

THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY
May 14, 1976

The regular meeting of the Board of Directors was called to order at approximately 1:05 p.m., by the President Jim Ballard, at the Wells Office of Wells Rural Electric Company.

Those in attendance were: Jim Ballard, Clarence Swett, Vernon Dalton, Gene Pengelly, Glenn Wadsworth, Bill Gibbs, Ray Crawford, and Tom Achurra. Absent were: Bob Wright, Art Grock, and John Krenka. Also present were: Don Snyder, Manager; Robert Vaughan, Attorney; and Tonia Escamilla, Secretary.

There was a discussion on the minutes that were sent to the Board Members, all corrections were corrected in the original minutes. The minutes were approved as written.

A Waiver of Notice changing the date of this months meeting was circulated. This Waiver is attached to and constitutes a part of these minutes.

Robert Vaughan presented the Participation Agreement for WPPS, No. 4 and 5. After a brief discussion, DIRECTOR VERNON DALTON MOVED TO SIGN THE AGREEMENT, DIRECTOR GENE PENGELLY SECONDED AND THE MOTION WAS CARRIED WITH GLENN WADSWORTH ABSTAINING.

Copies of the Adopting Resolution and Agreement are attached to and constitute a part of these minutes.

Idaho Power Settlement: Robert Vaughan reported that Idaho Power has agreed to a pre-trial statement, thus avoiding a pre-trial hearing.

Sales of Real Estate: President Ballard and Secretary Swett signed the documents which finalize the sale of the Old Bank Building to Joe Quilici and the old garage to Supp's Inc., Robert Vaughan will convey the deeds to the respective purchasers.

Additions to the Agenda: The President asked for an Executive Session of the Board after the regular meeting.

Carlin/Pine Valley: The Manager had talked to Mayor Borden on the Nevada Power's proposal. Carlin will not make any moves until their Charter is changed.

Raft River Interite: The Manager suggested tableing the discussion until late 1976, at which time we can ascertain whether the Sierra Pacific line will be constructed in Northern Elko County.

Hydro Plant: The Bicentennial funds have been approved. The Board agreed to form a committee of Art Grock, Chairman; Clarence Swett, and Don Snyder to work with the City on the moving of the building. The committee will report at the next Board meeting.

Policy Manual: After discussion of page 43 it was agreed to change the Policy Manual to read as follows:

It shall be the policy of the Cooperative to permit the purchase of appliances, sold by the cooperative, by employees and trustees at cost. Cost shall include the cost of appliance, fre-

ight and taxes. The Appliance Salesman shall not receive commission on such sales. A MOTION WAS MADE, SECONDED AND CARRIED TO CHANGE THE POLICY MANUAL TO READ AS STATED ABOVE.

Discussion on changing the working (Page 69) from Vocational to College was held. A MOTION TO CHANGE THE WORDING FROM VOCATIONAL TO COLLEGE WAS MADE BY GENE PENGELLY, SECONDED BY RAY CRAWFORD, MOTION CARRIED.

The Manager brought to the Boards attention that a REA Civil Rights Compliance team will visit the Board in August. The Manager advised the Board to become familiar with Bulletin 20-19. President Ballard requested that copies be mailed to each Director, the Manager agreed to do so.

Rate, Rules & Regulation: Nevada Public Service Commission requested supporting data on the proposed irrigation rate change. The data has been sent out.

Directors Page in Ruralite: After discussion, it was decided to discontinue the Directors page in Ruralite and have the Manager report the highlites of the Board Meeting on page 32.

CFC: The Line of Credit application renewal has been forwarded to NRUCFC and has been accepted. Clarence Swett moved to adopt the RESOLUTION FOR CFC, Seconded by Gene Pengelly, MOTION WAS CARRIED.

Scholarship: The 1976 W.R.E.C. Scholarship went to Jesselyn O'Shell of Wendover, Miss Toni Richey of Wendover was the alternate. The Scholarship Committee gave special recognition to Stella Cozza, Counselor of the Wendover School, a small gift would be presented to her by Ray Crawford.

Nomination Committee: Manager, Snyder read the W.R.E.C., By-Laws on the procedures on the Boards selections for the Committee.

John Achurra nominated Ale Malotte of Lee-Jiggs area, Glenn Wadsworth nominated Mike Scobie form Wendover area, Mike Jensen nominated by Gene Pengelly for Wells Area. Three alternates were also chosen from these areas: Lillian Garcia, Brent Jones, Martia Agee. All nominees will receive a letter asking them to serve on the committee.

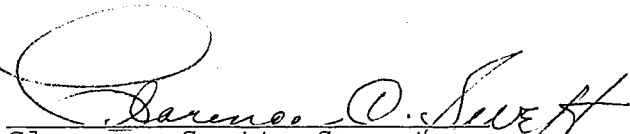
Managers Report: Mr. Snyder read a letter from Brian Morway, apologizing for the outage. A discussion took place on the Wendover outage that occured on Monday 10, 1976, p.m. Lightning caused the outage, due to radio communications this was a big factor on getting the electricity turned on.


Wells Rodeo Club - The Board agreed to donate \$20.00 to the Rodeo Club. GLENN WADSWORTH MOVED TO DONATE \$20.00, GENE PENGELLY SECONDED, MOTION WAS CARRIED.

Nevada Tax Commission - A review by the Nevada Department of Taxation indicates that the Time Certificate in the amount of \$830.00 is not adequate and a revised sum of \$4,480.00 is now required. John Q. Ryan will acquire a bond in the amount of \$4480.00. All that was needed was the Board's approval and signatures. The Board approved.

Membership: Approving Memberships - Wells 7, Wendover 15. GENE PENGELLY MADE A MOTION TO APPROVE THE MEMBERSHIPS, CLARENCE SWETT SECONDED, MOTION WAS CARRIED.

Meeting ajourned at 4:00 p.m.


Clarence Swett, Secretary


James E. Ballard, President
Vice President

WAIVER OF NOTICE
OF
SPECIAL DIRECTORS MEETING
OF
WELLS RURAL ELECTRIC COMPANY

We, the directors of WELLS RURAL ELECTRIC COMPANY, (hereinafter called the "Cooperative"), waive all notice of the time, place and purpose of a special meeting of the Board of Directors to be held at the Wells Rural Electric Company Offices in the City of Wells, State of Nevada, the 14th day of May, 1976, at 1:00 o'clock p.m., for the purpose of action upon:

1. The authorization of the execution and delivery by the cooperative of Participants' Agreement with the Washington Public Power Supply System relating, among other things, to its Nuclear Projects Nos. 4 and 5.
2. Such other business as may come before the meeting.

IN WITNESS WHEREOF, we have hereunto set our hands this 14th day of May, 1976.




JAMES L. BALLARD



GLEN WADSWORTH



CLARENCE C. SWETT



RAY CRAWFORD

(see waiver attached)

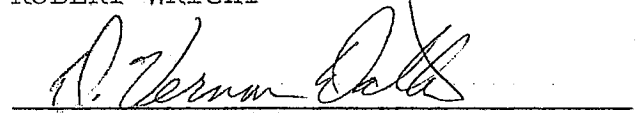
JOHN W. KRENKA

x (see waiver attached)

ROBERT WRIGHT




EUGENE H. PENGELLY



D. VERNON DALTON



THOMAS ACHURRA



WILLIAM GIBBS

x (see waiver attached)

ARTHUR GROCK

Being all of the directors of WELLS RURAL ELECTRIC COMPANY without exception.

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14 IN WITNESS WHEREOF, I have hereunto set my hand this day of May, 1976.

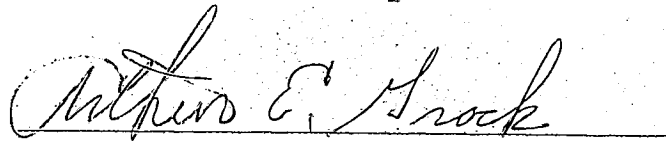
John W. Kurba

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2. Such other business as may come before the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 14 day of May, 1976.



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1. The authorization of the execution and delivery by the cooperative of Participants' Agreement with the Washington Public Power Supply System relating, among other things, to its Nuclear Projects Nos. 4 and 5.
2. Such other business as may come before the meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this
11 day of May, 1976.

Robert R. Wright

RESOLUTION NO. 4-75-1

A RESOLUTION authorizing the execution and delivery of Option and Services Agreement with Washington Public Power Supply System relating, among other things, to Washington Public Power Supply System Nuclear Projects Nos. 4 and 5 and the Skagit Project

WELLS RURAL ELECTRIC COMPANY, a non-stock, non-profit cooperative corporation organized under the laws of the State of Nevada, (hereinafter called the "Cooperative"), is authorized by law to enter into contracts for purchase of electric power and energy to meet the prospective power and energy needs of the Cooperative and its electric customers.

The United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator (hereinafter called "Bonneville") and the electric cooperatives, utilities and other Pacific Northwest entities organized as the Joint Power Planning Council have developed the Hydro Thermal Power Program in order to facilitate the coordination of existing and future thermal and hydro electric resources in the Pacific Northwest. Pursuant to Phase 2 of the Hydro Thermal Power Program (the "Program") statutory preference customers of Bonneville will acquire generating capability from non-federal generating projects to meet the power requirements of such customers. Bonneville has indicated that, subject to any limitations imposed by law, it will furnish transmission, scheduling, load factoring, reserves, exchanges and other services available from the Federal Columbia River Power System to enable such customers to integrate their share of such generating capability with power and energy avail-

able to them from their electric systems, from Bonneville and other sources.

As a part of said Program and at the request of the Public Power Council, the Washington Public Power Supply System (hereinafter called the "System") has performed preliminary work with respect to the investigation, planning, financing and construction of two nuclear electric generating facilities, one to be known as Washington Public Power Supply System Nuclear Project No. 4 for construction in conjunction with Washington Public Power Supply System Nuclear Project No. 1, and the other to be known as Washington Public Power Supply System Nuclear Project No. 5 for construction in conjunction with Washington Public Power Supply System Nuclear Project No. 3. In accordance with the Program and at the request of the Public Power Council the Supply System has also undertaken the investigation of participation in the Puget Sound Power & Light Company's Skagit Project and studies and investigations to identify feasible power plant sites, preferably in Western Washington or Oregon, in order to prepare for the construction of additional power generating facilities.

In order to further the development of the Projects in accordance with the Program, the Cooperative proposes to execute with the System an agreement designated "Washington Public Power Supply System Nuclear Projects Nos. 4 and 5 and Skagit Project Option and Services Agreement" in the form and content as set forth in the draft thereof on file with the Cooperative, dated March 21, 1975, under which the System grants to the Cooperative (called the "Option Participant" in said agreement) an option to enter the Participants' Agree-

ment, a draft of which is attached to the Option and Services Agreement as Exhibit A, reserves for the Cooperative a specified share of the capability of said Projects and agrees to perform certain services, including, among other things, the arrangement of the ownership, financing, acquisition and construction of said Projects.

The Cooperative, the other statutory customers of Bonneville, and other entities in the Pacific Northwest are negotiating several agreements relating to the Program; and the Board finds that executing the Option and Services Agreement will enable the Cooperative to continue such negotiations in an orderly manner.

In accordance with the Option and Services Agreement, the System proposes to adopt a "Development Bond Resolution" at a later date which resolution 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 TWO NUCLEAR GENERATING PLANTS TO BE KNOWN AS WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECT NO. 4 and NUCLEAR PROJECT NO. 5; AND PROVIDING FOR THE ISSUANCE OF ONE HUNDRED MILLION DOLLARS (\$100,000,000) PRINCIPAL AMOUNT OF REVENUE BONDS TO PROVIDE FUNDS TO PAY A PART OF THE COST OF SUCH ACQUISITION AND CONSTRUCTION AND FOR OTHER CORPORATE PURPOSES OF WASHINGTON PUBLIC POWER SUPPLY SYSTEM

A draft of such resolution dated March 26, 1975, is on file with the Cooperative. The System expects to adopt the Development Bond Resolution in June, 1975, which resolution will be substantially in the form of said draft of such resolution and consistent with the Option and Services Agreement.

The Option and Services Agreement entitles the Cooperative ultimately to enter into the Participants' Agreement. The

Cooperative recognizes that substantial revisions may be made to Sections 15 and 16 relating the Participants' Committees and Project Consultant, respectively. The System proposes to adopt a "Bond Resolution" Agreement, which resolution will provide, among other things, for the issuance of the Bonds (as defined in the Participants' Agreement) in series. A draft of the first Bond Resolution will be submitted to the Cooperative prior to its entering into a Participants' Agreement. A summary of the first Bond Resolution, dated March 21, 1975, is on file with the Cooperative.

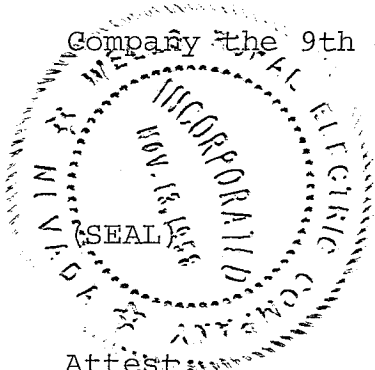
The Board has reviewed the Option and Services Agreement, the Participants' Agreement and the Resolution and summary above referred to and has considered the alternative means of obtaining power and energy and the environmental, technical and economic factors and studies relevant to this Resolution and now finds that entering into the Option and Services Agreement with the System is in the best interests of the Cooperative, that performance of the Option and Services Agreement, among other things, is necessary and advisable in order for the Cooperative to meet its prospective needs for power and energy in a timely, environmentally and economically sound manner to assist in serving the prospective power and energy needs of its customers in the future.

THEREFORE, IT IS RESOLVED:

The President or Vice President and Secretary of the Cooperative are hereby authorized and directed, on behalf of the Cooperative, to execute with the Washington Public Power Supply System the Option and Services Agreement above referred to, sub-

tantially as set out in the draft thereof on file with the Cooperative, dated March 21, 1975, and to deliver copies thereof to the System.

Adopted by the Board of Directors of Wells Rural Electric Company the 9th day of May, 1975.



James L. Ballard
President

Attest:

Lawrence A. Swift
Secretary

RESOLUTION NO. 5-76-1

A RESOLUTION authorizing the execution and delivery of Participants' Agreement with Washington Public Power Supply System, relating, among other things, to Washington Public Power Supply System Nuclear Projects Nos. 4 and 5.

On July 22, 1975, WELLS RURAL ELECTRIC COMPANY, a corporation organized under the laws of the State of Nevada, (the "Cooperative"), and the Washington Public Power Supply System (the "Supply System") entered into an agreement entitled "Washington Public Power Supply System Nuclear Projects Nos. 4 and 5 and Skagit Project - Agreement for Option to Enter Participants' Agreement, Reservation of Project Capability and Performance of Services" (the "Option Agreement"). Pursuant to said Agreement the Supply System, among other things, granted the Cooperative an option to enter into the Participants' Agreement hereinafter referred to. Pursuant to Section 3(d) of the Option Agreement the Supply System has timely delivered to the Cooperative (i) signatory copies of the Participants' Agreement, dated April 15, 1976, and entitled "Washington Public Power Supply System Nuclear Projects Nos. 4 and 5-Participants'

Agreement" and (ii) a notice affording the Cooperative the opportunity to execute and deliver the Participants' Agreement within 90 days after delivery of said notice. In compliance with the provisions of the Option Agreement, the Participants' Agreement provides for the sale by the Supply System to the Cooperative of a share of the capability of (i) the Supply System's Nuclear Project No. 4, which will be solely owned by the Supply System, and (ii) the Supply System's ownership share of its Nuclear Project No. 5, which will be 90% owned by the Supply System and 10% owned by the Pacific Power & Light Company.

Pursuant to the Option Agreement, prior to delivery to the Cooperative of the Participants' Agreement and the aforementioned notice, the Executive Committee of the Public Power Council (the "PPC") reviewed said documents. The PPC also requested the Supply System to proceed with the Participants' Agreement.

In connection with the Participants' Agreement the Supply System has prepared a draft of "Bond Resolution", which resolution 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 AC-
QUISITION AND CONSTRUCTION BY WASHINGTON PUBLIC POWER
SUPPLY SYSTEM OF A NUCLEAR GENERATING PLANT TO BE KNOWN
AS WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PRO-
JECT NO. 4 AND THE CONSTRUCTION BY SAID SYSTEM OF A
NUCLEAR GENERATING PLANT TO BE KNOWN AS WASHINGTON

PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECT NO. 5 AND
THE ACQUISITION BY SAID SYSTEM OF AN OWNERSHIP INTEREST
THEREIN; AND PROVIDING FOR THE ISSUANCE OF REVENUE
BONDS FOR SAID PURPOSES.

A copy of the draft dated April 12, 1976, of such resolution (referred to in Section 1(d) of the Participants' Agreement) is on file with the Cooperative. Any Bond Resolution as adopted by the Supply System subsequent to the execution of the Participants' Agreement will be substantially in the form of said draft of Bond Resolution and consistent with the Participants' Agreement.

In connection with the Participants' Agreement the Supply System has also prepared a draft of an agreement entitled "Washington Public Power Supply System Nuclear Project No. 5 Agreement" (the "Ownership Agreement") to be executed with the Pacific Power & Light Company, and a copy of a draft dated April 15, 1976, of said agreement is on file with the Cooperative.

The Board has reviewed the Participants' Agreement, the Ownership Agreement and the Bond Resolution above referred to, and has considered the environmental, technical, economic and other factors and studies relevant to this Resolution.

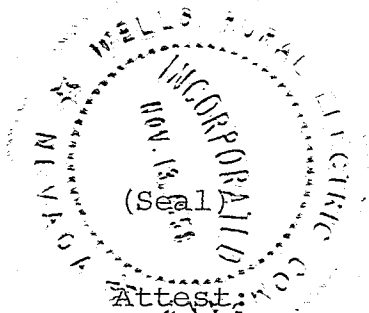
The Board now finds: that entering into the Participants' Agreement with the Supply System is in the best interests of the Cooperative; and that performance of the Participants' Agreement, among other things, is necessary and advisable in order for the Cooperative to meet its prospective needs for power and energy in a timely, environ-

mentally and economically sound manner to assist in serving the prospective power and energy needs of its 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 the Supply System the Participants' Agreement above referred to, substantially as set out in the draft thereof, dated April 15, 1976, on file with the Cooperative and to deliver copies thereof to the Supply System.

Adopted by the Board of Directors of Wells Rural Electric Company the 14th day of May, 1976.



James L. Ballou

President

Lucena C. Sweet

Secretary

MEMBERSHIPS TO BE APPROVED

MAY 14, 1976

WELLS

1. Chromalloy Mining & Minerals
2. Hardy Clay
3. Judy Chapin Hatfield
4. Terri Grock
5. Jon Patrick
6. Francis J. Seagrave, Jr.
7. William G. Turney

WENDOVER

1. Melvin G. Allen
2. Virginia F. Brown
3. Gerald D. Callander
4. Dennis Corbridge
5. Paul Cushing
6. Ralph Davis
7. Joseph A. Eisner
8. Austin P. Halbritter
9. Ronald Hall
10. Robert McGary
11. Carolyn McFarland
12. Joseph Mann
13. Rafael A. Rojas
14. Lucinda E. Shaw
15. Carol Sherratt