thursday, February 23, 1984.

Policy No. 12 (See Exhibit 4)

Joe Riordan reported that the Policy Committee recommended acceptance of Policy No. 12, dealing with member requests for corporate information, in the form presented to the Board. JOE RIORDAN MOVED TO ACCEPT THE RESOLUTION; MARY WRIGHT SECONDED IT AND IT WAS UNANIMOUSLY APPROVED.

Policy No. 13 (See Exhibit 5)

JOE RIORDAN MOVED TO PASS POLICY NO. 13 AS WRITTEN. VERNON SCOTT SECONDED THE MOTION AND IT PASSED UNANIMOUSLY.

Joe Riordan reminded the Directors that committee meetings are open to all Directors.

Election of Officers (See Exhibit 6)

JOE RIORDAN MOVED TO ADOPT A CHANGE IN THE BYLAWS, TO PROVIDE A METHOD FOR ELECTION OF BOARD OFFICERS, AS WRITTEN AND PRESENTED TO THE BOARD. IT WAS AGREED TO INSERT THE WORDS "IN THE PRESCRIBED MANNER" AFTER "A" VACANCY IN ANY OFFICE SHALL BE FILLED BY THE

BOARD" IN THE LAST SENTENCE OF THE CHANGE IN BYLAWS. VERNON SCOTT SECONDED THE MOTION. IT PASSED UNANIMOUSLY.

Central Area Data Processing Tour

Members of the Board attending the Central Area tour were impressed with what Central Area had to offer but preferred to wait until they had heard what IBM had to offer before forming an opinion. Clay Fitch had received costs from Central Area but will wait for comparison costs to present them to the Board.

A meeting with IBM in Bend, Oregon was set for March 5th. Buddy Welsh and Clay Fitch will attend along with members from the Board of Directors.