

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF

WELLS RURAL ELECTRIC COMPANY

JANUARY 19, 1973

A regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Company office in Wells, Nevada on January 19, 1973 at 1:10 P.M.

The meeting was called to order by Jess Urresti, Vice President, who presided and Clarence C. Swett, Secretary, acted as Secretary of the meeting.

Upon calling the roll the Secretary reported the following directors present: Arthur Grock, William Gibbs, John Krenka, Joe Quilici, Robert Wright, Clarence Swett, Jess Urresti, Ray Crawford, and James Ballard.

Absent were: Vernon Dalton and Thomas Achurra.

Also present were: Manager Blackett, F.T. Murphy and Attorney Vaughan.

The minutes of the December meeting were approved as written.

Manager Blackett asked that the Net Billing Contract with BPA and bad debt write off be added to the Agenda.

This was approved.

The President announced that the next business to come before the meeting was the consideration of the Net Billing Agreement between the Cooperative, Washington Public Power Supply System and Bonneville Power Administration relating to Washington Public Power Supply System Nuclear Project No. 3. The Agreement and the terms thereof were thoroughly discussed. Counsel for the Cooperative outlined advantages, potential disadvantages and consideration Resolution No. 1-73-1 was proposed. On motion made by Robert Wright and seconded by Arthur Grock that such resolution be adopted, the motion was passed by a vote of 6 for the motion and 0 against the motion, Resolution 1-73-1 being as follows, to-wit:

RESOLUTION No. 1-73-1

A Resolution authorizing the execution of a net billing agreement relating to Washington Public Power Supply System Nuclear Project No. 3 with the United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator, and the Washington Public Power Supply System and delivery of said agreement to those parties.

Wells Rural Electric Company, a corporation organized under the laws of the State of Nevada, (hereinafter called the "Cooperative") is authorized by law to purchase electric power, to provide for the distribution of electric power to its members and to enter into contracts to provide for sources of additional power supply to meet the prospective power needs of its members.

The United States of America, Department of the Interior acting by and through the Bonneville Power Administrator (hereinafter called "Bonneville") and the utilities of the Pacific Northwest have developed the Ten Year Hydro Thermal Program pursuant to which Bonneville will acquire by net billing from statutory preference customers in the Northwest generating capability from nonfederally financed thermal generating plants to meet the power requirements of Bonneville's preference and other customers in the region.

Pursuant to said program, the Cooperative proposes to execute with the Washington Public Power Supply System (hereinafter called the "System") and with Bonneville a contract designated "WPPSS Nuclear Project No. 3, Net Billing Agreement" in the form and content as set forth in the draft thereof on file with the Cooperative, Contract No. 14-03-39/96, dated November 27, 1972, under which the System sells to the Cooperative (called the "Participant" in said agreement) a specified share of capability of the

nuclear generating plant and associated facilities identified therein and Bonneville acquires such capability from the Cooperative.

The System proposes to finance, construct, own and operate said generating plant and facilities associated therewith, such plants and facilities being referred to in the Net Billing Agreement as the "Washington Public Power Supply Nuclear Project No. 3" (hereinafter called the "Project").

In accordance with the Net Billing Agreement, the System proposes to adopt a "Bond Resolution" at a later date which 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 a utility system consisting of a nuclear generating plant and associated facilities to be known as the Washington Public Power Supply System Nuclear Project No. 3 and providing for the issuance of revenue bonds for said purpose.

A draft of such resolution dated November 29, 1972, is on file with the Cooperative. Prior to the adoption of the above Bond Resolution, the System expects to adopt a Bond Resolution(s) providing for the sale of short-term notes to finance the System's preliminary costs of acquiring and constructing the Project, which Bond Resolution(s) will be similar to the note resolutions adopted by the System for the preliminary financing of the Washington Public Power Supply System Nuclear Project No. 2 and will be consistent with the above Bond Resolution and the Net Billing Agreement.

The Board of Directors have reviewed the Net Billing Agreement and the resolution above referred to and now finds that entering into the said Net Billing Agreement with the System and Bonneville is in the best interests of the Cooperative, that performance of the Net Billing Agreement, among other things, will make additional amounts of low cost power and energy available from Bonneville to meet the prospective power needs to the Cooperative, to serve members of the Cooperative in the future.

THEREFORE, it is resolved that:

Section 1. The President and Secretary of the Cooperative are hereby authorized and directed, on behalf of the Cooperative, to execute with Bonneville and Washington Public Power Supply System the Net Billing Agreement above referred to, substantially as set out in the draft thereof on file with the Cooperative, No. 14-03-39196, dated November 27, 1972, and to deliver copies thereof to the other parties to the agreement.

Construction: F.T. Murphy reported that inventory was completed; meters read in December; new electric trailer for Rytting North of town; installed security lights; installed voltage regulator on Contact line; new services and new electric home for Boieses at Butler place.

Power Use: Fred not here and nothing new to report. Murphy reported that Hal Learey, REA Field Engineer, had been here and approved the proposed lines to Tobar and the Evans pumps. Also negotiating contract with Belgrade Enterprises.

Sale of Diesel Engine: Nothing new.

Doug Mitchell Line Extension: Nothing new

Settlement with Idaho Power: Attorney Vaughan has received letter from BPA and is starting work on it.

City Street Lights: We are replacing lamps and doing maintenance; Waiting for Attorney Vaughan to write Contract for this work.

Insurance for Members: Nothing new. Bill Wunderlich is to check further.

Manager Blackett presented the 1973 Budget. Robert Wright moved that the 1973 Budget be approved. Ray Crawford seconded the motion. Motion passed.

Scholarship: Discussed starting work on it. Kenneth Noble to be added to the Committee.

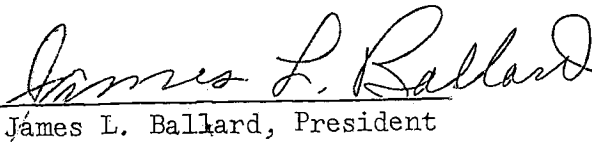
Bad Debt Write Off.


Arthur Grock moved the bad debts for Wells netting \$182.48; for Wendover \$113.19; service department \$24.00 for a total of \$319.67 be written off. William Gibbs seconded the motion. Motion passed.

Managers Report: The 2% REA loan has been eliminated. 5% insured loans will now be made. Guaranteed loans will be available from other sources. A rally is to be held in Washington on January 23, 24 and 25th to try to have the 2% loan program reinstated. It is requested that everyone possible be in Washington for the rally.

9 James Ballard moved that the one new membership from Wells and the eight from Wendover be approved. Robert Wright seconded the motion. Motion passed.

Meeting adjourned at 2:50 P.M.


James L. Ballard, President


Clarence C. Swett, Secretary

MEMBERSHIPS TO BE APPROVED

JANUARY 19, 1973

WELLS

1. Mike Green

WENDOVER

1. Willard C. Bange
2. Harold Buhler
3. Larry L. Byrd
4. Robert M. Cook
5. Burdell R. Draper
6. A. L. Jordan
7. Kenny Robertson
8. Vickie Tucker

WELLS RURAL ELECTRIC COMPANY

ACCOUNTS TO BE WRITTEN OFF

DECEMBER 31, 1972

WELLS

	<u>DEPOSITS</u>	<u>BILLS</u>	<u>DEBITS</u>	<u>CREDITS</u>
Evengelio R. Veguilla	\$ 20.00	\$ 35.66	\$15.66	
H. J. Hausman		9.97	9.97	
Don Woodcook	20.00	76.51	56.51	
W. R. Leitch		16.59	16.59	
Layla Welsh	20.00	20.00		
Jerry Hill		6.53	6.53	
Jerry Wright	20.00	43.41	23.41	
Lloyd McCann		4.63	4.63	
Peggy Dundom	20.00	23.19	3.19	
W. D. Burnett	20.00	25.17	5.17	
Bill Hardy	20.00	53.76	33.76	
John Begay	10.00	16.05	6.05	
Albert Gardea	20.00	20.83	.83	
Roy K. Heimer		.18	.18	
TOTALS	\$ <u>170.00</u>	<u>\$352.48</u>	<u>\$182.48</u>	

WELLS RURAL ELECTRIC COMPANY

ACCOUNTS TO BE WRITTEN OFF

DECEMBER 31, 1972

WENDOVER

	<u>DEPOSITS</u>	<u>BILLS</u>	<u>DEBITS</u>	<u>CREDITS</u>
Richard Blake	\$ 20.00	\$ 42.20	\$ 22.20	
Forest Dull	20.00	35.54	15.54	
Jerry Taylor	20.00	26.92	6.92	
John Bennion	20.00	29.86	9.86	
John Gilger	20.00	27.99	7.99	
Joseph Cheshier	20.00	52.96	32.96	
Dee Snodgrass	20.00	25.39	5.39	
Roy Stone	20.00	32.33	12.33	
TOTALS	<u>\$160.00</u>	<u>\$273.19</u>	<u>\$113.19</u>	

WELLS RURAL ELECTRIC COMPANY
misc ACCOUNTS TO BE WRITTEN OFF

DECEMBER 31, 1972

WELLS

	<u>DEPOSITS</u>	<u>BILLS</u>	<u>DEBITS</u>	<u>CREDITS</u>
Chuck Tappan		\$24.00	\$24.00	
TOTAL		<u>\$24.00</u>	<u>\$24.00</u>	