

WELLS RURAL ELECTRIC COMPANY

Regular Meeting of the Board of Directors

A regular meeting of the Board of Directors of WELLS RURAL ELECTRIC COMPANY was held at the company office in Wells, State of Nevada, at 7:30 o'clock P.M. on the 15th day of December, 1961.

The meeting was called to order by ROBERT R. WRIGHT, President, who presided, and JOHN W. MOSCHETTI, secretary, acted as secretary of the meeting.

Upon calling the roll, the secretary reported that the following directors were present: ROBERT WRIGHT, VERNE DALTON, JAMES BALLARD, CHARLES READ, HERBERT UHLIG, CLARENCE SWETT, EYER BOIES, ROGER SMITH, BLAINE SHARP, ARTHUR GROCK and JOHN MOSCHETTI, being all of the said Directors. Also present were Attorney ROBERT O. VAUGHAN and Manager GEORGE BLACKETT.

The minutes of the last meeting were read by the Secretary and approved.

The financial report was given by the Manager and approved.

Following discussion motion was made by CHARLES READ , seconded by CLARENCE SWETT and unanimously adopted:

RESOLVED: That the capital credit program by-law amendment be approved, and Article VIII of said by-laws as prepared by our Attorney be affixed to these minutes.

President Wright gave a report on the present status of our B Loan Application, the Wendover Power & Light acquisition, REA Engineer Dangerfield's thoughts on proposed bid openings, applications needed for certificate to do business in Utah, and the problems of the Jiggs-Lee area. Attorney Vaughan gave us the needs from a legal standpoint required by REA to meet their requirements. Since all of the problems were related the meeting was open to general discussion of a lengthy nature, followed by the following actions and resolutions:

RESOLVED: That the proposed purchase price of Wendover Power and Light is to be \$170,000.00 (One Hundred and Seventy Thousand Dollars). The Seller is responsible for the repayment of refundable contributions and for buyer's protection in that regard, Buyer may deduct from the purchase price at the time of closing, the total amount of the Wendover Motel refundable contribution and \$5,000.00 of the Mountain States refundable contribution, and further that depreciation will begin March 1, 1962; and no further additions to facilities will be made without our approval.

RESOLVED: That the bid opening on Sections 1 and 2 of the B Loan Application scheduled for December 19, 1961 at the El Rancho Hotel be postponed indefinitely.

RESOLVED: That the board takes the stand that a line through the Harrison Pass route to the Jiggs-Lee area is not feasible construction because of adverse terrain, difficult construction and nearly impossible winter maintenance and the detrimental affect on the capacity of the present Ruby Valley line.

30 The Manager presented a list of 30 new applications for membership which were approved. He said that this should give us the 85% required for non-profit REA corporation for the current year which would help us inasmuch as capital credit program is not effective until January 1, 1962. The Manager also reported that the two-way radios ordered were in Twin Falls and should be delivered and installed soon.

Approval was given to the Manager to raise the donation to the Christmas lighting fund from \$50.00 to \$100.00 and to donate to the TB association for the Christmas seal program.

Following discussion, motion was duly made and seconded and adopted as follows:

RESOLVED: That the company purchase a one-half page ad in the Elko Daily Free Press telling the REA story.

President Wright selected Eyer Boies, James Ballard and John Moschetti to serve on this committee and prepare the ad.

There being no further business to come before the meeting, upon motion duly made, seconded and unanimously carried, the meeting adjourned at 11:30 P.M.

John W. Moschetti  
Secretary

Approved:

---

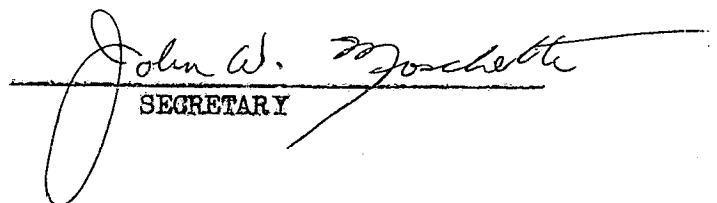
Robert R. Wright  
President

RESOLUTION OF THE BOARD OF DIRECTORS  
OF  
WELLS RURAL ELECTRIC COMPANY

I HEREBY CERTIFY that I am the duly elected Secretary of the WELLS RURAL ELECTRIC COMPANY, A Nevada Corporation, and that the following is a true copy of a Resolution duly adopted by unanimous vote of the Board of Directors of said corporation held in accordance with the By-Laws of said Corporation, at a regular meeting of the Board of Directors in the Company Office in the City of Wells, County of Elko, State of Nevada, on the 15th day of December, 1961:

RESOLVED: That the proposed purchase price of Wandover Power and Light is to be \$170,000.00. (One Hundred and Seventy Thousand Dollars). The seller is responsible for the repayment of refundable contributions and for buyer's protection in that regard, buyer may deduct from the purchase price at the time of closing, the total amount of the Wandover Motel refundable contribution and \$5,000.00 of the Mountain States refundable contribution, and further that depreciation will begin March 1, 1962; and no further additions to facilities will be made without our approval.

IN WITNESS WHEREOF, I have hereunto affixed my name as Secretary of said corporation and have caused the corporate seal of said corporation to be hereto affixed this 9th day of January, 1962.

  
SECRETARY

MEMBERSHIP APPLICATIONS TO BE APPROVED DECEMBER 15, 1961

Joseph Bernard  
Mrs. Nevada P. Bill  
C. J. Carlson  
Jim Charley  
Philip Dailey  
Theodore Faunce  
Claude Gerber  
Charles R. Hall  
Lawrence K. Hyde  
Robert P. Jackson  
D. E. Jacobsen, Sr.  
Ronald Jensen  
Rafael R. Lopez  
Mrs. M. J. Macaw  
Robert P. Minshew  
Joel Mc Crea  
Jack Newby  
J. O. Nielson  
Ruth Ortiz  
Walter Petersen  
Chester C. Phillips  
Edna Pyper  
St. Barnabas Church  
Teodoro Savedra  
Marjorie Smith  
Robert Thornal  
L. T. Turner  
Charlie M. Case  
Wells Pharmacy C/O Lyon & Eakin, City  
Otto T. Lynn

**THIS CHRISTMAS, EASTERN ELKO COUNTY IS ENJOYING  
A TRULY MERRY CHRISTMAS... THANKS, PRIMARILY,  
TO WELLS RURAL ELECTRIC COMPANY PROVIDING  
AMPLE, DEPENDABLE AND ECONOMICAL ELECTRICITY.**

**THE BENEFITS OF THE RURAL ELECTRIFICATION PROGRAM ARE MANY:**

- |  |  |
|--|--|
| 1—Central Station Electricity is provided to many areas not previously served.   | 4—Wells Rural Electric Company customers buy many appliances and electrical supplies for their homes and ranches from local merchants. |
| 2—Uncle Sam provides long term, low interest rate money to help Wells Rural Electric Company achieve this goal and expand. | 5—Employees of Wells Rural Electric Company have steady employment in maintaining service and administering the company.               |
| 3—Funds are generated for legal work and engineering, also for materials and labor for construction.                       | 6—All of the above activities provide additional taxes to Uncle Sam and help keep our economy growing.                                 |
|  | 7—The entire facilities of Wells Rural Electric Company belong to its members.   |

**Therefore, we, and our children (Uncle Sam's Future Citizens) benefit from the many advantages of electricity sooner than could ever be hoped for without Wells Rural Electric Company.**

**Wells Rural Electric Company repays the entire amount of the original loan plus interest.**

**MAY WE EXTEND OUR BEST WISHES FOR THE HOLIDAY SEASON AND A HAPPY AND PROSPEROUS NEW YEAR.**

*Wells Progress*  
*Dec 1961*

# *This Christmas, Eastern Elko County Is Enjoying A Truly Merry Christmas. . .*

**THANKS, PRIMARILY, TO WELLS RURAL ELECTRIC  
COMPANY PROVIDING AMPLE, DEPENDABLE AND  
ECONOMICAL ELECTRICITY.**

**THE BENEFITS OF THE RURAL ELECTRIFICATION PROGRAM ARE MANY:**

- 1.** Central Station Electricity is provided to many areas not previously served.
- 2.** Uncle Sam provides long term, low interest rate money to help Wells Rural Electric Company achieve this goal and expand.
- 3.** Funds are generated for legal work and engineering, also for materials and labor for con-tion.
- 4.** Wells Rural Electric Company customers buy many appliances and electrical supplies for their homes and ranches from local merchants.
- 5.** Employees of Wells Rural Elec-tric Company have steady employment in maintaining service and administering the company.
- 6.** All of the above activities pro-vide additional taxes to Uncle Sam and help to keep our economy growing.
- 7.** The entire facilities of Wells Rural Electric Company belong to its members.

There, we and our children (Uncle Sam's Future Citizens) benefit from the many advan-tages of electricity sooner than could ever be hoped for with-out Wells Rural Electric Com-pany.

Wells Rural Electric Com-pany repays the entire amount of the original loan plus inter-est.



*May we extend our best wishes for  
the Holiday Season and a Happy  
New Year*

ARTICLE VIII

NON-PROFIT OPERATION

SECTION 1. Interest or Dividends on Capital Prohibited.

The Corporation shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patrons. No interest or dividends shall be paid or payable by the Corporation on any capital furnished by its patrons.

SECTION 2. Patronage Capital in the Furnishing

Electric Energy. In the furnishing of electric energy the Corporation's operations shall be so conducted that all patrons will through their patronage furnish capital for the Corporation. In order to induce patronage and to assure that the Corporation will operate on a non-profit basis the Corporation is obliged to account on a patronage basis to all its patrons for all amounts received and receivable from the furnishing of electric energy in excess of operating costs and expenses properly chargeable against the furnishing of electric energy. All such amounts in excess of operating costs and expenses at the moment of receipt by the Corporation are received with the understanding that they are furnished by the patrons as capital. The Corporation is obligated to pay by credits to a capital account for each patron all such amounts in excess of operating costs and expenses. The books and records of the Corporation shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patron is clearly reflected and credited in an appropriate record to the capital account of each patron, and the Corporation shall within a reasonable time after the close of the fiscal year notify each patron of the amount of capital so credited to his account. All such amounts so credited to the capital account of any patron shall

have the same status as though they had been paid to the patron in cash in pursuance of a legal obligation to do so and the patron had then furnished the Corporation corresponding amounts for capital.

For each fiscal year, the amount of capital credit due the patrons may be established by determining the amount that all sums received and receivable for furnishing electric energy exceeds all operating costs and expenses, and crediting the same pro-rata to all patron capital accounts; or, the patrons may be divided into classifications according to the type of service used by the patron, the amount of energy purchased by the patron, the rate schedule under which the patron takes service, or any combination of factors, and by proper cost accounting methods the amount of capital credit properly allocable to each classification of patrons may be determined and credited pro-rata to the patrons within each classification. The method used each year shall be entirely within the discretion of the Board of Directors.

In the event of dissolution or liquidation of the Corporation, after all outstanding indebtedness of the Corporation shall have been paid, outstanding capital credits shall be retired without priority on a pro-rata basis before the residue or money of the Corporation is transferred or paid over to the trustees in liquidation. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Corporation will not be impaired thereby, the capital then credited to patrons' accounts may be retired in full or in part. Any such retirements of capital shall be made in order of priority according to the year in which the capital was furnished and credited, the capital first received by the Corporation being first retired.

Capital credited to the account of each patron may be assigned or transferred and may be transferred by operation of law, subject to such restrictions and requirements as the Board of Directors, acting under policies of general application, may from time to time establish. No assignment or transfer shall be binding upon the Corporation unless there is furnished to the Corporation written evidence of the assignment or transfer in form satisfactory to the Corporation.

Notwithstanding any other provision of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any patron, if the legal representatives of his estate shall request in writing that the capital credited to any such patron be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such patron immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patron's estate shall agree upon; provided, however, that the financial condition of the Corporation will not be impaired thereby.

The patrons of the Corporation, by dealing with the Corporation, acknowledge that the terms and provisions of the Articles of Incorporation and By-Laws shall constitute and be a contract between the Corporation and each patron, and both the Corporation and the patrons are bound by such contract, as fully as though each patron had individually signed a separate instrument containing such terms and provisions. The provisions of this Article of the By-laws shall be called to the attention of each patron of the Corporation by posting in a conspicuous place in the Corporation's

office.

SECTION 3. ~~Article 10, Chapter 10, Nevada Revised Statutes~~

~~What Service.~~ In the event that the Corporation should engage in the business of furnishing goods or services other than electric energy, all amounts received and receivable therefrom which are in excess of costs and expenses properly chargeable against the furnishing of such goods or services shall insofar as permitted by law, be prorated annually on a patronage basis and returned to those patrons from whom such amounts were obtained.

SECTION 4. ~~Article 10, Chapter 10, Nevada Revised Statutes~~. This By-Law provision shall become effective on the 1st day of January, 1962.