

SPECIAL BOARD MEETING
OF
WELLS RURAL ELECTRIC COMPANY

October 26, 1976

The meeting was called to order at 4:35 p.m. in the Board Room of Wells Rural Electric Company, Wells, Nevada. President James Ballard presiding.

Those directors present were: Jim Ballard, Art Grock, Clarence Swett, Gene Pengelly, Bob Wright, and Vernon Dalton. Pat Nolz, Bud Calton, and Bobbi Samuels were present from the office staff.

Jim Ballard stated that this meeting was called to approve the loan application and get the necessary signatures for the loan.

1976 Financial Projections for Wells Rural Electric Company. This resolution is to go along with the letter written by Don Snyder and signed by him and Jim Ballard that was sent to Charles Fitch about our financial projections. BOB WRIGHT MOVED THAT WE APPROVE THIS LETTER. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED.

Financial Improvement Program Resolution. This was approved by approving the letter to Charles Fitch.

Resolution Requesting Concurrent Financing. This resolution is to approve financing by both REA and CFC for this loan. REA will provide \$620,000 and CFC will provide \$266,000 for a total of \$886,000. GENE PENGELLY MOVED THAT WE APPROVE THIS RESOLUTION. BOB WRIGHT SECONDED THE MOTION AND THE MOTION CARRIED.

Resolution - Area Coverage. This resolution is to notify the REA Administrator that we will provide service to everybody in our service area. BOB WRIGHT MOVED THAT WE APPROVE THIS RESOLUTION. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED.

Resolution - Two Year Work Plan. This resolution states that the board approves the Two-year Work Plan for 1977-1978. GENE PENGELLY MOVED THAT WE APPROVE THIS RESOLUTION. CLARENCE SWETT SECONDED THE MOTION AND THE MOTION CARRIED.

Resolution - Debt Limit. This resolution notes that the board will not approve any loans that total in excess of \$25,000,000. GENE PENGELLY MOVED THAT WE APPROVE THIS RESOLUTION. ART GROCK SECONDED THE MOTION AND IT CARRIED.

Resolution - Financial Forecast. This resolution states that the board approves the 10-year Financial Forecast. BOB WRIGHT MOVED THAT WE APPROVE THIS RESOLUTION. GENE PENGELLY SECONDED THE MOTION AND THE MOTION CARRIED.

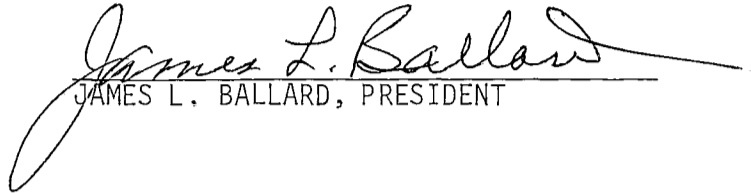
Resolution - Retail Rate Level. This resolution states that the board will maintain the TIER and DSC levels and raise rates accordingly. GENE PENGELLY MOVED THAT WE APPROVE THIS RESOLUTION. ART GROCK SECONDED THE MOTION AND THE MOTION CARRIED.

Resolution - Power Requirement Study. This resolution states that the board approves the Power Requirement Study. BOB WRIGHT MOVED THAT WE APPROVE THIS RESOLUTION. GENE PENGELLY SECONDED THE MOTION AND IT CARRIED.

The board also signed CFC Certification of By-Laws form and the Certificate of Incumbency and Authentication of Signatures of Officers. These two forms did not have to be approved by a board resolution.

Hydro Plant: Jim Ballard stated that we received a bid of \$18,750 from Bud Eldridge for moving the plant. The Bicentennial Committee has \$13,800 for this project. The City of Wells will try to work part of the remaining \$4950 into their budget. Bud Eldridge has said that he will take the \$13,800 now and wait until July 1 for the remaining money. By this time the city will have made up their new budget and will know how much they can donate to this project. The board members discussed different possibilities of coming up with the remaining money.

The meeting was adjourned at 5:30 p.m.


JAMES L. BALLARD, PRESIDENT


CLARENCE C. SWETT, SECRETARY

RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution Requesting Concurrent Financing

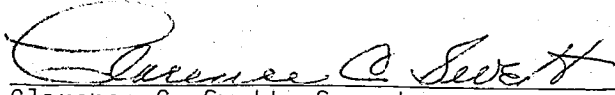
WHEREAS, It has been determined on the basis of the current two-year construction work plan that financing is needed for electric facilities, and reimbursement of general funds, as shown on REA FORM 740C, Cost Estimates and Loan Budget for Electric Borrowers, as follows:

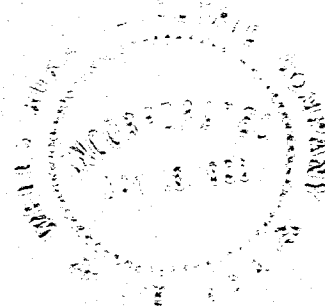
Total Estimated Cost	\$886,000
Less Available Funds & Materials	-0-
	<hr/>
	\$886,000
Amount of REA Loan requested for above facilities	\$620,000
Amount of CFC Loan required for above facilities	266,000
CFC Equity Investment	14,000

NOW, THEREFORE, BE IT RESOLVED, That Wells Rural Electric Company, Wells, Nevada, make application to the Rural Electrification Administration for a loan in the amount of \$620,000, to be used in accordance with REA Bulletin 20-2 to finance a portion of the above described facilities and that application be made to National Rural Utilities Cooperative Finance Corporation, 1115 - 30th Street, N.W., Washington, D.C., 20007, for a loan in the approximate amount of \$266,000 with the same maturity as provided in the REA Loan, under terms and conditions satisfactory to the Administrator, to provide the balance of financing needed in connection with the above-described facilities.

BE IT ALSO RESOLVED, That Wells Rural Electric Company, Wells, Nevada, in order to facilitate the obtaining of the supplemental financing required, hereby authorizes the Rural Electrification Administration to release to National Rural Utilities Cooperative Finance Corporation, 1115 - 30th Street, N.W., Washington, D.C., 20007, information relating to this application and to the financial and operating condition of Wells Rural Electric Company, and such other information and data relating thereto as REA in its discretion determines necessary for said purpose.

I, Clarence C. Swett, Secretary of Wells
Rural Electric Company do hereby certify
that the above is a true and correct
excerpt from the minutes of the meeting
of the Board of Directors of the Wells
Rural Electric Company, held on the
26th day of October, 1976,
at which meeting a quorum was present.


Clarence C. Swett, Secretary



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 26th day of October, 1976, at 4:30 p.m.

IN WITNESS WHEREOF, we have hereunto set our hands this 26th day of October, 1976.

James L. Ballard
JAMES L. BALLARD

GLENN WADSWORTH

Clarence C. Swett
CLARENCE C. SWETT

RAY CRAWFORD

JOHN W. KRENKA

Robert R. Wright
ROBERT R. WRIGHT

Eugene H. Pengelly
EUGENE H. PENGELLY

D. Vernon Dalton
D. VERNON DALTON

THOMAS ACHURRA

WILLIAM B. GIBBS

Arthur E. Grock
ARTHUR GROCK

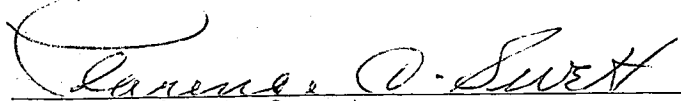
Being all of the directors of WELLS RURAL ELECTRIC COMPANY without exception.

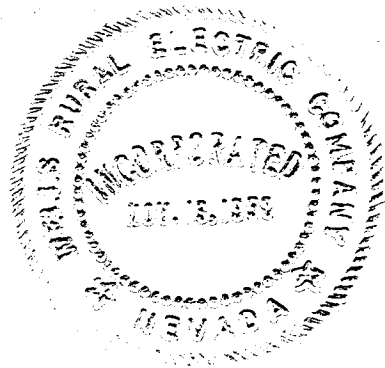
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Accepting the 1975 Financial Improvement Program

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does approve the Financial Improvement Program as outlined in a written statement signed by Don Snyder and James L. Ballard, dated April 19, 1976.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 26th day of October, 1976, at which meeting a quorum was present.


Clarence Swett, Secretary



4/15/76

**1976 Financial Projection For
Wells Rural Electric Company
Nevada 15 (Wells)**

In late 1974 key financial indicators, when applied to our projections for 1975, indicate a deteriorating financial condition for the forth coming year.

Our concern was tempered by the knowledge we would begin receiving wholesale energy from the Bonneville Power Administration (BPA) on January 1, 1976, thus reducing our power cost by 50%.

It was apparent however, that Management and Board must analyze the situation and decide upon a course that would get through 1975.

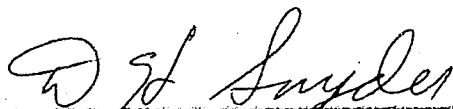
There was no doubt that BPA power would cut our power costs in half in 1976. And not wanting to draw attention from the Nevada PSC by adjusting rates we decided to proceed with no changes. We would have to regain financial composure in 1976. The resulting TIRM and DSC of (1.11) and .46 respectively were not unexpected.

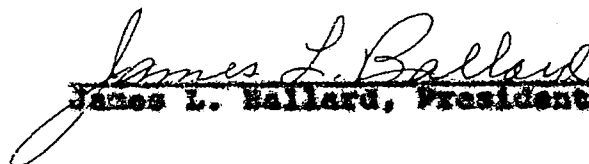
The first three months of 1976 wholesale power from BPA reflects an average cost of 4.1 mills. This rate, when compared to 8.39 mills from our previous supplier, Idaho Power Company, represents an annual saving of \$156,641.00 for our Cooperative.

Being cognizant of what occurred in 1975 we have prepared a comprehensive and detailed budget for this year, and subsequent years. Reviewing this budget we have trimmed extraneous costs from operations resulting in an additional savings of \$41,000.00 annually. With a total savings of \$197,641.00 our budget reflects a TIRM of 1.59 and DSC of 1.72.

An increase in revenue from additional loads and minor adjustments in operations are expected to boost our 1976 year end TIRM and DSC levels to 3. or slightly above.

Our operating budget will be reviewed on a quarterly basis and the review results will be available upon request.


Donald H. Snyder, Manager

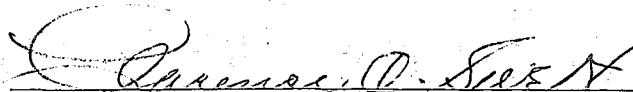

James L. Ballard, President

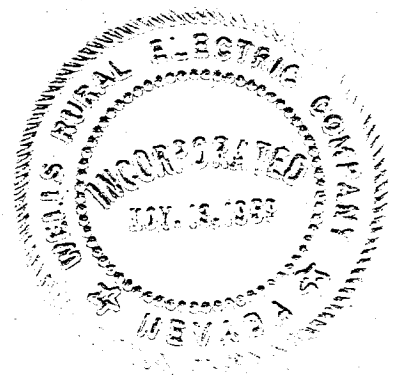
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Power Requirement Study

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does approve the Power Requirement Study prepared in 1974 and updated in April 1975, which will be used to support the "E6" loan application.

I, Clarence C. Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 26th day of October, 1976, at which meeting a quorum was present.


Clarence C. Swett, Secretary



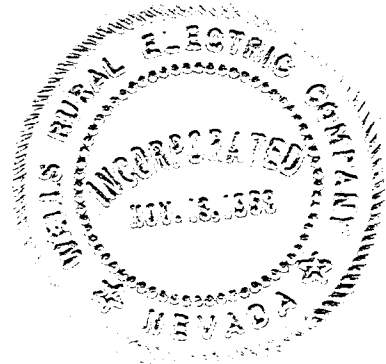
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

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.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 26th day of October, 1976, at which meeting a quorum was present.


Clarence Swett, Secretary

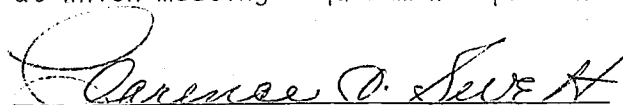


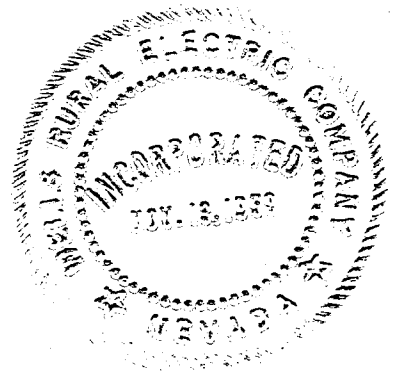
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Financial Forecast

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does approve the 10-year (1973-1985) Financial Forecast and Statement of Assumptions, which forecast will be used to support the "E6" loan application.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 26th day of October, 1976, at which meeting a quorum was present.


Clarence Swett, Secretary




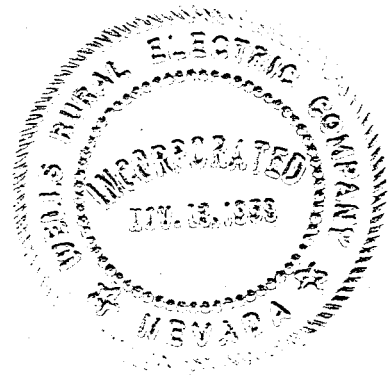
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

Board Resolution - Debt Limit

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does establish the Debt Limit (i.e. 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.

I, Clarence Swett, Secretary of Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of Wells Rural Electric Company, held on the 26th day of October, 1976, at which meeting a quorum was present.


Clarence Swett, Secretary

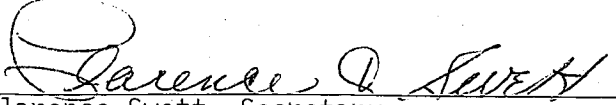


RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

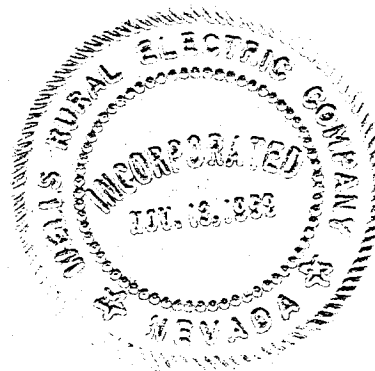
Board Resolution - Two-year Work Plan

NOW, THEREFORE, BE IT RESOLVED, That the Board of Directors does approve the two-year (1977-1978) Work Plan, prepared by Clarence Lee, and be it further resolved that this engineering study be submitted to REA in support of the "E6" loan application.

I, Clarence Swett, Secretary of the Wells Rural Electric Company, do hereby certify that the above is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Wells Rural Electric Company, held on the 26th day of October, 1976, at which meeting a quorum was present.



Clarence Swett, Secretary




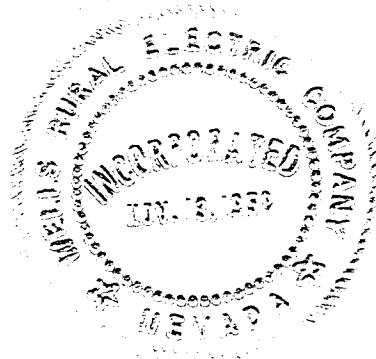
RESOLUTION
OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY

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 filed with the Nevada PSC.

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 26th day of October, 1976, at which meeting a quorum was present.


Clarence Swett, Secretary



CERTIFICATION - BYLAWS

I, Clarence C. Swett, do hereby certify that:
I am the Secretary of Wells Rural Electric Company, Wells, Nevada
(hereinafter called the "Cooperative"); that I am the keeper of the official
records, minutes and seal of the Cooperative; that the attached document is
a true, complete and correct copy of the By-Laws of the Cooperative as
originally adopted with all alterations and amendments shown thereon to the
date hereof; and that the said Bylaws and amendments thereof have not been
rescinded or modified, and are now in effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the
seal of the Cooperative this 26th day of October 1976.


Secretary

CFC FORM - 2
July 1971



CERTIFICATE OF INCUMBENCY AND AUTHENTICATION OF SIGNATURES OF OFFICERS

I, Clarence C. Swett, Secretary of _____
Wells Rural Electric Company (hereinafter called the
"Corporation"), certify that the persons designated as officers of this
Corporation have been duly elected to and now hold the offices in this
Corporation set opposite their respective names, and that the following are
the authentic signatures of the said respective officers:

<u>Office</u>	<u>Name (typed)</u>	<u>Signature</u>
President	<u>James Ballard</u>	<u>James L. Ballard</u>
Vice President	<u>Vernon Dalton</u>	<u>Vernon Dalton</u>
Secretary } Treasurer }	<u>Clarence Swett</u>	<u>Clarence Swett</u>
_____	_____	_____
_____	_____	_____

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal
of the Corporation this 26th day of October,
19 76.

Clarence C. Swett
Secretary

