

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

April 5, 1977

A special meeting of the Board of Directors of Wells Rural Electric Company was called to order at 1:00 p.m. on April 5, 1977, in the Board Room with President James Ballard presiding. President Ballard stated that the reason for this special meeting is to decide if Wells Rural Electric Company wants to add Carlin to our system.

Directors present were: Art Grock, Tom Achurra, Bill Gibbs, John Krenka, Gene Pengelly, Vernon Dalton, Clarence Swett, Jim Ballard, and Ray Crawford. Bob Wright and Glenn Wadsworth were unable to attend. John Mohlman, Bobbi Samuels, Clarence Lee, and Robert Vaughan were also present.

John Mohlman and Pat Nolz went to Carlin and talked to the people about selling their system to us. Nevada Power has offered to sell Carlin wholesale power, but Carlin does not want to get power from them. John has talked to both REA and BPA about us adding Carlin and they see no problem with it. BPA wants to do the negotiating with Nevada Power for the wheeling contracts. Since Carlin is under 1500 people, and diesel power is not considered central station power, Darrel Pierce feels we should be able to get REA money at 5% to put our system in. Bob Vaughan said to make sure we get a signed membership application from every consumer in Carlin before we turn the power on there. The board discussed adding Carlin and the necessary things that would have to be done to bring them on our system. We would have to have (1) REA Approval, (2) BPA approval and wheeling agreements, (3) contracts agreeable to both parties, (4) approval of Carlin residents to sell their system to us, (5) the area included in our certificated area, (6) right-of-way contracts. The question was then brought up about Pine Valley. If we add Carlin, what does that mean to Pine Valley. Most directors felt that by adding Carlin it would be a step in the right direction of adding Pine Valley eventually. Nevada Power and Sierra Pacific have stated that they would not go into Pine Valley, and if we do not take on Carlin there would be no way for us to go into Pine Valley at some later date. After much discussion on the matter, JOHN KRENKA MOVED THAT WE ADD CARLIN TO OUR SYSTEM. GENE PENGELLY SECONDED THE MOTION. THIS MOTION WOULD BE CONTINGENT UPON GETTING THE AREA CERTIFICATED BY THE NEVADA PUBLIC SERVICE COMMISSION AND GETTING A WHEELING AGREEMENT WITH NEVADA POWER WITH THE ULTIMATE GOAL IN MIND OF ADDING PINE VALLEY EVENTUALLY. VERNON DALTON AMENDED THE MOTION TO STATE THAT THERE MUST BE A CONTRACT AGREEABLE TO BOTH PARTIES. GENE PENGELLY SECONDED THE AMENDMENT. THE AMENDMENT PASSED BY A VOTE OF 7 TO 1, TOM ACHURRA OPPOSED THE AMENDMENT. THE MOTION PASSED BY A VOTE OF 7 TO 1, TOM ACHURRA OPPOSED THE MOTION.

Vernon Dalton felt that the board would support Sierra Pacific in the building of the Valmy Plant. The board agreed with this.

Seasonal Customers: John would like to eliminate Schedule A-S (Seasonal-Residential Service) and change these accounts to Schedule A (Farm and Rural Residential Service). On Schedule A-S each account is charged a \$54.00 seasonal minimum and on Schedule A they would be charged a \$4.50 monthly

minimum, which would equal the same amount for the year. VERNON DALTON MOVED THAT WE TAKE THE SEASONAL AND STOCK WATER CUSTOMERS AND TRANSFER THOSE ACCOUNTS TO SCHEDULE A. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED BY A VOTE OF 7 TO 0. This will affect about 150 accounts.

Girl's State: Jody Sestanovich has asked us to sponsor her to go to Girl's State in June. This would amount to \$60.00. GENE PENGELLY MOVED THAT WE SPONSOR JODY SESTANOVICH. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

Alfred Grossman has been hired to fill the vacancy in Wendover. He started work on April 4, 1977.

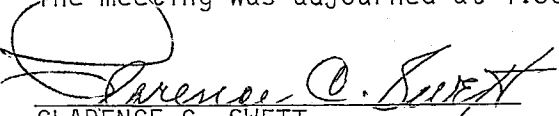
Settlement with Idaho Power: The decision was made in our favor in the amount of \$132,000. The judge has given the attorneys 20 days to file briefs whether they think this amount is fair. Idaho Power will probably appeal the decision.

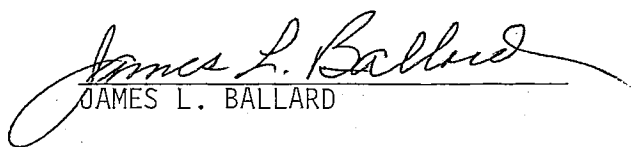
Interest Rates on Deposits: We are now paying 7.86% interest on deposits and if we lowered the rate to a passbook savings rate we would save about 1,000.00 per year. John will have more information at the regular board meeting. He will check with the Utah Public Service Commission to see if they have specific requirements for interest on deposits.

Rate Increase: John wanted to know if the bills we send out on May 1 should have the rate increase included or should we say as of May 1 the energy consumed will be charged at the new rate and will be reflected on the June 1 billing. The board felt that the June 1 billing should reflect the rate increase. Clarence Lee gave the board a report on what amount of increase he feels we should ask the Utah Public Service Commission for. He feels we should ask for .006 mills which would affect all rate schedule and all blocks. VERNON DALTON MOVED THAT WE APPLY FOR A 6 MILL INCREASE WITH THE UTAH PUBLIC SERVICE COMMISSION AND THAT THE BOARD SET AS THEIR GOAL OF PAYING CAPITAL CREDITS ON A 7 YEAR ROTATION BASIS SO THAT NO CAPITAL CREDITS GET ANY OLDER THAN 7 YEARS. CLARENCE SWETT SECONDED THE MOTION AND IT CARRIED UNANIMOUSLY.

The Public Power Council has sent down the first draft of contracts for the Regional Power Planning. We will have Bob Vaughan look over these.

The meeting was adjourned at 4:30 p.m.

  
CLARENCE C. SWETT

  
JAMES L. BALLARD

WAIVER OF NOTICE  
OF  
SPECIAL 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 special meeting of the Board of Directors to be held at the Wells Rural Electric Company Offices in the City of Wells, State of Nevada, the 5th day of April, 1977, at 1:00 p.m.

IN WITNESS WHEREOF, we have hereunto set our hands this 5th day of April, 1977.

James L. Ballard  
JAMES L. BALLARD

Glenn D. Wadsworth  
GLENN WADSWORTH

Clarence C. Swett  
CLARENCE C. SWETT

Ray Crawford  
RAY CRAWFORD

John W. Krenka  
JOHN W. KRENKA

Robert R. Wright  
ROBERT R. WRIGHT

Eugene H. Pengelly  
EUGENE H. PENGELLY

D. Vernon Dalton  
D. VERNON DALTON

Thomas Achurra  
THOMAS ACHURRA

William B. Gibbs  
WILLIAM B. GIBBS

Arthur E. Grock  
ARTHUR E. GROCK

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

RESOLUTION  
OF THE BOARD OF DIRECTORS  
OF

WELLS RURAL ELECTRIC COMPANY  
Passed on April 5th, 1977

Board Resolution - Authorizing Rate Increase

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does authorize Manager, John Mohlman, to implement a 6 mill per KWH rate increase for all classes and rate blocks of Nevada members.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 5th day of April, 1977, at which meeting a quorum was present.

Clarence Swett      6/17/77  
Clarence Swett, Secretary      Date

