

REGULAR MEETING OF THE BOARD OF DIRECTORS

OF

WELLS RURAL ELECTRIC COMPANY

JULY 21, 1972

A regular meeting of the Board of Directors of Wells Rural Electric Company was held in the Company office in Wells, Nevada on July 21, 1972 at 1:00 p.m.

The meeting was called to order by James L. Ballard, 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: James L. Ballard, Arthur Grock, Ray Crawford, William Gibbs, Lourinda Wines, Robert Wright, Joe Quilici, Jess Urresti and Clarence Swett.

Absent were: Vernon Dalton, and Thomas Achurra.

Also present were: Manager Blackett, F.T. Murphy, Attorney Vaughan, Fred Toombs, and Emanuel Asp and David Anderson of Bonneville Power Administration.

The minutes of the June meeting were approved as written.

Jess Urresti asked for discussion on holding a board meeting once a year in Wendover.

Arthur Grock asked that Tent Mountain be added to the agenda.

These two items were approved.

New Power Source:

Mr. Asp and Mr. Anderson presented the Power Sales Contract for Purchase of Power from Bonneville Power Administration.

They reviewed plans for power supply in the future by building thermal plants that will be Nuclear fired as well as coal fired.

Robert Wright moved that Wells Rural Electric Company approve Power Sales Contract No. 14-03-29236 and the President and Secretary be authorized and directed to execute it. Motion seconded by Jess Urresti. Motion passed.!

Mr. Asp and Mr. Anderson then presented the Hydro Thermal Program which they wish Wells Rural Electric Company to participate in.

Robert Wright moved that:

WHEREAS Bonneville Power Administration (Bonneville) and the utilities of the Pacific Northwest have developed the Ten-Year Hydro-Thermal Power Program under which Bonneville will acquire energy from thermal generating plants developed by nonfederal entities to meet the future power requirements of its preference and other customers of the region; and

WHEREAS in accordance with the Hydro-thermal Power Program the Joint Power Planning Council and the Public Power Council have identified sponsors of additional thermal projects which are expected to be constructed for initial operation in the 1978-1981 period and Bonneville expects to acquire generating capacity from these projects under net billing arrangements; and

WHEREAS Wells Rural Electric Company (Cooperative) proposes to participate in the WPPSS-NSSS Project and WPPSS Nuclear Project No. 3 (Projects) along with other preference agencies in the Pacific Northwest by entering into agreements with the Washington Public Power Supply System (Supply System) and Bonneville under which the Cooperative will purchase project capability from the sponsoring public agency for assignment to Bonneville under net billing procedures; and

WHEREAS entering into net billing agreements for the Projects will benefit the Cooperative by making additional amounts of low cost power and energy available to it from Bonneville to serve the members of the Cooperative in the future.

NOW, THEREFORE,

IT IS RESOLVED that Wells Rural Electric Company, subject to arrangements and terms acceptable to and approved by formal action of the Board of Directors, will enter into contracts with Bonneville and Supply System as necessary to implement the Hydro-Thermal Power Program by purchasing power from the Projects in amounts to be designated in such contracts, for assignment to Bonneville under net billing concepts, provided that such contracts are executed prior to January 1, 1973.

The Cooperative's estimated obligations in any year under all net billing agreements with Bonneville, including any relating to the Projects, shall not exceed the estimated amounts that the Cooperative will be obligated to pay Bonneville in such year divided by 1.15.

Motion seconded by Jess Urresti. Motion passed.

Construction: Rephased 4 spans of line and installed transformer bank at Standard Oil Plant; Started three mile tap to Spratling stock water pump and are waiting for poles to finish it. Three pole extension to Dirk Agee new home completed. Underground across school grounds on line 2 completed and in operation. Connected 14 new services in Utah and Nevada.

Sale of Diesel Engine: Next week we are to have an inspection of the engine by a man from Salt Lake and also a representative from O'Brien Machinery Company.

Doug Mitchell Line Extension: Nothin new.

Landscaping: Complete and paid for. Final report.

Insurance for Members: The new plan John Collett thought he could get fell through so we only have his original proposal and that of Margarite Calzacorta.

City Street Lights: Awaiting word from REA on rates.

Scholarship Committee: A letter from Robin Pettit, asking if she would be eligible for the continuing scholarship was read. She is not eligible due to grades.

Jess Urresti presented his ideas on holding a meeting once a year in Wendover. It was decided to hold the October Meeting there.

Arthur Grock asked about the status of the Tent Mountain line. There is no activity and no payment has been received. The line will be left in for the time being.

Power Use: Stonier to build two new homes in Ruby Valley. One is to be electrically heated. Calta Mines is still working at Contact. Steve Wright wants to install a 250 H.P. pump. The State Line has changed their plans and will want more power than first planned on. Charles Evans stock water pumps were investigated. Would be costly. On line to Tobar for Western Pacific, we now have Vernon Westwood requesting power for a house and irrigation pump and Blair Johns wants to install an irrigation pump.

Utah Salt to go into table salt business and will require more power. Will provide statement on service department later.

Managers Report: We have obtained fans, for the 7200 volt transformer at the Wells Substation, from B.P.A. This will serve until the new transformers come in. The new transformers are due in 20 weeks.

The Public Service Commission meeting in Carson City on June 26th was concerned with possible shortages of both electrical energy and natural gas. It seemed to be aimed at Nevada Power in the Las Vegas area and Southwest Gas. They wished to know what plans had been made to continue operation if there should be a shorgae and it was necessary to curtail usage.

They also discussed advertising and stated that it should encourage economical use of energy and not be just to sell it. The Company name should not be promoted.

They discussed plans for new or increased sources of energy. They asked us about the capacity of the line from Idaho Power Company and what plans had been made for increasing this capacity.

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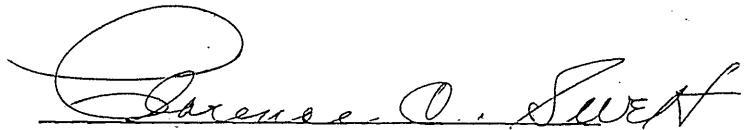
July Board Meeting Minutes (cont.)

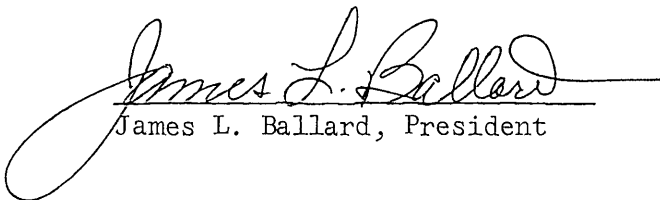
We stated that it did not appear that we could anticipate any shortage for the next ten years.

Everyone was to write a report on the meeting as to what they thought about it and what they gained from it.

at Jess Urresti moved that the seventeen new memberships from Wells and the seven from Wendover be approved. Motion seconded by Arthur Grock. Motion passed.

Meeting adjourned at 3:10 p.m.


Clarence C. Swett, Secretary


James L. Ballard, President

MEMBERSHIPS TO BE APPROVED

JULY 21, 1972

WELLS

1. Roberto Benitz
2. Fritz Clawson
3. Virgil D. Coutts
4. Doyle D. Hitt
5. Dan Howerton
6. Pierre Igoa
7. Vaughn Knudsen
8. John McKenzie
9. Garrison C. Mitchell
10. Clay Morrow
11. George Pittas
12. Ray Reynolds
13. Gordon L. Speltz
14. John Stewart
15. Diane E. Sullivan
16. Judy White
17. Jerry Wright

WENDOVER

1. Antonio F. Anaya
2. Stephen Baumgardner
3. Walter G. Fisk
4. S. F. Holt
5. Charles R. Noyes
6. Dwayne Nielson
7. Howard J. Walters