

SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF WELLS RURAL ELECTRIC COMPANY

A special meeting of the board of directors of WELLS RURAL ELECTRIC COMPANY was held on March 2, 1962, at the El Rancho Hotel, in the City of Wells, state of Nevada, at 10:00 o'clock A.M. pursuant to waiver of notice signed by all of the directors of the Corporation.

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, EYER BOIES, JOHN MOSCHETTI, CLARENCE SWETT, CHARLES READ, HERBERT UHLIG and ARTHUR GROCK. Absent were directors ROGER SMITH and BLAINE SHARP.

The president declared a quorum of the directors to be present.

The president directed the secretary to annex to the minutes of this meeting the waiver of notice thereof.

The president dispensed with the reading of the minutes and stated that the special meeting was called for bid opening on Section 1 and 2 of the B Loan application. Section 2 to be held this morning and section 1 to be held at 2:00 this afternoon.

Introduction showed the following present: Clarence Lee, Associated Engineers, Billings, Montana; Robert O. Vaughan, company attorney; George Blackett, Manager; C. W. Brown, Contractor, Terry, Montana; A. B. Leach, Copperweld Steel Co., San Francisco, Calif; Jack Youngstrom, Power Line Construction Co., Pocatello, Idaho; H. T. Gaines, Graybar Electric, Salt Lake City; J. N. Smith and J. Max Stucki, General Electric Supply, Salt Lake City; Don Snarr and Doc Weaver, Interstate Electric, Salt Lake City; and R. W. Bachman, Bonneville Construction, Idaho Falls, Idaho.

The president called upon Clarence Lee of Associated Engineers to conduct the bid opening on section 2 of Nevada 15B Wells project which gave the following results:

	<u>Western Red Cedar</u>	<u>Douglas Fir</u>
Power Line Construction	415,407.30	411,697.60
Bonneville Construction	426,595.00	426,595.00
Interstate Electric	474,077.96	466,847.96
Line Builders Inc	384,680.36	377,670.06
Brink Construction	391,661.00	390,725.00
Irby Construction	393,884.35	392,051.95

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before meeting)*

After the midday recess called in the regular meeting, the meeting was again called to order at 2:00 o'clock P.M., which was the hour appointed for re-convening prior to the recess.

The President noted that a quorum of the Directors were present.

The President turned the meeting over to Mr. Clarence Lee of Associated Engineers to conduct the bid opening for Section 1, the distribution portion of the B Project.

Mr. Lee asked all those in attendance if all bids had been submitted which the bidders intended to submit. There being no further bids submitted the four bids that had previously been submitted were read as follows:

<u>COMPANY</u>	<u>DOUGLAS FIR</u>	<u>WESTERN RED CEDAR</u>
C. W. Brown	\$103,647.75	\$110,078.25
Irby Construction Co.	\$127,526.20	\$133,839.20
Line Builders, Inc.	\$114,421.24	\$ (No Bid)
Power Line Construction CO.	\$134,794.50	\$138,474.50

It was noted by counsel that all bids had listed thereon their Nevada State Contractors License Number.

Mr. Lee turned the meeting back over to President Wright who then recessed the meeting until 3:00 o'clock P.M., to give the Engineers and Officers of the Company an opportunity to examine the bids and recheck the figures thereon.

The meeting was again called to order at 3:00 o'clock P.M. by President Wright.

The President noted that a quorum was present.

The next matter to come before the meeting was a discussion with bidder C. W. Brown concerning the fact that his bid proposal had not contained in there the second addendum regarding the owner's representations, which second addendum had been supplied to the contractor by the engineers. Mr. Brown read a copy of the second addendum which had been submitted to the bidders and agreed that said second addendum would be acceptable to him in the event his bid was accepted, and agreed to the substitute of the later supplement of page 3 of the Notice to Bidders concerning the changes regarding the owners representations.

Director Read reported that he had called two cooperatives who had used Mr. C. W. Brown for several projects, and expressed very favorable reports concerning him as a contractor.

Clarence Lee reported the results of checking the bids, noting a minor change in the amount of the C. W. Brown bid, which change is reflected in the figures hereinbefore set out, the figure hereinbefore set out being the final corrected figure of said bid.

Counsel for the Corporation advised that he had checked the bid bonds and had also contacted the State of Nevada Insurance Commissioner and that the bid bonds were satisfactory.

The next matter to come before the meeting was a discussion concerning the matter of whether to accept the bids using Douglas Fir poles or Western Red Cedar poles. The President asked for a recommendation from the Engineers and the same was given by Clarence Lee to the effect that he recommended use of the Douglas Fir poles on the Section 1 distribution line, due to the economy involved and other factors, but recommended that the bid be accepted for Section 2, the transmission lines with the use of Red Cedar poles, as he was of the opinion that for the use involved the red cedar poles would be superior and well worth the difference in the bid between the Douglas Fir poles and the Western Red Cedar poles. There was a general discussion of this matter by the Directors of the Corporation and all were in agreement that even though the bid was higher it would be to the best interests of the Corporation to select the bid using Western Red Cedar for the transmission lines.

The President advised that the next business would be to select bidders and first and second alternates, and thereafter the following action was taken:

WHEREAS, the engineering firm of ASSOCIATED ENGINEERS, INC., of Billings, Montana did prepare plans and specifications for the proposed transmission and distribution lines and electrical facilities designated as Nevada 15B Wells, Section 1 and Section 2 for the Wells Rural Electric Company; and

WHEREAS, said plans and specifications have been approved by resolution of the Board of Directors of WELLS RURAL ELECTRIC COMPANY on the 2nd day of November, 1961; and

WHEREAS, the Board of Directors did establish the 2nd day of March, 1962 as the date for opening bids regarding said projects, the Section 2 bids to be opened at 10:00 o'clock A.M., and the Section 1 bids to be opened at 2:00 o'clock P.M., of said day; and

WHEREAS on the 20th day of February, 1962 Notice of Bid openings were mailed by Associated Engineers, Inc., to 14 contractors in the United States regarding Section 1 and 17 contractors in the United States regarding Section 2, all of said contractors being approved by REA; and

WHEREAS, 17 contractors purchased plans for Section 2 and 14 contractors purchased plans for Section 1; and

WHEREAS, on the 2nd day of March, 1962 bids were received and opened on the Sections at the times set; 6 bids were received on Section 2 and 4 bids were received on Section 1; and

WHEREAS, the following contractors bid on Section 2 in the amounts set forth opposite their respective names, to-wit:

<u>COMPANY</u>	<u>DOUGLAS FIR</u>	<u>1" WESTERN RED CEDAR</u>
Power Line Construction Co. P. O. Box 1215 Pocatello, Idaho Contractor's License No. 6104	\$414,697.60	\$415,407.30
Bonneville Construction Co. Box 900 Idaho Falls, Idaho Contractor's License No. 4831	\$426,595.00	\$426,595.00
Interstate Electric Co., Inc. Salt Lake City, Utah Contractor's License No. 6353	\$466,847.96	\$474,077.96
Line Builders, Inc. P. O. Box 1852 Billings, Montana Contractor's License No. 5387	\$378,104.88	\$385,115.18
Brink Construction Co. 2314 Janet St. Rapid City, South Dakota Contractor's License No. 5458	\$391,205.00	\$392,141.00
Irby Construction Co. 817 South State St. Jackson, Mississippi Contractor's License No. 5386	\$392,051.95	\$393,884.35

WHEREAS, the following contractors bid on Section 1 in the amounts set forth opposite their respective names, to-wit:

<u>COMPANY</u>	<u>DOUGLAS FIR</u>	<u>WESTERN RED CEDAR</u>
C. W. Brown Terry, Montana Contractor's License No. 5465	\$103,647.75	\$110,078.25
Irby Construction Co. 817 South State St. Jackson, Mississippi Contractors license No. 5386	\$127,526.20	\$133,839.20
Line Builders, Inc. Box 1852 Billings, Montana Contractor's License No. 5387	\$114,421.24	\$ (No Bid)
Power Line Construction Co. P. O. Box 1215 Pocatello, Idaho Contractor's License No. 6104	\$134,794.50	\$138,474.50

WHEREAS, the Board of Directors deems it appropriate to approve for each Section a bid, a first alternate bid and a second alternate bid, subject to certain conditions;

NOW, THEREFORE, the Board of Directors of Wells Rural Electric Company, after due consideration and discussion of the foregoing and receiving the recommendation of the engineers, do unanimously resolve as follows:

RESOLVED: That the bid of Line Builders, Inc., in the amount of \$385,115.18, for Western Red Cedar pole construction, be, and the same is hereby approved regarding Section 2; and

RESOLVED: That the bid of C. W. Brown, in the amount of \$103,647.75, for Douglas Fir pole construction be, and the same is hereby approved regarding Section 1; and

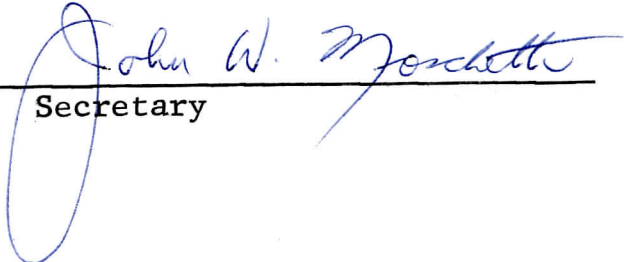
RESOLVED: That the bid of Brinks Construction Co., in the amount of \$392,141.00, for Western Red Cedar pole construction and the bid of Irby Construction Co., in the amount of \$393,884.35, for Western Cedar pole construction be, and the same are hereby approved as first alternate and second alternate bids respectively regarding Section 2; and

RESOLVED: That the bid of Line Builders, Inc. in the amount of \$114,421.24, for Douglas Fir pole construction and the bid of Irby Construction Co., in the amount of \$127,526.20, for Douglas Fir pole construction be, and the same are hereby approved as first alternate and second alternate bids respectively regarding Section 1; and

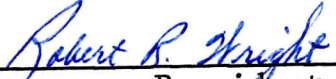
RESOLVED: That said bids are approved for construction of the facilities on a unit basis; that all resolutions and approval herein made and given are subject to REA approval and the availability of funds to finance said construction; that the President and Secretary are authorized and directed to forward the said bids and approvals to REA for consideration and approval, and to execute the appropriate bids for and on behalf of Wells Rural Electric Company, at the appropriate time, and in the event said bids approved or alternate bids are approved by REA as the bids on the respective project sections, all to be effective on REA approval.

Mr. C. W. Brown asked the Board whether he was in the clear to go ahead and order his poles and other materials. He was advised by the Board and by counsel for the Cooperative that he did so at his own risk, due to the fact that funds had not been released for the construction, the bid had not been approved by REA and that all things were not in order to give him a definite go ahead.

There being no further business to come before the meeting on motion duly made, seconded and unanimously passed, the meeting was adjourned.

  
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Secretary

APPROVED:

  
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President

WRITTEN CONSENT TO TIME AND PLACE OF  
SPECIAL MEETING OF DIRECTORS  
OF  
WELLS RURAL ELECTRIC COMPANY

The undersigned being the Directors of Wells Rural Electric Company do hereby unanimously favor and consent to the holding of a Special Meeting of the Directors of the Wells Rural Electric Company to be held at EL Rancho Hotel in the City of Wells, County of Elko, State of Nevada on the 2nd day of March, 1962 at 10:00 A.M. of said day and do hereby further waive any and all notices of any kind or nature of said date and place of meeting.

Dated this 2 day of March, 1962.

<u>Robert R. Haight</u>	<u>Blaine Sharp</u>
<u>Eyes H. Boies</u>	<u>Vernon Dalton</u>
<u>Herbert D. Uhlir</u>	<u>Chas. L. Beard</u>
<u>James Smith</u>	<u>Arthur E. Frank</u>
<u>James L. Ballard</u>	<u>John W. Moschetti</u>
<u>Laurel C. Sweet</u>	

WRITTEN CONSENT TO TIME AND PLACE OF  
SPECIAL MEETING OF DIRECTORS  
OF  
WELLS RURAL ELECTRIC COMPANY

THE UNDERSIGNED, being all of the Directors of the  
WELLS RURAL ELECTRIC COMPANY, do hereby unanimously give their  
consent to holding of a special meeting of the Directors of the  
WELLS RURAL ELECTRIC COMPANY, to be held at the El Rancho Hotel,  
in the City of Wells, County of Elko, State of Nevada, on the  
2nd day of March, 1962, at 10:00 o'clock A. M. of said day, and  
do hereby further waive any and all notice of any name or  
nature of said date and place of meeting.

DATED this 2nd day of March, 1962.

Robert R. Wright  
ROBERT R. WRIGHT

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CHARLES C. READ

Roger Smith  
ROGER SMITH

James L. Ballard  
JAMES L. BALLARD

Vernon Dalton  
VERNON DALTON

Blaine Sharp  
BLAINE SHARP

Herbert M. Uhlig  
HERBERT M. UHLIG

Clarence Swett  
CLARENCE SWETT

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ARTHUR GROCK

Arthur E. Grock  
EYER BOIES

John W. Moschetti  
JOHN W. MOSCETTI

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THE CUSTOMER SERVICE DEPARTMENT

YOUR CUSTOMER SERVICE DEPARTMENT

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