

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

April 29, 1975

The meeting was called to order by President, James Ballard in the Wells office of the Wells Rural Electric Company.

Those present were: Art Grock, Gene Pengelly, Ray Crawford, John Krenka, Bob Wright, Jess Urresti, Vernon Dalton, Clarence Swett and James Ballard. Also present were Dean Jensen, Architect; Bob Vaughn, Attorney; and Don Snyder, Manager. Tom Achurra and Bill Gibbs were absent.

Bids for the new service building were opened at 2:00 PM on April 29, 1975.

1. Ormaza	\$186,812.00
2. Lesbo	\$196,425.00
3. Knapp	\$217,800.00

Ormaza was the lowest bidder at \$186,812.00 and was granted the bid. Wells Rural Electric Company's estimate was \$35,000.00 under Ormazas bid. It was decided to try to trim some unnecessary items from the building to reduce the cost. Dean Jensen, Architect was to meet with Mr. Ormaza and bring the information back to the Board of Directors at a later date.

A discussion was held about changing the date of the May Board Meeting from the 16th to the 9th. It was agreed upon to change it to the 9th.

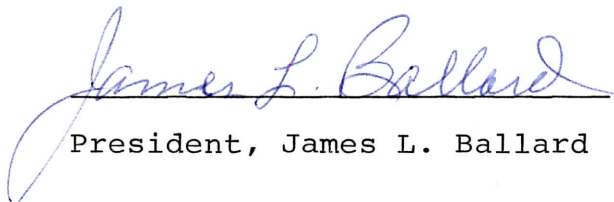
Robert Vaughn explained the W.P.P.S. 4&5 Nuclear Plants. After a thorough discussion Vernon Dalton moved not to subscribe in the Nuclear Plants. Bob Wright seconded and the motion passed.

Ellie Rutherford gave a presentation on her REA Accounting and CFC Finance institute in Spokane.

The meeting was adjourned at 4:50 PM.



Secretary, Clarence C. Swett



President, James L. Ballard

WAIVER OF NOTICE
OF
REGULAR DIRECTORS MEETING
OF
WELLS RURAL ELECTRIC COMPANY

We, the directors of WELLS RURAL ELECTRIC COMPANY, (hereinafter called the "Cooperative"), waive all notice of the time, place and purpose of a regular meeting of the Board of Directors and fix the Wells Rural Electric Company Offices in the City of Wells, State of Nevada, as the place, and the 29th day of April, 1975, at Two O'clock PM as the time for the holding of such meeting for the purpose of action upon:

1. The consideration of bids and proposals for the construction of certain buildings and facilities;
2. The authorization of the execution and delivery of an agreement with the Washington Public Power Supply System relating to its Nuclear Projects Nos. 4 and 5 and Skagit Project, the same being an Agreement for Option to Enter Participants' Agreement, Reservation of Project Capability and Performance of Services; and
3. Such other business as may come before the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands this 29th day of April, 1975.

James L. Ballard
JAMES L. BALLARD

Jess Urresti
JESS URRESTI

Clarence C. Swett
CLARENCE C. SWETT

Ray Crawford
RAY CRAWFORD

John Krenka
JOHN KRENKA

Robert Wright
ROBERT WRIGHT

Eugene H. Pengelly
EUGENE H. PENGELLY

D. Vernon Dalton
D. VERNON DALTON

Thomas Achurra
THOMAS ACHURRA

William B. Gibbs
WILLIAM GIBBS

Arthur E. Grock
ARTHUR GROCK

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

EXCERPT FROM MINUTES

The President announced that the next business to come before the meeting was the consideration of the AGREEMENT FOR OPTION TO ENTER PARTICIPANTS' AGREEMENT, RESERVATION OF PROJECT CAPABILITY AND PERFORMANCE OF SERVICES, relating to the WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECTS NOS. 4 AND 5 AND SKAGIT PROJECT (OPTION AND SERVICES AGREEMENT). The Option and Services Agreement and the terms thereof were clearly discussed. Counsel for the Cooperative outlined the terms of the Option and Services Agreement. After further discussion and consideration, Resolution No. 4-75-1 was proposed. On motion made by Director DACTON and seconded by Director PENGELLY that such resolution be adopted, the motion was passed by a vote of 9 for the motion and 0 against the motion, Resolution 4-75-1 being as follows, to-wit:

RESOLUTION NO. 4-75-1

A RESOLUTION authorizing the execution and delivery of Option and Services Agreement with Washington Public Power Supply System relating, among other things, to Washington Public Power Supply System Nuclear Projects Nos. 4 and 5 and the Skagit Project

WELLS RURAL ELECTRIC COMPANY, a non-stock, non-profit cooperative corporation organized under the laws of the State of Nevada, (hereinafter called the "Cooperative"), is authorized by law to enter into contracts for purchase of electric power and energy to meet the prospective power and energy needs of the Cooperative and its electric customers.

The United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator (hereinafter called "Bonneville") and the electric cooperatives, utilities and other Pacific Northwest entities organized as the Joint Power Planning Council have developed the Hydro Thermal Power Program in order to facilitate the coordination of existing and future thermal and hydro

electric resources in the Pacific Northwest. Pursuant to Phase 2 of the Hydro Thermal Power Program (the "Program") statutory preference customers of Bonneville will acquire generating capability from non-federal generating projects to meet the power requirements of such customers. Bonneville has indicated that, subject to any limitations imposed by law, it will furnish transmission, scheduling, load factoring, reserves, exchanges and other services available from the Federal Columbia River Power System to enable such customers to integrate their share of such generating capability with power and energy available to them from their electric systems, from Bonneville and other sources.

As a part of said Program and at the request of the Public Power Council, the Washington Public Power Supply System (hereinafter called the "System") has performed preliminary work with respect to the investigation, planning, financing and construction of two nuclear electric generating facilities, one to be known as Washington Public Power Supply System Nuclear Project No. 4 for construction in conjunction with Washington Public Power Supply System Nuclear Project No. 1, and the other to be known as Washington Public Power Supply System Nuclear Project No. 5 for construction in conjunction with Washington Public Power Supply System Nuclear Project No. 3. In accordance with the Program and at the request of the Public Power Council the Supply System has also undertaken the investigation of participation in the Puget Sound Power & Light Company's Skagit Project and studies and investigations to identify feasible power plant sites, preferably in Western Washington or Oregon, in order to prepare for the construc-

tion of additional power generating facilities.

In order to further the development of the Projects in accordance with the Program, the Cooperative proposes to execute with the System an agreement designated "Washington Public Power Supply System Nuclear Projects Nos. 4 and 5 and Skagit Project Option and Services Agreement" in the form and content as set forth in the draft thereof on file with the Cooperative, dated March 21, 1975, under which the System grants to the Cooperative (called the "Option Participant" in said agreement) an option to enter the Participants' Agreement, a draft of which is attached to the Option and Services Agreement as Exhibit A, reserves for the Cooperative a specified share of the capability of said Projects and agrees to perform certain services, including, among other things, the arrangement of the ownership, financing, acquisition and construction of said Projects.

The Cooperative, the other statutory customers of Bonneville, and other entities in the Pacific Northwest are negotiating several agreements relating to the Program; and the Board finds that executing the Option and Services Agreement will enable the Cooperative to continue such negotiations in an orderly manner.

In accordance with the Option and Services Agreement, the System proposes to adopt a "Development Bond Resolution" at a later date which resolution provides, among other things, for the issuance of bonds in series or otherwise and is entitled:

A RESOLUTION PROVIDING A PLAN AND SYSTEM FOR THE ACQUISITION AND CONSTRUCTION BY WASHINGTON PUBLIC POWER SUPPLY SYSTEM OF TWO NUCLEAR GENERATING PLANTS TO BE KNOWN AS WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECT NO. 4 and NUCLEAR PROJECT NO. 5;

AND PROVIDING FOR THE ISSUANCE OF ONE HUNDRED MILLION DOLLARS (\$100,000,000) PRINCIPAL AMOUNT OF REVENUE BONDS TO PROVIDE FUNDS TO PAY A PART OF THE COST OF SUCH ACQUISITION AND CONSTRUCTION AND FOR OTHER CORPORATE PURPOSES OF WASHINGTON PUBLIC POWER SUPPLY SYSTEM

A draft of such resolution dated March 26, 1975, is on file with the Cooperative. The System expects to adopt the Development Bond Resolution in June, 1975, which resolution will be substantially in the form of said draft of such resolution and consistent with the Option and Services Agreement.

The Option and Services Agreement entitles the Cooperative ultimately to enter into the Participants' Agreement. The Cooperative recognizes that substantial revisions may be made to Sections 15 and 16 relating the Participants' Committees and Project Consultant, respectively. The System proposes to adopt a "Bond Resolution" Agreement, which resolution will provide, among other things, for the issuance of the Bonds (as defined in the Participants' Agreement) in series. A draft of the first Bond Resolution will be submitted to the Cooperative prior to its entering into a Participants' Agreement. A summary of the first Bond Resolution, dated March 21, 1975, is on file with the Cooperative.

The Board has reviewed the Option and Services Agreement, the Participants' Agreement and the Resolution and summary above referred to and has considered the alternative means of obtaining power and energy and the environmental, technical and economic factors and studies relevant to this Resolution and now finds that entering into the Option and Services Agreement with the System is

in the best interests of the Cooperative, that performance of the Option and Services Agreement, among other things, is necessary and advisable in order for the Cooperative to meet its prospective needs for power and energy in a timely, environmentally and economically sound manner to assist in serving the prospective power and energy needs of its customers in the future.

THEREFORE, IT IS RESOLVED:

The President or Vice President and Secretary of the Cooperative are hereby authorized and directed, on behalf of the Cooperative, to execute with the Washington Public Power Supply System the Option and Services Agreement above referred to, substantially as set out in the draft thereof on file with the Cooperative, dated March 21, 1975, and to deliver copies thereof to the System.