

SPECIAL MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

November 1, 1974

The special meeting of the Board of Directors of Wells Rural Electric Company was held in the Wells office, on November 1, 1974. It was called to order by President James Ballard at 1:10 P.M.

The following directors were present: James Ballard, Gene Pengelly, Art Grock, Tom Achurra, Ray Crawford, Bill Gibbs, John Krenka, Bob Wright, Jess Urresti, Vernon Dalton, and Clarence Swett. Also present were Don Snyder, Bud Calton, Fred Toombs, and Clarence Lee.

The motion was made to approve the Architects plans for the new service building by Vernon Dalton and seconded by Clarence Swett. The motion carried.

Clarence Lee made his presentation on Systems Improvement. A motion to approve the Two-year Work Plan (see attached form) prepared by Clarence Lee was made by Bob Wright and seconded by Tom Achurra. The motion was approved.

A motion was made by Gene Pengelly to approve the Board Resolution Requesting REA Financing (see attached form). Jess Urresti seconded and the motion carried.

A motion to approve the area coverage resolution (see attached form) was made by Ray Crawford and seconded by Gene Pengelly. The motion was approved.

Bob Wright moved to establish a debit limit at \$25,000,000 (see attached form) and Gene Pengelly seconded. The motion carried.

The Board of Directors discussed the policy on Purchase of Appliances and Equipment (see attached form). Vernon Dalton moved it be adopted and Ray Crawford seconded. The motion carried.

Gene Pengelly moved that the Board Resolution on Retail Rate Level (see attached form) be adopted and Bob Wright seconded. The motion was approved.

A revised policy on Capital Credits (see attached form) was discussed by the Board. Jess Urresti moved that it be approved and Ray Crawford seconded. The motion carried.

Also a General Funds Policy (see attached form) was discussed. Bob Wright moved that it be adopted and Vernon Dalton seconded. The motion was approved.

Don discussed the Devils Gate Area service. We will serve this area if they want to make a commitment at the next Board Meeting.


The Carlin Proposal was well accepted by the Carlin City Council. The Board Members that attended felt the people want Wells Rural Electric Company to serve them.

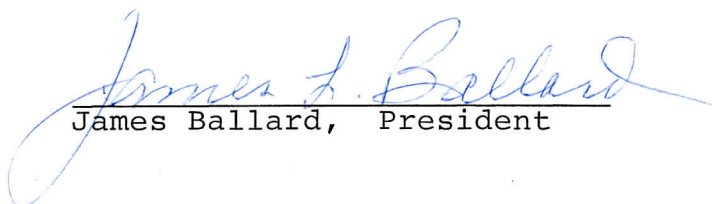
Don will meet with Raft River on November 12, to discuss the transfer of Raft River's Nevada Properties to Wells Rural Electric Company. We will pick up 143 consumers with this acquisition. *resolution*

Don also mentioned that the billing machine is worn out, and at the time broke down. Jess Urresti mentioned that the Burroughs 5000 the school has will be traded back to the Burroughs Company for a larger model. The Wells Rural Electric Company may be able to get this machine through the Burroughs Company.

Clarence Lee made his presentation to the Board Members.

The meeting was adjourned.


Clarence Swett, Secretary


James Ballard, 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 Company office in the City of Wells, County of Elko, State of Nevada on the 1st day of November 1974, at 1:00 P. 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 first day of November, 1974.

James L. Ballard
James L. Ballard, Pres.

Jess Urresti
Jess Urresti, Vice Pres.

Robert R. Wright
Robert R. Wright

Arthur E. Grock
Arthur E. Grock

William B. Gibbs
William B. Gibbs

Ray A. Crawford
Ray A. Crawford

Clarence C. Swett
Clarence C. Swett, Sec.

D. Vernon Dalton
D. Vernon Dalton

Eugene H. Pengelly
Eugene H. Pengelly

John W. Krenka
John W. Krenka

Thomas Achurra
Thomas Achurra

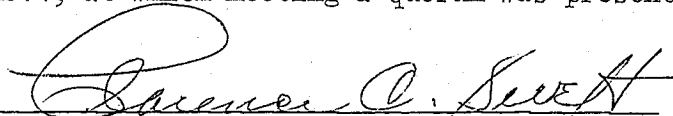
RESOLUTION
OF THE BOARD OF DIRECTORS
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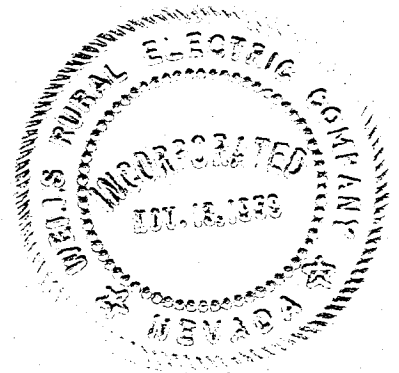
November 1, 1974

Board Resolution - Two-year Work Plan

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does approve the two-year (1975 and 1976) Work Plan, prepared by Clarence Lee, and be it further resolved that this engineering study be submitted to REA in support of the "C4" loan application.

I, Clarence Swett, Secretary of the Wells Rural Electric Company, do hereby certify that the above is a true and correct copy of the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the first day of November, 1974, at which meeting a quorum was present.


Clarence Swett, Secretary



RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

November 1, 1974

Board Resolution Requesting REA Financing

WHEREAS, It has been determined on the basis of the current two-year construction work plan that financing is needed for electric facilities, headquarters facilities and reimbursement of general funds, as shown on REA Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, as follows:

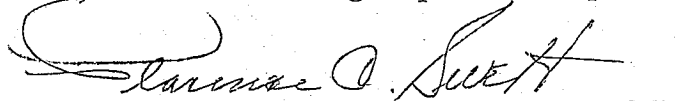
Total Estimated Cost	\$ 725,000
Less	
Available Funds and Materials	<u>-0-</u>
Loan requested from REA	<u>\$ 725,000</u>

NOW, THEREFORE, BE IT RESOLVED, That Wells Rural Electric Company, Wells, Nevada, make application to the Rural Electrification Administration for a loan in the approximate amount of \$ 725,000, to be used in accordance with REA Bulletin 20-2 to finance the above-mentioned facilities.

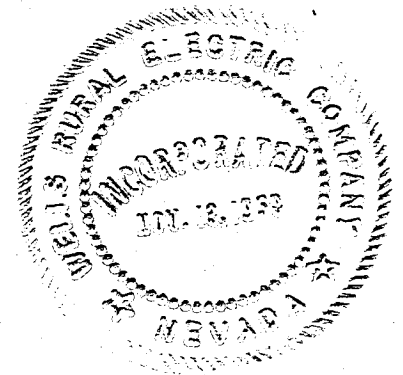
BE IT FURTHER RESOLVED, That the REA note shall be in the full amount of the REA loan and provide for the repayment of principal to begin three years from the date thereof.

BE IT FURTHER RESOLVED, That the Administrator of REA be notified that the directors of Wells Rural Electric Company have no objection to the release of general information about the "C4" loan application, as setforth in REA Bulletin 20-12, paragraph V-B.

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Clarence Swett, Secretary



RESOLUTION
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WELLS RURAL ELECTRIC COMPANY

November 1, 1974

Board Resolution Requesting REA Financing

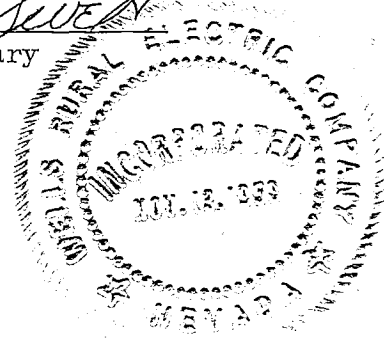
WHEREAS, It has been determined on the basis of the current two-year construction work plan that financing is needed for electric facilities, headquarters facilities and reimbursement of general funds, as shown on REA Form 740c, Cost Estimates and Loan Budget for Electric Borrowers, as follows:

Total Estimated Cost	\$ 725,000
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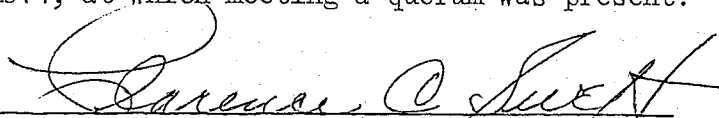
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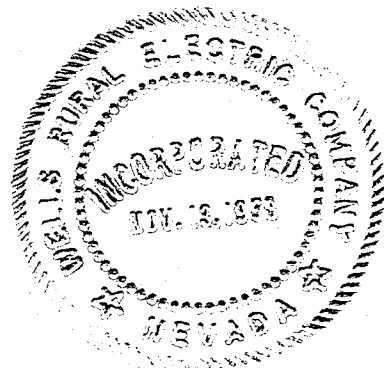
November 1, 1974

Board Resolution - Area Coverage

NOW, THEREFORE, BE IT RESOLVED, ~~that~~ **the** Administrator of REA be notified by copy of this resolution, that it is the policy of Wells Rural Electric Company to provide adequate and dependable electric service on an Area Coverage basis throughout its service area, in accordance with Line Extension Policy file with the Nevada PSC.

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Clarence Swett, Secretary



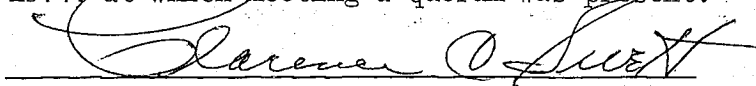
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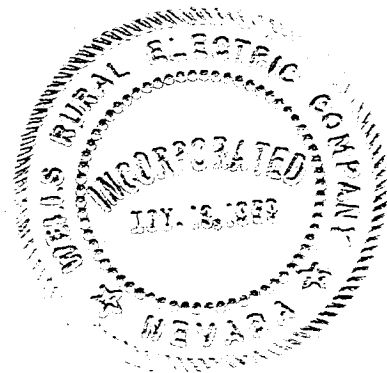
November 1, 1974

Board Resolution - Debit Limit

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does establish the Debt Limit (ie. aggregate principal amount of notes secured by REA mortgage, and possible future REA-CFC supplemental mortgage) at an amount not to exceed \$ 25,000,000.

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Clarence Swett, Secretary



WELLS RURAL ELECTRIC COMPANY
Wells, Nevada

Policy No. 4-5 Adopted 11/1/74

Subject: Accounts Receivable - Directors and Employees

I. OBJECTIVE

To set forth the policy of the Wells Rural Electric Company on Accounts Receivable - Directors and Employees.

II. POLICY CONTENT

Be it resolved that the Board of Directors of the Wells Rural Electric Company have established the following policy for Accounts Receivable from Directors and Employees.

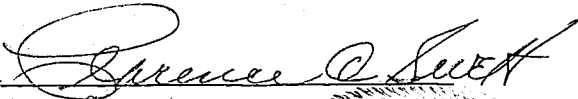
- A. It shall be the policy of the Cooperative to permit the purchase of appliances and equipment by employees and trustees with the understanding that full payment is to be made within not more than 30 days of such purchase.
- B. The Cooperative may make exceptions to this policy for prepaid insurance, purchase of tools, equipment and uniforms not furnished by the Cooperative.
- C. Loans will not be made to Directors or Employees.

III. RESPONSIBILITY

- A. The Board of Directors will be responsible for any change in policy content which requires action by the Board of Directors.
- B. The General Manager will be responsible for the administration of this policy.

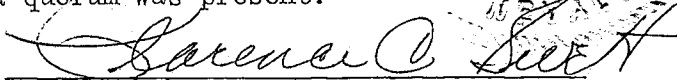
Date Adopted: November 1, 1974

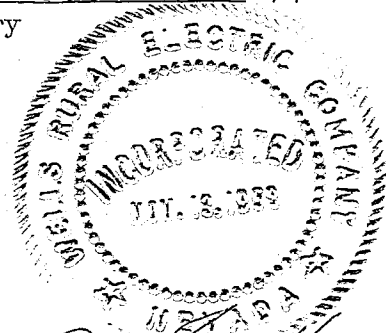
Attested


Secretary

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Clarence Swett, Secretary





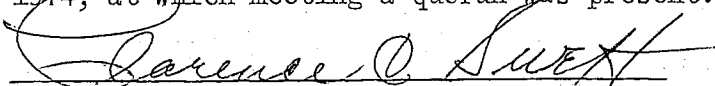
RESOLUTION
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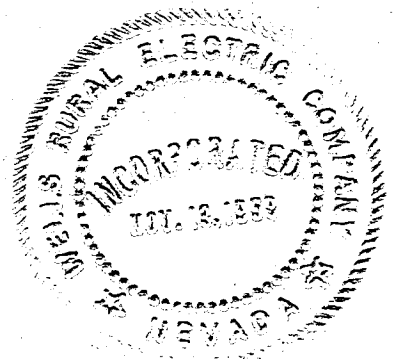
November 1, 1974

Board Resolution - Retail Rate Levels

NOW, THEREFORE, BE IT RESOLVED, That the Administrator of REA be notified by copy of this resolution, that it is the intention of the Board of Directors to maintain the TIER and DSC at levels required in the supplemental mortgage, and to increase Retail Rates accordingly.

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Clarence Swett, Secretary



WELLS RURAL ELECTRIC COMPANY
Wells, Nevada

Policy No. 4-2

Subject: Capital Credits

I. OBJECTIVES

- A. To clarify the intent of Article VIII of By-laws regarding non-profit operation; and to establish the policy of the Wells Rural Electric Company on retirement of Capital Credits.

II. POLICY CONTENT

A. Refunding to Deceased Persons

Pursuant to the provisions of Article VIII, Section 2, By-laws of the Company, the Board of Directors shall, to the extent possible, considering the financial condition of the Company; the provisions of the By-laws and Articles of Incorporation; the law; and provisions of the REA mortgage, retire the Capital heretofore credited to any deceased patron in the present and prior years.

B. General Retirement of Capital Credits

Decisions of the Board of Directors to make general refund of Capital Credits to patrons will be consistent with sound management practices and the provisions of the REA mortgage.

C. Applying to Delinquent Accounts

Capital Credited to the account of a patron shall not be applied to an obligation owing the Company by the patron in advance of the general retirement of that Capital Credit, but the Capital Credit account of the patron and the account due the Company by the patron shall be flagged with a notation that when said Capital Credit is retired in a general retirement, then the Capital Credit retired shall be applied to the unpaid balance of any obligations due and owing the Company.

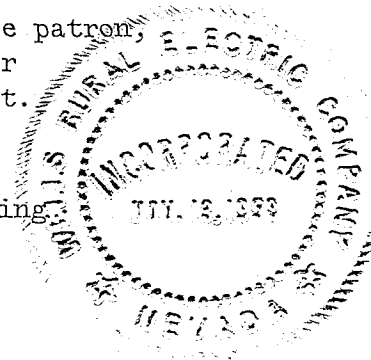
D. Dissolution of Corporations or other Legal Entities

When the Corporations and other legal entity members cease to exist, and at time of cessation or dissolution, their legal representatives will be encouraged to assign Capital Credits to a successor.

The BY-LAWS make no provision for early retirement for such type patron, therefore the waiting period on retirement cannot be waived for Corporations and other legal entity patrons, who cease to exist.

E. Revenues other than electric

Income from investment shall be included as part of the operating margins when allocating capital credits.



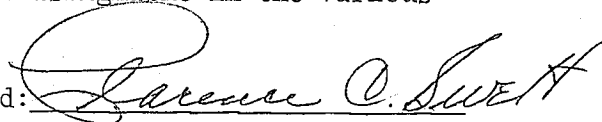
Non-operating margins shall not be allocated to source, but shall be included with operating margins when allocating Capital Credits.

F. Method of Allocating Capital Credits

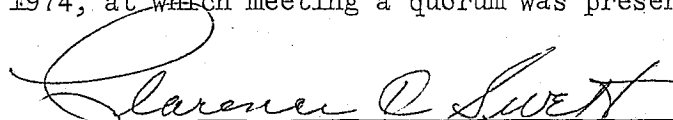
For the purpose of allocating Capital Credits the cost of power shall be deducted from the gross revenue in each of the electric revenue accounts in order to determine the amount assignable in the various classifications.

Date Adopted: November 1, 1974

Attested:


Secretary

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Clarence Swett, Secretary



WELLS RURAL ELECTRIC COMPANY

Policy No. 4-1

Subject: GENERAL FUNDS (WORKING CAPITAL AND RESERVES)

I. OBJECTIVE

To establish adequate working capital and reserves, as well as deposits and prudent investments of such working capital and reserve funds.

II. POLICY CONTENT

Be it resolved that the Board of Directors of Wells Rural Electric Company has established the following guidelines for the disposition of General Funds.

A. Working Capital

The working capital shall not exceed three percent of total electric plant. The working capital shall be used for operating costs, quarterly debt service requirements, and interim financing of current construction and will be deposited in checking accounts and/or invested in short-term investments in banks insured by the Federal Deposit Insurance Corporation.

B. Renewal and Replacement Fund

This fund shall not exceed three percent of total electric plant.

This fund will be used to finance extensive replacement of plant.

C. Contingency Fund

This fund shall not exceed two percent of total electric plant. This fund will be used for major storm damage or other "acts of God", not covered by insurance.

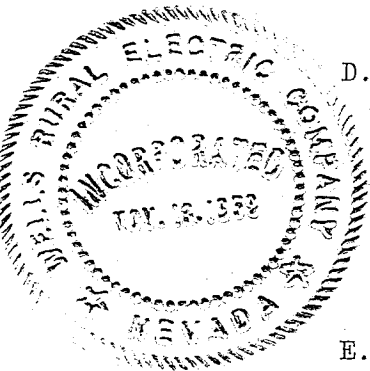
D. Other General Funds

Any general funds in excess of amount equal to 8% of electric plant will be used in accordance with the following priority:

1. Invest in Plant.
2. Retirement of Patronage Capital.
3. Advance payments on annual debt service.

E. Deposits and Investments

Primary consideration should be given to safety and liquidity in the management of general funds. Funds should be kept in banks whose deposits are insured by FDIC or invested in



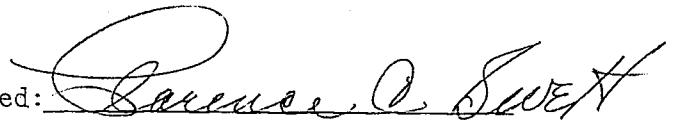
securities of the United States Government or of institutions insured or guaranteed by the United States Government or by an instrumentality thereof.

III. RESPONSIBILITY

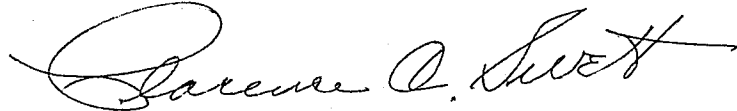
- A. The Manager is responsible for the overall administration of this policy.
- B. The Office Manager shall periodically review the needs for working capital and reserves and the investment of such funds and advise the Manager of the need for any revisions of this policy.

Date Adopted: November 1, 1974

Attested:


Secretary

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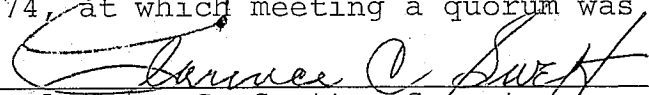
RESOLUTION
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November 1, 1974'

Board Resolution - Nevada Property of Raft River Electric Cooperative

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors is interested in acquiring the area of Nevada now served by Raft River Electric Cooperative, Malta, Idaho and does authorize the General Manager of Wells Rural Electric Company to begin negotiations with Raft River.

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Clarence C. Swett, Secretary

