

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

July 13, 1984

The regular meeting of the Board of Directors of Wells Rural Electric Company was called to order on Friday, July 13, 1984 at 1:01 p.m. President Vernon Dalton presided over the meeting.

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

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

Corrections to the minutes: Under the REA Loan Package, it says John Krenka seconded the motion and he was not at the meeting. It should have been Joe Riordan. The minutes of the June 15, 1984 meeting will stand approved as corrected.

There were no additions to the agenda.

Lourinda Wines was at the meeting to give the Nominating Committee report. There were 10 nominations and the order they will appear on the ballot is: Vernon Dalton - Incumbent, Lois Nannini, Mary Wright - incumbent, John Krenka - Incumbent, Clifton Gardner, Kenneth Johns, Leslie Sharp, David Priest, Robert Priest and Ray Crawford - Incumbent. DARYL ERIKSEN MOVED WE APPROVE THE NOMINATING COMMITTEE REPORT. CLAUDIA WINES SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY :

Ruralite Magazine - Ken Dollinger: Ken was at the meeting to discuss ways in which we could use additional space in the Ruralite Magazine. He showed the board several issues of Ruralite and the way different utilities use the space.

Utah Rate Increase: Hopefully it will be ready for the August Meeting.

REA Loan Package: The Utah PSC has agreed to our short term line of credit with CFC for the \$3,000,000 but on the 5% line extension, the staff is kicking it around whether to make that loan contingent on us joining the REA conservation program. We need two resolutions signed for the 2% loan. We should be able to get everything mailed next week. VERNON SCOTT MOVED WE APPROVE THE RESOLUTION FOR THE ADDENDUM TO THE 1984-85 WORK PLAN. (Exhibit). WANDA BORDEN SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY. WANDA BORDEN MOVED WE APPROVE THE RESOLUTION REQUESTING 100% REA LOAN. LARRY BRADSHAW SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The next business to come before the meeting concerned the matter of the Wendover Project. It was noted that bids for the project had been opened on the 6th day of July, 1984, at the office of Power Engineers, Inc. at Hailey, Idaho, that seven qualified bidders had submitted bids, and that the low bidder by a substantial margin was Southwest Trinity Contractors, Inc. 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 Scott, seconded by Director Riordan and passed by a vote of 11 in favor and 0 againsts follows:

"RESOLVED: That subject to the approval of the Rural Electrification Administration, the bid of

Southwest Trinity Constructors, Inc., for the project erection and materials of the Wendover Project, including the Tecoma-Wendover 138 kV line, the Tecoma Switchstation and the modification of the West Wendover Substation being the same is hereby accepted;

BE IT FURTHER RESOLVED that the Contract documents for the Wendover Project, herebefore described, executed by Southwest Trinity Constructors, Inc. on July 9, 1984, wherein the total contract price is \$2,256,820.00, on July 9, 1984, 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 Wendover Project and to execute any and all documents relating thereto or appropriate or necessary in the performance thereof." The preconstruction conference is scheduled for August 13th. They will start construction on the 20th. Bob Vaughan has filed petitions, for condemnation on the right-of-ways. He is still getting some in.

Carlin Gold Contract: We are still working on the Construction and Maintenance Agreement with BPA.

Land Purchase and New Office - Wells: The rezoning went to the Planning Commission last Tuesday. It will go to the City Council in 2 weeks.

Power Supply: BPA is still sending us a lot of literature on firing up 1 and 3.

Policy Committee Report: They met in executive session after last months meeting. The ad for General Manager has been published and the deadline is August 10, 1984.

Mr. Khosrow B. Semnani: The PSC is going ahead with the hearing. He did put up his up-front money in total and we have ordered the transformer. He did attach a letter reserving the right to go ahead and pursue his complaint to the commission. It looks like the hearing will be August 6th.

Member-Consumer Committee: Four members of the committee came into the office Wednesday afternoon to request certain information. The request was for director expense sheets and information about costs of the proposed new building. Lee discussed this with our attorney and asked one of them to return a "request for information form." They never turned the form in.

Safety Report: The Safety Meeting for July will be held on July 12, 1984 by Roger Mowbray from the State Industrial Insurance (NIC) of Nevada. The main topic of interest will be back injuries and how to prevent back problems as back injuries are the leading cause of disabilities in the U.S. All vehicles and tools will be inspected for safety. There were no accidents, near misses, or hazardous conditions to be reported. As of this date 6/28/84, we have logged 1,847 accident free days with no lost time. The Mike Ensign case: public accident at Wendover, Utah has finally been settled out of court to everyone's satisfaction. The next Safety Meeting will be held the 3rd week of August. Date will be announced.

Construction Report: In Wells, construction was awarded and completed on Steve Wright's irrigation system in South Ruby Valley by Clairbourne Construction. Specific items did not pass inspection, requiring additional work to be accomplished soon. Wells crew continued with installing underground and street lights on main street. Wells crew installed new underground service to 4-Way Casino. They also transferred line 4 and line 8 feeders from the old substation to the new West Wells Substation. A major outage occurred 6/18/84 affecting Wells, Wendover and all services off the 69 line. Cause was a broken insulator on the OCR at the Idaho substation, disrupting service for 45 minutes. Most other outages for the month were caused by lightning. In Wendover, construction was

started on the Air Base rebuild by Lutes Construction. In Carlin, Lutes Construction finished the secondary on line #1 in the Scott's Market area. Lutes crew is in the process of converting the area around Owen's Market to 25 kV. The Carlin crew is continuing with the secondary changeover in the main area of town. Lutes did the primary. The Carlin crew has installed a new service for Joe Munios in the Ten Mile Creek area. The Carlin crew has finished the retirement of the old 25 kV line to the Box K.

Engineering Report: Engineering was started on David Neff's irrigation project with locations of section lines accomplished and right-of-way application for an overhead road crossing submitted to Nevada Dept. of Transportation. Engineering for underground service to George Yan's Chinatown has been completed. The 300 kV transformers needed for construction has been received, 150 kV transformer has not been received. Engineering for new underground service to 4-Way Casino has been completed. We are continuing with the 25 kV conversion of Wells and the street light high pressure sodium conversion. Engineering for line 2 has been completed. We were contacted by Elko County School District to supply power to the new school building at O'Neil Basin. Engineering was completed and estimated time for construction in August 1984. In Wendover, restaked some pole locations on Wendover Air Base that were missing for Lutes Construction. Held a meeting with Wendover Land Company about West Wendover Highlands. Would like to start laying conduit for utilities by August 1, 1984. Engineering completed on subdivisions. The materials were given to contractors for bidding purposes. We were also given approximate timetables by Wendover Land Company on the construction of the next phase of the Mobile Home Subdivision, 120 unit apartment building and the grocery market, all scheduled to start in October 1984. In Carlin, engineering has been completed for the Mock and Long line extension and the right-of-way application for an overhead road crossing has been submitted to Nevada Dept. of Transportation. Lutes Construction was awarded the contract. Construction to start soon. Materials on all rebuilt lines in Carlin have been written up, except for line behind Owen's Market, presently under construction. To date, we have a total of 121 construction work orders and 81 retirement work orders.

Operations Report: The new 4 WD digger truck for Wendover was delivered 6/27/84. Ruby Valley Refuge has approached us to check out the feasibility of interconnecting a 20 kw hydro on Cave Creek. We sent them a letter explaining our requirements for parallel operation with our system. We met with CP National and are working out the details for their proposed power line carrier phone system. This system works by putting a high frequency signal on our B phase conductor. The phone company then takes the signal off your line wherever they need it. This system will not impact the operation or reliability of our line. Westinghouse, the equipment manufacturer will present the system to our personnel at the August 20th safety meeting in Wells. CPN wants to install the system on our line #6 from the maintenance station to the refuge. Later this year they plan on installing additional equipment on line #5. We are currently studying a plan that would relieve our linemen from having to read meters. We can accomplish this by staggering our rural routes. Currently we read all seven rural routes at the same time in March, June, Sept. and Dec. Our plan now is to read one route in July, four routes in August and two routes in Sept. Then each of the routes will be read every three months based on the routes beginning month. This allows for five people to do the work that used to take eleven. Currently our line personnel is spending approximately 25% of their time in meter related duties. This greatly impacts their productivity when it comes to construction and maintenance of our lines. With the line crew not having to read meters we should be able to reduce our dependence on outside contractors when it comes to new line construction. We are also looking at forming a three man construction crew within our Wells crew. During the month of July, we expect to put the Oasis and Silverzone substations on the computer for engineering. If these 2 go on o.k. then we will put lines 4, 5 & 6 on since they are the most critically loaded on our system.

Outage Report: There was a total of 18 outages all of which were unscheduled, throughout our

service area for the month of June. These outages affected a total number of 3,471 consumers for a total of .85 cons. hours off. Most of these outages were weather related, caused mostly by lightning. We had one major outage caused by an insulator on the OCR bushing. This particular outage affected all of the Wells service area and all service off of the 69 line east of Wells and Wendover.

Hydro Report: This year is the year of the most water for many years. However, to bad we cannot use it to capacity. Due to lightning alone and bad recloser, the hydro was off 176 hrs. This is 120,000 kw the hydro is generating now. There were not many clouds but one of them would send down a bolt of lightning and trip off the hydro. It would trip off in the late evening and would not be discovered until the next morning. KWH output for this month is 150,000 which is way down for this month. At the present the hydro is running very good.

Member Services Report: Again. ..Dr. Dunning will be here from July 30th thru August 3rd for his fourth (in a 5 part) Human Relations Training program. The AWARE group will be meeting on Thursday, June 28th ... program will deal with Financing in the REA program and the current "self sufficiency ACT" (SB1300). Mr. Bob Bergland replied to us regarding speaking at the Annual Meeting next year. He won't be able to "confirm" until the first of 1985. The Nominating Committee will meet at 9:00 a.m. on the 11th to review and approve the nominations for the upcoming director election. Lourinda Wines, Chairperson of the Nominating Committee will present the nominations to the board. The Nevada Rural Electric Assn. Youth Energy Seminar is coming together quite well and is scheduled for August 6-10.

Employee & Director Institutes & Schools: Daryl reported on the school he attended.

New Memberships: DARYL ERIKSEN MOVED WE APPROVE THE 4 MEMBERSHIPS FROM WELLS, 13 FROM WENDOVER, UTAH, 2 FROM WENDOVER, NEVADA AND 6 FROM CARLIN. JOHN KRENKA SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Manager's Report: Clay just received a call from Jim Copenhaver. The hearing before the Utah PSC will be July 31st at 2:00 p.m. on Semnani.

The Mike Ensign case has been settled. It will cost about \$9,500 which should be paid by the insurance company.

Pat Nolz sent us a letter of resignation. She is going on long term disability. Buddy Welsh is the new Office Manager.

Chuck Knight was at last months meeting regarding the demand charge on the schools for the summer. The one he had a big concern on was a billing error. The board does not want to make a policy for seasonal summer demands. It was suggested he disconnect the meters during the summer.

Vernon suggested the directors come to the August meeting with ideas on other services we can provide to our consumers.

It was also suggested that we set up a candidates night for the board of director nominations the week before the ballots go out. This will be held in all 3 areas.

The meeting adjourned at 4:00 p.m.

D. VERNON DALTON, PRESIDENT

WANDA BORDEN, SECRETARY