

REGULAR MEETING OF BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held in the company office in the City of Wells, State of Nevada, at 7:42 o'clock P.M. on the 16th day of April 1965.

The meeting was called to order by ROBERT R. WRIGHT, President, who presided and Clarence C. Swett, Secretary, who acted as secretary of the meeting.

Upon calling the roll the Secretary reported the following directors present: C. C. READ, ARTHUR GROCK, ROGER SMITH, CLARENCE SWETT, THOMAS ACHURRA, VERNON DALTON, OLIVER SHARP AND ROBERT R. WRIGHT. Also present were Mr. D. E. Neustel of NRECA, Bud Silver of Interstate Electric Company and Manager George Blackett.

Absent were James L. Ballard, Matt Smith and Blaine Sharp.

The minutes of the last meeting were approved after correcting the statement that the Utah bill giving territorial protection was passed with the "Grandfather Clause" in regard to present service area instead of debt equity ratio.

Mr. Neustel and Mr. Bud Silver were welcomed to the meeting by President Wright.

Proposals for the construction of the line east of Wendover were opened. The amounts were as follows:

Interstate Electric Company	\$101,117.71	
Bonneville Construction Company	92,729.89	
Belgrade Enterprises	84,866.02	less 2,321.21 Plus \$5.00 for each hole under water.
Power Line Construction Company	81,873.06	subject to adjustment on inspection.

Mr. Silver briefly outlined some of the development of his company and some of the work that they had done.

Mr. Neustel was introduced by President Wright, and to bring his topic upon the agenda a motion was made by Oliver Sharp that he be heard, seconded by Tom Achurra; Motion carried.

Mr. Neustel gave a brief outline of NRECA, then outlined the NRECA Retirement and Security program, as to benefits and costs. He stated that the amount that an employee could expect from it is determined by the length of time he is under the program and his salary. Cost after the 5 year temporary period is 3% of his salary and the company contributes 7½% of the salary.

Manager Blackett stated that it appeared that a majority of the employees favored it.

Mr. Neustel said that the retirement program can be started the first of any month and that the program had to be started 91 days after being approved by board resolution.

President Wright moved that the following motion be passed, seconded by Clarence Swett and passed unanimously.

BE IT RESOLVED, that this corporation hereby adopts the NRECA retirement and Security Program for its employees to be effective as to this corporation as of 1/1/65, without Retroactive Participation to January 1, 1948, a copy of which Program has been presented to this meeting, and that this corporation pursuant to said Program, becomes a party to the trust agreement with BANKERS TRUST COMPANY, New York City, New York, dated January 1, 1948, and the Group Insurance contract with John Hancock Mutual Life Insurance Company, Boston, Massachusetts; and

BE IT FURTHER RESOLVED, That the secretary of this Corporation is hereby instructed to send three certified copies of this resolution to the NRECA Retirement and Security Committee, 2000 Florida Avenue, N. W. Washington 9, D.C.

Mr. Wright read the names of eight new members from Wells and twenty-one from Wendover. Oliver Sharp moved that the memberships be approved. Seconded by Thomas Achurra. Passed.

A question was asked by a director why the increased memberships from Wendover. It was answered that Mr. Fred Toombs had been contacting people personally for memberships.

President Wright announced that Mr. Huber will be present at the next Board meeting to discuss the audit as the full board could not be present at this one.

Discussion on the Construction bids came up. Tabulation of the bids was questioned and Manager Blackett said that Mr. Murphy had checked Belgrade Enterprises figures. It was also asked if the load would justify the construction costs without aid to construction and if we had definite figures on the number of pumps that Kaiser Aluminum would add. Manager Blackett stated that he had figured the costs and income and that the line could be built without aid to construction and that there would be a meeting with Kaiser Aluminum in Elko on Wednesday April 21 to work out the contract.

Mr. Read noted that Belgrade's bid is around \$82,000.00 and possibly another \$1,000.00. for holes under water and asked if their bid should be approved and if construction was to be paid for from general funds. He also asked about the cost of the Spruce Mountain Line and if it looked like it would be built this year. Manager Blackett stated that Belgrade had quoted it at \$28,000.00 to \$30,000.00 and it appeared that it would be built this year.

Mr. Read moved that we ask for a firm bid from Belgrade Enterprises and instruct the Manager to follow through on bond and keep our protection in mind. Seconded by Vernon Dalton. Passed.

Manager Blackett reported that the yardlight program would cost the company approximately \$2.97 per month for 175 watt lights and \$4.55 for 400 watt lights. This was provided special service trips were not made for each light reported out.

Roger Smith moved that the Company set a policy of installing yard lights on the following basis: 400 watt at \$5.00 per month and 175 watt at \$3.50 per month. It was added that the yardlight program should be reviewed after one years operation. Seconded by Thomas Achurra. Motion passed.

Seasonal rate schedule change was reported on by Manager Blackett and copies of the proposed rate was given to all directors and is to be acted on at the next meeting.

Outages in Starr Valley was reported on and it was stated that insulators had broken down. Also a pole in Starr Valley hit by lightning, set on fire allowing a transformer and the wires to fall to the ground.

Setting a policy on margins will be held up until a reply is received from REA.

A letter from the Nevada Department of Economic Development in reply to a question about the possibility of generating power on the upstream storage dams stated that there would not be water available for power generation.

In reply to a letter from the Wells Chamber of Commerce concerning dues and donations, Clarence Swett moved that we give the \$155.00 set up by the Chamber, with the understanding that no further donations will be asked for except the Freight Rate Program. Seconded by Oliver Sharp. Passed.

Question of power for the Little League Ball park came up. Manager Blackett said that this would be taken care of in cooperation with the City.

Question of employees retirement age. General opinion that no definite retirement age would be set. It would depend on the employee in question.

No reply has been received from REA concerning the aid to construction refund from Idaho Power Company.

A letter from Attorney Vaughan, with the joint pole agreement with California Pacific Utilities, was read. This was basically the same agreement approved in 1963. C. C. Read moved that the agreement be approved and signed. Seconded by Arthur Crook. Motion passed.

A letter from John Myhre was read regarding the Institute to be held in Elko June 7 & 8. Also the management audit to be made. Mr. Myhre said he was sorry but he would be unable to conduct these himself, but would have two very well qualified men do it. Institute VIII-B will be held in Elko.

The chairman explained that the full principal amount of a certain note issued by the Corporation to the United States of America to evidence a loan made to the Corporation by the United States of America had not yet been advanced to the Corporation, and that it was desirable to provide a schedule for the repayment of amounts not yet advanced to the Corporation by the Government.

The chairman called attention to the fact that the period of deferment of repayments of principal in said note had expired or was about to expire, and that the repayment schedule contained in such note is based upon the amount owing by the Corporation on account of such note at the expiration of said period of deferment.

The chairman further stated that in order to provide the repayment schedule with respect to amounts to be advanced to the Corporation in the future on account of the note, it would be desirable for the Corporation to enter into an agreement with United States of America which would provide for such repayment. The chairman then presented the form of a proposed agreement and stated that the form of the proposed agreement had been approved by counsel for the Corporation. The Secretary then read to the meeting the form of the proposed agreement. The proposed agreement was then fully discussed and, on motion duly made by C. C. Read and seconded by Roger Smith the following resolution was unanimously adopted:

RESOLVED that the president is hereby authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the Secretary is directed to affix and attest, as many counterparts as shall be deemed advisable of an agreement (hereinafter called the "Agreement") by and between the Corporation and United States of America, acting through the Administrator of Rural Electrification Administration, substantially in the form of the Agreement submitted to this meeting, with such insertions, changes and variations in the form of the Agreement as the president of the Corporation shall in his discretion deem necessary or expedient.

The secretary was then directed to identify the form of the agreement as having been acted upon at this meeting and to annex ~~form~~ to the minutes of this meeting.

A letter was received from a Texas cooperative regarding donations for investigation of pumping water. No action taken.

A letter was read from Attorney Vaughan giving the possible handling of the amortization charges for the Jiggs-Lee and Marys River O'Neil areas. C. C. Read moved that these amortization charges be prorated over a ten year period so that new consumers in the area would pay their prorata share of one years amortization charge and that at the end of ten years all amortization charges would be off. Seconded by Clarence Swett. Motion passed.

Payment of capital credits of deceased members can be paid as set up in by-laws. Tabled until next meeting.

It was called to the attention of the board that the Utah Cooperative Association had been successful in sponsoring and having passed an amendment to the Utah public utilities act that provides for cooperatives to be under the jurisdiction of the act and have certain "grandfather rights" to a certificated area. Oliver Sharp made the following motion:

RESOLVED: That the corporation make application to the Public Service Commission of the State of Utah for a Certificate of Public Convenience and Necessity to serve the customers and area presently served in the State of Utah by the corporation, together with application for such additional area as appears proper; and that the officers of the corporation together with the manager and the attorney be, and they are hereby authorized to proceed with said applications, petitions and other documents necessary, and to do all acts necessary and proper to accomplish the acquisition of said certificate and certificated area. Seconded by Tom Achurra. Motion passed.

Manager Blackett stated that a letter had been received from the Public Service Commission of Nevada regarding a complaint they had received from Jose Bajonita that his power bill was too high. Manager Blackett said that he had written the commission explaining that he was on the commercial rate and why he was.

Discussion was held on the proposed Youth Camp for Ruby Valley. It was pointed out that the cost of furnishing the power they requested would be very high and that there was a good possibility that the camp would not be put in. No action was taken.

No new information has been received on Gerbers Boys Ranch.

Nothing new has been heard on the request for three phase power at the Johnson Ranch. Mr. West was notified that the cost would be approximately \$30,000.00.

Construction is to start on the line move, north of Deeth, for the Highway Department, this coming Monday.

President Wright noted that the next meeting would be May 14th due to several members being unable to be here for the regular meeting night.

President Wright said that he had been in contact with the Northwestern Public Power Association regarding what could be done to obtain BPA power in this area. He had been advised that there was nothing we could do at this time but he will keep in contact with them.

President Wright announced that Senator Bible has agreed to be the speaker at our annual meeting in October 1965.

The building committee announced that they had not contacted an architect as yet as they were looking into the possibility of buying Mrs. Disney's lots first. Clarence Swett said he had asked Mrs. Disney what she wanted for the property and she named a price of \$8,000.00 for the 2½ lots and buildings.

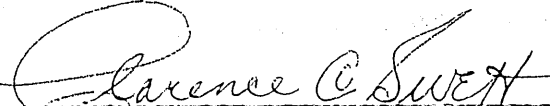
Manager Blackett stated that we were proceeding with the line moves made necessary by the freeway construction. The Section east of Moor was half completed and we are now waiting for Bell Telephone before we can continue with this work. We hope to have the construction north of Deeth completed before May 15th.

C. C. Read made a motion that the building committee hire an appraiser to appraise the Disney property. Seconded by Oliver Sharp. Motion passed.

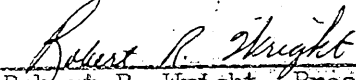
Vernon Dalton moved that we give \$25.00 to the Chamber of Commerce for the Freight Rate survey. Seconded by Clarence Swett. Passed.

C. C. Read moved they Board's secretary be paid \$15.00 per meeting for taking and typing the minutes and that this is to be adjusted at a later date if the need arises. Seconded by Tom Achurra. Motion carried.

Adjourned at 11:09 P.M.


Clarence C. Swett, Secretary.

Approved:


Robert R. Wright, President.

WELLS RURAL ELECTRIC COMPANY
WELLS, NEVADA

MEMBERSHIPS TO BE APPROVED APRIL 16, 1965

WELLS

George L. Eldridge
Rev. Alban T. Fry
Jerry Gauthier
L. W. Haines
Ruth M. Plotke
Earl Supp
Russell Tripp
William H. Welsh

WENDOVER

William Bake
Vincent J. Bates
Helen Crain
Ray Crawford
John W. Flournay
John Huston
E. T. Lavelle
Hugh K. Neilson
Preston A. Nuffer
James Pettigrew
Pyramid Oil Co.
Vernon Seidlitz
Vaun A. Shelton
Wayne R. Shields
Stanley W. Sutton
Tooele Board of Education, Wendover Schools
L. B. Waters
Wendover American Service
Wendover, Town of
Twain D. West
Western Service Station, Inc.

830

Active 535
Inactive 295

WAIVER OF NOTICE

We, the directors of WELLS RURAL ELECTRIC COMPANY (hereinafter called the "Corporation") waive all notice of the time, place and purpose of a regular meeting of the Board of Directors and fix the company office in the City of Wells, State of Nevada, as the place, and the 16th day of April, 1965, at 7:30 o'clock, P.M., as the time for the holding of such meeting for the purpose of acting upon:

1. The authorization of the execution of an agreement with the United States of America (hereinafter called the "Government") acting through the Administrator of the Rural Electrification Administration, adjusting, with respect to a certain note dated April 6, 1962, issued by the Corporation to the Government, the repayment schedule with respect to amounts which may hereafter be advanced to the Corporation by the Government.
2. All other matters that may come regularly before the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands this

16th day of April, 1965.

Robert R. Wright
Robert R. Wright

Oliver Sharp
Oliver Sharp

C. C. Read
C. C. Read

Thomas S. Achurra
Thomas S. Achurra

Roger Smith
Roger Smith

James D. Ballard
James Ballard

Arthur Grock Vernon Dalton
Arthur Grock Vernon Dalton

Clarence Swett
Clarence Swett

Arthur E. Grock
~~Vernon Dalton~~ ~~ARTHUR GROCK~~

Matt Smith
Matt Smith

Blaine Sharp
Blaine Sharp

Being all the Directors of WELLS RURAL ELECTRIC COMPANY without exception.

9-1237

Basis Date Agreement (Rev. 10/57)

Form C-2

Form T-7a

REA Project Designation:

NEVADA 15A WELLS

AGREEMENT

between

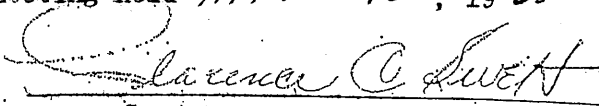
UNITED STATES OF AMERICA

and

WELLS RURAL ELECTRIC COMPANY

Dated as of May 11, 1965

Identified as form of document presented to and approved
by the board of directors trustees of the above named
corporation at a meeting held APRIL 16, 1965


Secretary of Meeting

DEPARTMENT OF AGRICULTURE

RURAL ELECTRIFICATION ADMINISTRATION

No. A

AGREEMENT, made as of May 11, 1965 - - - - - , pursuant to the Rural Electrification Act of 1936, as amended (7 U. S. C. 901 et seq.), between UNITED STATES OF AMERICA (hereinafter called the "Government"), acting through the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator"), and WELLS RURAL ELECTRIC COMPANY - - - - - (hereinafter called the "Corporation"), a corporation existing under the laws of the State of Nevada.

WHEREAS, the Corporation, to evidence a loan made by the Government to the Corporation pursuant to a loan contract (hereinafter called the "Loan Contract") between the Government and the Corporation, executed and delivered the following-described mortgage note or bond payable to the order of the Government:

<u>DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>FINAL MATURITY DATE</u>
May 9, 1959	\$1,654,000.00	May 9, 1994

and

WHEREAS, the terms of payment of the said note or bond may have been extended by an agreement or agreements entered into by and between the Corporation and the Government and other parties (the above-mentioned mortgage note or bond, as heretofore extended by any such agreement or agreements being hereinafter called the "Note"); and

WHEREAS, a portion of the principal amount of the Note has not been advanced to the Corporation as of the date of this Agreement (such portion of the principal amount of the Note not advanced to the Corporation prior to the date of this Agreement being hereinafter called the "Principal Balance"); and

WHEREAS, it is desired that the Principal Balance, when advanced to the Corporation, shall be repayable, with interest thereon, in installments as hereinafter provided, within thirty-five (35) years from the date of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual agreements herein contained, the Government and the Corporation agree as follows:

SECTION 1. Interest on the Principal Balance advanced pursuant to the Loan Contract and remaining unpaid shall be payable quarterly in each year for a period ending on a date three (3) years after the date of this Agreement. Thereafter, to and including a date thirty-five (35) years after the date of this Agreement, the Corporation shall make quarterly payments in each year at the rate of \$10.60 per \$1,000 of the Principal Balance advanced pursuant to the Loan Contract and unpaid three (3) years after the date of this Agreement. Each such payment shall be applied first to the payment of interest on the Principal Balance and then on account of the Principal Balance. Thirty-five (35) years after the date of this Agreement, the Principal Balance advanced pursuant to the Loan Contract remaining unpaid, if any, and interest thereon, shall become due and payable.

SECTION 2. This Agreement shall not be effective unless and until the Corporation has obtained all authorizations required by law in order to permit the Corporation validly and lawfully to execute this Agreement.

SECTION 3. All of the terms and conditions of the Note, of any mortgage, deed of trust or other instrument securing the Note, and of any other agreement to which the Government and the Corporation are parties, shall stand and remain unchanged and in full force and effect except only as specifically varied or amended by this Agreement.

SECTION 4. The invalidity of any one or more phrases, clauses, sentences,

paragraphs, or provisions of this Agreement shall not affect any remaining portions thereof.

SECTION 5. This Agreement may be simultaneously executed and delivered in two or more counterparts, each of which so executed and delivered shall be deemed to be an original, and all shall constitute but one and the same instrument.

IN WITNESS WHEREOF the Government has caused this Agreement to be duly executed and the Corporation has caused this Agreement to be signed in its corporate name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, all as of the day and year first above written.

UNITED STATES OF AMERICA

by

Administrator
of
Rural Electrification Administration

Executed by the Government in the presence of;

_____ Witnesses

WELLS RURAL ELECTRIC COMPANY

by

President

(Seal)

Attest:

Secretary

Executed by the Corporation in the presence of;

_____ Witnesses