

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY
February 15, 1974

A regular meeting of the Board of Directors of Wells Rural Electric Company was held in the company office in Wells, Nevada on February 15, 1974 at 1:00 P.M.

The meeting was called to order by President James L. Ballard. Clarence C. Swett, Secretary, acted as Secretary of the meeting.

Upon calling the roll, the Secretary reported the following directors present: James Ballard, Thomas Achurra, John Krenka, William Gibbs, Jess Urresti, Robert Wright, Gene Pengelly, Vernon Dalton, Clarence Swett, Ray Crawford and Arthur Grock.

Also present were: Fred Toombs and Adrian Rattazzi.

The minutes of the January meeting were approved as written.

Construction: Finished the line into Jaynes Ranch for two all electric trailers. Two men went to Wendover to help Howard Gibson on a Saturday to change insulators that had been shot up on the Salt Plant Line. Changed out a pole on line four hit by a tractor. Run new services in Utah, and Wendover. Adrian went to check up on right of way for Bell Telephone line from Pritchard Ranches. Mr. Hennigan said he would have to have the OK from Pritchard himself. Contractor finished up the Jiggs-Lee rephase. Nevada Power will build their own line to ours. New poles and some crossarms were ordered, also contractor returned crossarms to us they had borrowed for the Lee-Jiggs line. 23.518 of line built in 1973.

Earl Toombs was present to discuss personnel problems.

Adrian was instructed to call a meeting of the line crew and explain the responsibilities of the Engineer, Line Foreman and Line Personnel. This must include the enforcement of the safety program. Job descriptions should be provided for all personnel.

Status of Diesel Engine: Fred will take Dinty Moore to look at the engine and get estimates to restore it to service. The Civil Defense generators are to be here soon.

Settlement with Idaho Power: A letter was read from Idaho Power regarding the original letter from Robert Vaughan. Their understanding of the termination settlements are quite different than ours. They requested a copy of the REA note for the loan we advanced for construction of the line from Idaho.

City Street Lights: The contracts are signed by Wells Rural Electric Company and the City of Wells. This will be the final report.

Safety Program: Next meeting to be held on March 15th. One meeting was held on February 15th. Defensive driving courses of the National Safety Council are in progress. Some of our communications do not meet OSHA standards. A plan of revision will be submitted before July 1st. It was suggested that Civil Defense may be of some assistance to this project.

Pine Valley: Mt. Wheeler is unable to serve us. It was suggested that these people be extended an invitation to attend a board meeting. It was pointed out that in order for B.P.A. to start any feasibility studies a request must come from the City of Carlin. There is a possibility that Carlin may be a preference customer of B.P.A.

Central Purchasing: No progress. Most reports are unfavorable. To be dropped from the Agenda.

A letter on the change in certificated area was read. The material for the change has been mailed. Mt Wheeler has agreed to co-operate with Clarence Lee and Bob Vaughan on this.

A letter was read from John Miller about a line easement for Elva Goble. She would not sign the papers because she felt a fee should be paid her on a pole by pole basis. There was some doubt as to the actual ownership of the ground involved. This will be checked on and forwarded to Mr. Miller.

A letter was read concerning an easement from Stonier in Ruby Valley. He has requested that the easement be narrowed to a lesser area than a 40 acre parcel. This was approved.

A letter was read from Raft River Rural Electric Company at Malta, Idaho. Inviting the directors and employees to their Annual Meeting on February 22nd. Someone will attend.

A letter from Bob Partridge was read. It asked us to contact our Senators and Congressmen in an effort to stop some adverse legislation on coal strip mining.

On March 27 and 28, B.P.A. will hold an energy conservation program. Fred was instructed to attend this meeting in Portland.

A letter on Energy Conservation from David Hamil was read. We will fall in line with these procedures. Most of them are already being followed by us.

Some discussion was held on the membership request of the Public Power Council. It was decided we would not join at this time.

B.P.A. Minutes concerning Preliminary rate schedules were discussed. Two Rate Schedules have been proposed. One for old customers and one for the new customers. These rates are receiving a lot of criticism. There will be a public meeting on this soon. Some one should attend.

Office Staff Meeting: Cost of Living Increase was discussed. Should review cost of living this April. It was also suggested that it be reviewed at the beginning of the year. What percentage of the 14% was retro-active? Robert Wright was asked to research his notes for any information available and report at the next meeting.

Budgets: We will wait until the new manager gets here. If something is needed badly, we will be presented to the Board for approval.

Long Term Disability: Fred said it was generally thought by the employees not to be any good.

Elko County Credit Union: Employees will gather information to present to the Board.

Financial Statement was discussed: Spending is up over the same time last year. A lot of construction costs were involved this month.

T.N.T. sent a letter thanking Wells Rural Electric Company for their contribution.

Fred will take digger into Salt Lake City for repairs.

The office has been open during the noon hour since February 1st. Seems to be getting a good response.

New truck has arrived. Truck #5 will be sold soon.

Letter from Ted McPhee concerning the audit was read. Two items to be changed.

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1. \$7,500.00 investment for Wells Civic Improvement Center should be reduced to \$1.00 because of no market value - overstates company assets. \$7,499.00 loss for the year should be shown.

2. Capitol loss of \$10,570.00 for abandonment of the Apartments in Wendover was recorded in September of 1968. It was written off as a Capitol Loss. Should be written off as an extra-ordinary loss.

Three accounts in the Miscellaneous Accounts Receivable were presented for write offs. These included \$619.50 for Nevada Highway Department, \$1,436.44, also for the Nevada Highway Department and \$1.20 for the Western Pacific Railroad Company. These write offs were approved.

Gene Pengelly made the motion. Ray Crawford seconded. Motion passed.

Board Members expenses for institutes should be reviewed by Committee of the Board rather than being a responsibility of the Manager. The following Committee was appointed. Jess Urresti, Chairman, Gene Pengelly and Vernon Dalton as members. As the policy change made concerning the directors expenses was not properly stated in the minutes of the September meeting. Robert Wright was to research this matter and present his findings to the Board at the next meeting.

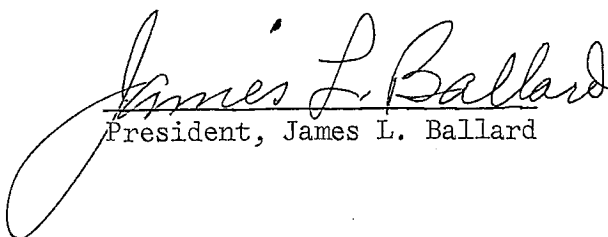
Robert Wright brought up W 2 forms for Directors salaries. As George recommended this not be done some doubts have arisen among the directors. Fred is to contact the attorney and accountants and rectify this matter.


Fred

Reports on Directors Institutes were given by Jess Urresti, James Ballard, Eugene Pengelly, and Vernon Dalton. Fred reported on the institute he attended.

Ray Crawford moved that the five memberships from Wells and the nine from Wendover be approved. Seconded by Tom Achurra. Motion passes.

Meeting adjourned at 4:55 P.M.


President, James L. Ballard


Secretary, Clarence O. Swett

MEMBERSHIPS TO BE APPROVED

FEBRUARY 15, 1974

WELLS

1. Bonnie J. Burns
2. Sid S. Eaton
3. John A. Hutchins
4. L. B. Kinslow
5. William A. Shell

WENDOVER

1. John C. Barrows
2. Donald J. Chamberlain
3. Stephan L. Cornwall
4. Mary Ann Hopewell
5. Pete Kumble
6. Franklin W. Mowery
7. Patricia A. Shook
8. Peggy Ann Wheeler
9. Thomas Ventimiglia

To: Board of Directors

From: Fred Toombs

Subject: Statement of fact

In order to dispell the recent rumors that have been heard, I would like to present the following facts to the Board.

First, I have no intention of resigning because I did not receive the General Manager position. There have been rumors to this effect, some have indicated that I am to move from Wells in the near future. These are also unfounded.

There is no reason for the Board to believe that I was not very dissappointed in not receiving the job, as this is what I have worked towards for years. Upon arrival of the new manager, it will be my objective to work with him to the best of my ability.

However, it should be pointed out that in the future if a managers job in another area becomes availabe, I will most certainly be applying. This will in no way affect my work with Wells Rural Electric Company.

Thank you

Fred

Basis Date Agreement (Rev. 10/57)
Form C-2
Form T-7a

REA Project Designation:

NEVADA 15B WELLS

AGREEMENT

between

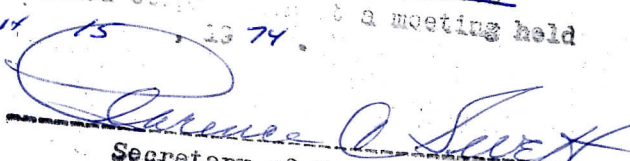
UNITED STATES OF AMERICA

and

WELLS RURAL ELECTRIC COMPANY

Dated as of February 20, 1974

Identified as form of ~~document~~ presented to and
approved by the BOARD OF DIRECTORS ~~trustees~~
of the above named company at a meeting held
MARCH 15, 1974.


Secretary of Meeting

DEPARTMENT OF AGRICULTURE

RURAL ELECTRIFICATION ADMINISTRATION

No. A

AGREEMENT, made as of February 20, 1974, 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>
April 6, 1962	\$1,108,000.00	April 6, 1997

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

(Seal)

President

Attest:

Secretary

Executed by the Corporation in the presence of:

Witnesses