

REGULAR MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY
March 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 March 15, 1974 at 1:15 P.M.

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

Upon calling the roll, the Secretary reported the following directors present; James L. Ballard, Vernon Dalton, John Krenka, Eugene Pengelly, Jess Urresti, Ray Crawford, and Clarence Swett.

Absent were: William Gibbs, Tom Achurra, Arthur Grock and Robert Wright.

Also present were: Fred Toombs and Attorney Robert Vaughan.

The minutes of the February meeting were approved as written.

Walter Winchell was present to discuss the lights at the Rodeo Grounds. Eugene Pengelly moved that Wells Rural Electric Company furnish transformers to the Wells Rodeo Ground Arena on a loan basis with the right of Wells Rural Electric Company to use the transformers in other services at anytime. Also Wells Rural Electric Company would buy the transformers at the Wells Little League and the Tennis Court, subject to removal at anytime so they could be used by Wells Rural Electric Company in case of necessity. Motion seconded by John Krenka. Motion passed.

Robert Vaughan discussed the following with the Board of Directors;

See excerpt # A, 1, 2, 3, 4

Addition to #4 - Railroads and Governmental Agencies are no longer exempt from late charges or disconnections. Motion passed subject to Nevada Public Service Commission approval.

See excerpt #5, and 6.

Memberships were discussed. This year we had members paying 85.11% of the Companies total revenue. We must have at least 85%. Robert Vaughan suggested we make a drive in Wells to pick up memberships. This will be added to the Agenda so the Board can watch the progress.

Construction: Adrian unable to be here due to an emergency at home.

Safety Program: Was held February 14, 1974. The crew completed the 2nd half of the Defensive Driving Course. Federal Communications did not agree with OSHA on our radio systems. We do not have to replace the radios. They will, however be checked periodically and updated.

Power Use: There are seven request for irrigation pumps and four requests for stock pumps. There has been one request for an industrial load. Fred will go into detail on the industrial load at the next meeting. Sales for the year of 1973 was 13% above that of 1972. We have projected approximately 17% more this year.

Sale of Diesel Engine: Dinty Moore was very discouraging on repairing the engine. It will be advertised in the Mining Journal for sale or trade.

Settlement with Idaho Power Company: Robert Vaughan thinks we can take them to court. They are delaying acceptance of the Contract Settlement and won't define points they disagree with.

Pine Valley: Nothing new. Fred Invited Roy Shirts to any Board Meeting the group wished to attend. Roy will talk to the City of Carlin about obtaining power.

A letter was read from Donald H. Snyder requesting reimbursement for his expenses to attend the Annual Dinner held on February 22, 1974. Ray Crawford made the motion we pay \$245.28 which is the total of his travel expenses. Seconded by Eugene Pengelly. Motion passed.

Minutes of the Office Staff Meeting: Cost of Living discussed. From April 1971

thru April 1973, the cost of living has increased 9.5%. From April 1973 thru January 1974, it has increased 9%. The Board will study more closely and review again at the next board meeting. This will be put on the Agenda.

Step Raises for employees eligible were discussed. Motion made by John Krenka to approve step raises. Seconded by Vernon Dalton. Motion passed. Employees approved for their step raises were; Duane Priest, Adrian Rattazzi, Fred Toombs, Luke Vanderbrink, Mary Zearing, and Ron Lindquist. Ron Lindquist will be changed to Journey Lineman upon completion of a test with applicable salary.

It was approved that Mary and Debby attend the Executive Secretary's Conference in Washington D.C., May 6th thru the 8th.

A motion was made by Eugene Pengelly that employees can buy merchandise, for their own personal use, that the company usually sells, at company cost. All sales will be for cash only, no credit. Seconded by John Krenka. Motion passed.

By Eugene Pengelly moved that the eight memberships from Wells and the five from Wendover be approved. Ray Crawford seconded the motion. Motion passed.

The Building plans for the new warehouse are here from Volco. They will be discussed at the next meeting.

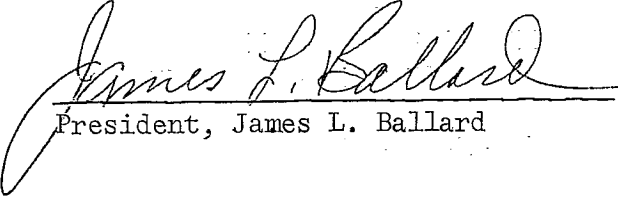
Insurance Rates will have to be adjusted. The Elko Hospital room rates have gone up. Paul Kramer will come to a board meeting to explain some of the N.R.E.C.A. Programs that we are eligible for but are not participating in. It was decided that we raise the insurance rates to cover the increased rates on hospital rooms.

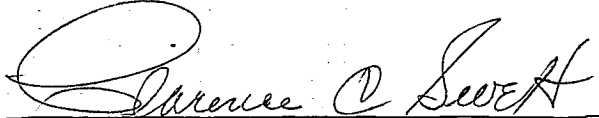
A letter from John Miller was read about easement on lands for Taylors LTD. asking for a written agreement from Wells Rural Electric Company saying that R/W from all previous owners be waived by Wells Rural Electric Company on said lands. To be certain that this is the only claim that can be made on said lands by Wells Rural Electric Company. Vernon Dalton moved that this be approved. Gene Pengelly seconded the motion. Motion passed. The Board granted the attorney authority to transact this type of request without board approval, unless specifically requested.

Truck #5 will be repaired and not sold as another vehicle is needed. The Board approved keeping #5 so we can get the maximum use out of it.

A review of Directors expense will be made. Their pay at institutes will be \$35.00 per day, per deim \$21.00 per day. Motel and travel expenses will be paid. Board Policies to be revised.!

Meeting adjourned at 5:15 P.M.


President, James L. Ballard


Secretary, Clarence C. Swett

EXCERPT FROM MINUTES

The Regular Meeting of the Board of Directors of Wells Rural Electric Company was called to order by the President, James L. Ballard, on March 15, 1974, at the office of the Cooperative at Wells, Nevada, with the following additional directors being present:

Jess Urresti	Vice-President
Clarence C. Swett	Secretary-Treasurer
D. Vernon Dalton	Director
Robert R. Wright	Director
William Gibbs	Director
John Krenka	Director
Thomas Archurra	Director
Arthur Grock	Director
Ray Crawford	Director
Eugene Pengelly	Director

The President announced that the next business to come before the meeting was the consideration of the Amendatory Agreement No. 1 relating to the separation of the Supply System's Hanford Project generating facilities from the Supply System's Nuclear Project No. 1. The Amendatory Agreement and the terms thereof were thoroughly discussed. Counsel for the Cooperative outlined the terms of the Amendatory Agreement and the factual background giving rise to the need for the amendment. After further discussion and consideration, Resolution No. 3-74-1 was proposed. On motion made by Director Crawford and seconded by Director Dalton that such resolution be adopted, the motion was passed by a vote of 7 for the motion and 0 against the motion. Resolution 3-74-1 being as follows, to-wit:

RESOLUTION NO. 3-74-1

A RESOLUTION authorizing the execution of Amendatory Agreement No. 1 to Net Billing Agreement relating to Washington Public Power Supply System Nuclear Project No. 1 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"), pursuant to an earlier resolution (hereinafter called the "Authorizing Resolution") of its Board of Directors has entered into a contract with the United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator (hereinafter called "Bonneville") and the Washington Public Power Supply System (hereinafter called "System"), said contract being designated "WPPSS Nuclear Project No. 1 Net Billing Agreement, an executed copy of which is on file with the Cooperative."

Pursuant to the Net Billing Agreement, the System is to construct and acquire the nuclear generating plant and associated facilities referred to in said Agreement as the "Washington Public Power Supply System Nuclear Project No. 1" (hereinafter called the "Project").

As stated in the Authorizing Resolution, there is on file with the Cooperative a draft of "Bond Resolution" dated November 21, 1972, to be adopted by the System after approval by Bonneville.

Under the terms of the Net Billing Agreement and said draft of the Bond Resolution, the Project as described in Exhibit B to the Net Billing Agreement is to include the Existing Power Facilities as defined in the draft of Bond Resolution.

Due to delays in construction of generating projects and anticipated fuel shortages, planned power resources under the Hydro-Thermal Power Program are expected to be inadequate to meet the needs of the Pacific Northwest in the late 1970's. If the Project were constructed with the inclusion of the Existing Power Facilities, as provided in the Net Billing Agreement and Bond Resolution, it would be required that the operation of the System's Hanford Project be shut down in 1977. Such a shutdown would cause a substantial, additional curtailment of energy available to the region, constituting a critical aggravation of an anticipated power shortage. The Board finds that it is in the Cooperative's interest that such curtailment be avoided and that any obstacle to continued operation of the System's Hanford Project during the period beyond 1977 be removed.

Based upon the above, the Cooperative proposes to execute with the System and with Bonneville an amendment to the Net Billing Agreement designated Amendatory Agreement No. 1 in the form and content as set forth in the draft thereon on file with the Cooperative dated February 28, 1974, under which the description of the Project will be changed to enable the System to proceed with acquisition and construction of the Project, as modified. The Project, as so modified, will not include the Existing Power Facilities.

In accordance with the Amendatory Agreement, it is expected that the System will adopt a "Bond Resolution" at a later date, entitled:

A RESOLUTION PROVIDING A PLAN AND SYSTEM FOR THE ACQUISITION AND CONSTRUCTION BY WASHINGTON PUBLIC POWER SUPPLY SYSTEM OF UTILITY SYSTEM CONSISTING OF A NUCLEAR GENERATING PLANT AND ASSOCIATED FACILITIES TO BE KNOWN AS THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECT NO. 1, AND PROVIDING FOR THE ISSUANCE OF REVENUE BONDS FOR SAID PURPOSE.

The draft of Bond Resolution dated November 21, 1972, previously referred to, has been revised in a draft dated February 14, 1974, to reflect

the change of description of the Project and make other changes. A summary dated February 26, 1974, of the changes which were made from the draft of Bond Resolution dated November 21, 1972, is on file with the Cooperative. It is also expected that the System will adopt Bond Resolution(s) providing for the sale of short-term notes to finance preliminary costs of acquiring and constructing the Project, as modified, which Bond Resolution(s) will be consistent with the revised draft of Bond Resolution and the Net Billing Agreement, as amended by the Amendatory Agreement.

The Board has reviewed the Amendatory Agreement and the summary relating to the Bond Resolution above referred to and now finds that entering into said Agreement with the System and Bonneville is in the best interest of the Cooperative and that performance of the Net Billing Agreement as so amended, among other things, will make additional amounts of power and energy available from Bonneville at a lower cost than otherwise possible to meet the prospective power needs of the Cooperative to serve its residents and customers in the future.

THEREFORE, IT IS RESOLVED:

Section 1. The President or Vice President and Secretary of the Cooperative are hereby authorized and directed, on behalf of the Cooperative, to execute with Bonneville and the Washington Public Power Supply System the Amendatory Agreement above referred to, substantially as set out in the draft thereof on file with the Cooperative, dated February 28, 1974, and to deliver copies thereof to the other parties to the Agreement.

Section 2. The Cooperative hereby ratifies and affirms the WPPSS Nuclear Project No. 1 Net Billing Agreement and its obligations thereunder.

Section 3. All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

WAIVER OF NOTICE

We, the directors of WELLS RURAL ELECTRIC COMPANY, (hereinafter called the "Corporation") waive all notice of the time, place and purpose of a special meeting of the Board of Directors and fix 510 Lake Avenue, City of Wells, State of Nevada, as the place and the 15th day of March, 1974, at 1:00 o'clock P.M., as the time for the holding of such meeting for the purpose of acting upon:

1. The authorization of the execution of an agreement with United States of America (hereinafter called the "Government") acting through the Administrator of the Rural Electrification Administration, adjusting, with respect to a certain note dated April 6, 1962, issued by the Corporation to the Government, the repayment schedule with respect to amounts which may hereafter be advanced to the Corporation by the Government.
2. All other matter that may properly come before the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands this

15th day of March, 1974.

James L. Ballard
JAMES L. BALLARD

Clarence C. Swett
CLARENCE C. SWETT

Robert R. Wright
ROBERT R. WRIGHT

John Krenka
JOHN KRENKA

Arthur E. Grock
ARTHUR GROCK

Jess Urrusti
JESS URRESTI

D. Vernon Dalton
D. VERNON DALTON

William B. Gibbs
WILLIAM GIBBS

Thomas Archurra
THOMAS ARCHURRA

Eugene H. Pengelly
EUGENE PENGELLY

Ray Crawford
RAY CRAWFORD

MEMBERSHIPS TO BE APPROVED

MARCH 15, 1974

WELLS

1. Jay Eriksen
2. Fred Howell
3. Gilbert C. Howell
4. Kathy McMullin
5. Kent Monson
6. Betty J. Murphy
7. R. V. Papike
8. Ruby Shamblin

WENDOVER

1. Manuel Allvards
2. Don Bollig
3. Jerry Montoya
4. Van Arthur Simpson
5. Dan Taylor

The next matter to come before the meeting concerned the selection of an engineering firm to inspect and certify the work order construction. After a discussion of the matter and on motion duly made by Director Bengally, seconded by Director Crauford, it was unanimously,

RESOLVED: That Lee Engineering, Prof. Corp. is hereby selected and named as the engineering firm to inspect and certify all work order construction for Wells Rural Electric Company. This selection is made pursuant to REA Bulletin 41-1, Section VI, D2.

The minutes of the regular meeting of the Board of Directors of March 15, 1974, were considered for approval. On motion made by Director Crawford, seconded by Director Bengelley, it was unanimously:

RESOLVED: That the first page of the minutes of the March 15, 1974 meeting be corrected by deletion of the following: "Robert Vaughan discussed the following with the Board of Directors; See Excerpt #1,2,3,4" and "See Excerpt #5 and 6."; and by substituting therefore the following:

"Robert O. Vaughan, Counsel for the company, brought before the Board several matters. The matters are described in and the action taken thereon set out in excerpts #2, 3, 4, 5 and 6, all of which are attached hereto and made a part hereof by reference."

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It was brought to the attention of the Board by counsel, that the minutes of the Board Meetings do not contain the full record of the election and seating of the Directors elected in 1973. After a full discussion, on motion duly made and seconded, the following resolution was unanimously passed:

WHEREAS as of September, 1973, there were three vacancies to be filled on the Board of Directors of WELLS RURAL ELECTRIC COMPANY; and

WHEREAS at the Board Meeting of June 15, 1973, pursuant to the By-Laws, Article III, Section 11 (a) the Board of Directors appointed a nominating committee; and

WHEREAS at the Board Meeting of August 17, 1973, pursuant to the By-Laws, Article III, Section 11 (e), the nominating committee presented three qualified nominees, incumbent Director Clarence C. Swett, incumbent Director James C. Ballard and Eugene H. Pengelly; and

WHEREAS the By-Laws, Article III, Section 11 (n) provides that if the number of qualified nominees does not exceed the number of directors to be elected, then those nominated are deemed to be automatically elected; and

WHEREAS at the Board Meeting of September 15, 1973, pursuant to the By-Laws, Article III, Section 11 (n) the newly elected Directors Swett, Ballard and Pengelly were seated and welcomed;

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE WELLS RURAL ELECTRIC COMPANY:

SECTION 1: That the nomination procedure leading to the nomination of Directors Swett, Ballard, and Pengelly were in full compliance with the By-Laws and with full approval of the Board of Directors.

SECTION 2: That upon automatic election as provided for in the By-Laws, Directors Swett, Ballard, and Pengelly were properly seated on the Board of Directors and are considered in good standing.

SECTION 3: That all actions of this Board from and after the seating of Directors Swett, Ballard and Pengelly on September 15, 1973, is hereby ratified, adopted, approved and confirmed.

#13

The chairman explained that the full principal amount of a certain note issued by the Corporation to the United States of America to evidence a loan made to the Corporation by the United States of America and not yet been advanced to the Corporation, and that it was desirable to provide a schedule for the repayment of amounts not yet advanced to the Corporation by the Government.

The chairman called attention to the fact that the period of deferment of repayments of principal in said note had expired or was about to expire, and that the repayment schedule contained in such note is based upon the amount owing by the Corporation on account of such note at the expiration of said period of deferment.

The chairman further stated that in order to provide the repayment schedule with respect to amounts to be advanced to the Corporation in the future on account of the note, it would be desirable for the Corporation to enter into an agreement with United States of America which would provide for such repayment. The chairman then presented the form of a proposed agreement and stated that the form of the proposed agreement had been approved by counsel for the Corporation. The secretary then read to the meeting the form of the proposed agreement. The proposed agreement was then fully discussed and, on motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED that the agreement is hereby approved and that the President JAMES L. BALLARD is hereby authorized on behalf of the Corporation to execute and deliver under its corporate seal, which the secretary is directed to affix and attest, as many counterparts as shall be deemed advisable of an agreement (hereinafter called the "Agreement") by and through the Administrator of Rural Electrification Administration, substantially in the form of the changes and variations in the form of the Agreement as the president of the Corporation shall in his discretion deem necessary or expedient.

The secretary was then directed to identify the form of the agreement as having been acted upon at this meeting and to annex such form to the minutes of this meeting.

#4

The next matter to come before the Board concerned the COMPANY rules pertaining to disconnect and reconnect charges and line extension rates. After a full discussion, the following resolution was moved, recommended and passed:

WHEREAS, the expense necessary to disconnect customers who have been connected to the service of WELLS RURAL ELECTRIC COMPANY for less than a four (4) month period is disproportionate to the revenues collected from said service of short duration; and

WHEREAS the expense of disconnecting those customers who are being disconnected by reason of violation of COMPANY rules or non-payment for past electrical services rendered by WELLS RURAL ELECTRIC COMPANY should not be borne by the members of the Cooperative that are in good standing; and

WHEREAS, the expense of reconnecting the electrical services of WELLS RURAL ELECTRIC COMPANY for those desiring said reconnection during other than working hours should not be borne by the other members of the Cooperative; and

WHEREAS, the revenues of WELLS RURAL ELECTRIC COMPANY are sufficient from the line extension policy for continuous permanent service to warrant a decrease in the line extension rates;

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF WELLS RURAL ELECTRIC COMPANY:

That the COMPANY modify the Rules and Regulations of WELLS RURAL ELECTRIC COMPANY on file with the Nevada Public Service Commission to provide:

- (a) That the disconnect charge for customers of less than four (4) months at any particular location be either \$5.00, or the actual cost of mileage and labor, whichever is greater.
- (b) That the disconnect charge for those customers who are being disconnected by reason of violation of COMPANY rules or non-payment be either \$5.00 or the actual cost of mileage and labor, whichever is greater.
- (c) That the reconnect charge ~~during other than working hours~~ be either \$5.00, or the actual cost of mileage and labor, whichever is greater.
- (d) That the rate for line extensions for continuous permanent service be reduced from 1½% per month to 1¼% per month.

The next matter to come before the meeting concerned the amendment of the service area of the Cooperative. After a full discussion on motion duly made and seconded, the following resolution was unanimously passed:

WHEREAS certain portions of the service area of the company are outside of the territorial limits wherein the company would be permitted to service with power from the Bonneville Power Administration, which power will be the company's source of supply, after January 1, 1975; and

WHEREAS the said area that cannot be served with Bonneville Power Administration power can more easily be served by Mt. Wheeler Power, Inc. a Cooperative presently planning to build a transmission line and substation into said area;

BE IT HEREBY RESOLVED by the Board of Directors of Wells Rural Electric Company:

That the company join in a petition with Mt. Wheeler Power, Inc. to amend the service area of the respective companies whereby Wells Rural Electric Company would release to Mt. Wheeler Power, Inc. that portion of its service area that cannot be served by Bonneville Power Administration power and that Mt. Wheeler Power, Inc. acquire said area to be served from its proposed transmission line and substation.

That the officers of the Company are authorized to execute and file all necessary petitions and documentations required to obtain approval of the Public Service Commission of Nevada.

#6

The President announced that the next business to come before the meeting was the consideration of the Amendatory Agreement No. 1 relating to the separation of the Supply System's Hanford Project generating facilities from the Supply System's Nuclear Project No. 1. The Amendatory Agreement and the terms thereof were thoroughly discussed. Counsel for the Cooperative outlined the terms of the Amendatory Agreement and the factual background giving rise to the need for the amendment. After further discussion and consideration, Resolution No. 3-74-1 was proposed. On motion made by Director GRAUFORD and seconded by Director DALTON that such resolution be adopted, the motion was passed by a vote 70 for the motion and 0 against the motion, Resolution 3-74-1 being as follows, to-wit:

RESOLUTION NO. 3-74-1

A RESOLUTION authorizing the execution of Amendatory Agreement No. 1 to Net Billing Agreement relating to Washington Public Power Supply System Nuclear Project No. 1 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"), pursuant to an earlier resolution (hereinafter called the "Authorizing Resolution") of its Board of Directors has entered into a contract with the United States of America, Department of Interior, acting by and through the Bonneville Power Administrator (hereinafter called "Bonneville") and the Washington Public Power Supply System (hereinafter called the "System"), said contract being designated "WPPSS Nuclear Project No. 1 Net Billing Agreement, an executed copy of which is on file with the Cooperative.

Pursuant to the Net Billing Agreement the System is to construct and acquire the nuclear generating plant and associated facilities referred to in said Agreement as the "Washington Public

Power Supply System Nuclear Project No. 1" (hereinafter called the "Project").

As stated in the Authorizing Resolution there is on file with the Cooperative a draft of "Bond Resolution" dated November 21, 1972, to be adopted by the System after approval by Bonneville.

Under the terms of the Net Billing Agreement and said draft of the Bond Resolution the Project as described in Exhibit B to the Net Billing Agreement is to include the Existing Power Facilities as defined in the draft of Bond Resolution.

Due to delays in construction of generating projects and anticipated fuel shortages, planned power resources under the Hydro Thermal Power Program are expected to be inadequate to meet the needs of the Pacific Northwest in the late 1970's. If the Project were constructed with the inclusion of the Existing Power Facilities, as provided in the Net Billing Agreement and Bond Resolution, it would be required that the operation of the System's Hanford Project be shut down in 1977. Such a shutdown would cause a substantial, additional curtailment of energy available to the region, constituting a critical aggravation of an anticipated power shortage. The Board finds that it is in the Cooperative's interest that such curtailment be avoided and that any obstacle to continued operation of the System's Hanford Project during the period beyond 1977 be removed.

Based upon the above, the Cooperative proposes to execute with the System and with Bonneville an amendment to the Net Billing Agreement designated Amendatory Agreement No. 1 in the form and content as set forth in the draft thereon on file with the Cooperative

dated February 28, 1974, under which the description of the Project will be changed to enable the System to proceed with acquisition and construction of the Project, as modified. The Project, as so modified, will not include the Existing Power Facilities.

In accordance with the Amendatory Agreement, it is expected that the System will adopt a "Bond Resolution" at a later date, entitled:

A RESOLUTION PROVIDING A PLAN AND SYSTEM FOR THE ACQUISITION AND CONSTRUCTION BY WASHINGTON PUBLIC POWER SUPPLY SYSTEM OF UTILITY SYSTEM CONSISTING OF A NUCLEAR GENERATING PLANT AND ASSOCIATED FACILITIES TO BE KNOWN AS THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECT NO. 1, AND PROVIDING FOR THE ISSUANCE OF REVENUE BONDS FOR SAID PURPOSE.

The draft of Bond Resolution dated November 21, 1972, previously referred to, has been revised in a draft dated February 14, 1974, to reflect the change of description of the Project and make other changes. A summary dated February 26, 1974, of the changes which were made from the draft of Bond Resolution dated November 21, 1972, is on file with the Cooperative. It is also expected that the System will adopt Bond Resolution(s) providing for the sale of short-term notes to finance preliminary costs of acquiring and constructing the Project, as modified, which Bond Resolution(s) will be consistent with the revised draft of Bond Resolution and the Net Billing Agreement, as amended by the Amendatory Agreement.

The Board has reviewed the Amendatory Agreement and the summary relating to the Bond Resolution above referred to and now finds that entering into said Agreement with the System and Bonneville is in the best interest of the Cooperative and that performance of the Net Billing Agreement as so amended, among other things,

will make additional amounts of power and energy available from Bonneville at a lower cost than otherwise possible to meet the prospective power needs of the Cooperative to serve its residents and customers in the future.

THEREFORE, IT IS RESOLVED:

Section 1. The President or Vice President and Secretary of the Cooperative are hereby authorized and directed, on behalf of the Cooperative, to execute with Bonneville and the Washington Public Power Supply System the Amendatory Agreement above referred to, substantially as set out in the draft thereof on file with the Cooperative, dated February 28, 1974, and to deliver copies thereof to the other parties to the Agreement.

Section 2. The Cooperative hereby ratifies and affirms the WPPSS Nuclear Project No. 1 Net Billing Agreement and its obligations thereunder.

Section 3. All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.