

MEETING OF THE BOARD OF DIRECTORS
OF
WELLS RURAL ELECTRIC COMPANY
SEPTEMBER 15, 1973

A meeting of the Board of Directors was held in the Wells High School, Wells Nevada immediately following the Annual Meeting at 9:45 P.M.

The meeting was called to order by James L. Ballard, President who presided, and George L. Blackett, Manager, acted as Secretary of the meeting.

Upon calling the roll, the Secretary reported the following directors present: James Ballard, Robert Wright, William Gibbs, Thomas Achurra, Jess Urresti, John Krenka, Ray Crawford, and Eugene Pengelly.

Also present were: Manager Blackett and Attorney Vaughan.

Absent were: Clarence Swett, Arthur Grock, and Vernon Dalton.

Eugene Pengelly, newly elected director, was welcomed to the Board.

The President announced that the next business to come before the meeting was the consideration of Contract No. 14-03-49113 dated 8-27-73, the Assignment Agreement between United States of America Department of the Interior acting by and through the Bonneville Power Administrator, Washington Public Power Supply System and Northwest Agencies. The Assignment Agreement and the terms thereof were thoroughly discussed. Counsel for the Cooperative outlined the reasons and purposes thereof. After further discussion and consideration Resolution No. 9-73-1 was proposed. On motion made by Director Wright and seconded by Director Urresti that such resolution be adopted, the motion was passed by a vote of seven (7) for the motion and none (0) against the motion, Resolution No. 9-73-1 being as follows, to-wit:

RESOLUTION NO. 9-73-1

A RESOLUTION AUTHORIZING THE EXECUTION OF AN ASSIGNMENT AGREEMENT RELATING TO THE WASHINGTON PUBLIC POWER SUPPLY SYSTEM NUCLEAR PROJECT NO. 1 NET BILLING AGREEMENTS BETWEEN CERTAIN OF THE PARTICIPANTS UNDER SUCH AGREEMENTS AND AUTHORIZING THE DELIVERY OF SAID ASSIGNMENT AGREEMENT.

Wells Rural Electric Company, a corporation organized under the laws of the State of Nevada, (Cooperative) has executed with the United States of America, Department of the Interior, acting by and through the Bonneville Power Administrator, (Bonneville), and the Washington Public Power Supply System Nuclear Project No. 1 Net Billing Agreement (Contract No. 14-03-39315, dated November 16, 1972), under which the Supply System sells to the Cooperative (called the Participant in said agreement) a Participant's Share of the capability of the Washington Public Power Supply System Nuclear Project No. 1 (Project).

The Cooperative proposes to assign a portion of its Participant's Share obtained pursuant to said Net Billing Agreement in accordance with the terms of an Assignment Agreement (Designated as Contract No. 14-03-49113) to be executed by the Cooperative and 13 other participants in similar Net Billing Agreements.

THEREFORE, IT IS RESOLVED:

That the President and the Secretary or other officers of the Cooperative are hereby authorized and directed on behalf of the Cooperative to execute with Bonneville, the Supply System, and 13 Participants named therein, the Assignment Agreement substantially as set out in the draft thereof on file with the Cooperative (Contract No. 14-03-49113, dated August 27, 1973), and deliver copies thereof to Bonneville.

Adopted by the Board of Directors of the Cooperative this 15th day of September, 1973.

A letter from Utah Rural Electric Association was read asking if Wells Rural Electric Company would like to have the 1973 Utah Rural Electric Annual Meeting. This was favored.

Meeting adjourned at 10:15 P.M.

Clarence C. Swett

Secretary, Clarence C. Swett

James L. Ballard

President, James L. Ballard

ANNUAL MEETING
OF
WELLS RURAL ELECTRIC COMPANY

September 15, 1973

The Annual Meeting of the Wells Rural Electric Company was held September 15, 1973 in the Wells High School Auditorium.

The meeting was called to order by President, James L. Ballard at 8:00 P.M.

The invocation was given by Reverend Edward Brown.

James L. Ballard read the minutes of the 1972 Annual Meeting, and they stood approved as read.

President Ballard gave the results of this years election. Clarence Swett, Eugene Pengelly and James Ballard were elected to serve 3 year terms on the Wells Rural Electric Company's Board of Directors.

President Ballard then reported on past years activities.

Manager Blackett reported on the operations of the Company. We have ordered new transformers to put in the Substation to replace the over-loaded transformers in use. 26 miles of new line have been added to the system as were 50 new consumers. A voltage regulator has been installed on the northern line that serves the Contact - O'Neil area.

We have added \$95,000 to our plant value through line extensions and the purchase of other equipment.

Revenue has gone up \$46,000 over the same period last year. This amounted to 2,251,000 KWH's more than we sold last year. In this increase our operating expenses were up \$40,000, which includes purchase of power, wages, and such.

Total expenses increased by \$44,000, this increase is under increased taxes.

In the past year we have had to draw \$89,000 from REA for the purchase of the transformer for the substation, and also for the new line extensions.

Although we drew this \$89,000, with our debt service payment, this year our debt only increased \$15,000. Our operating margins only increased \$2,000 over last year.

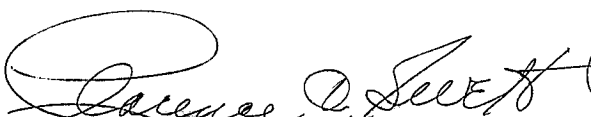
Vandalism has given us lots of trouble this year. We have had insulators shot, meters shot, meters stolen, and all kinds of other problems.

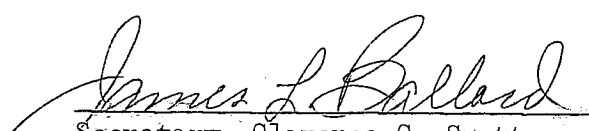
Our main problem this year is the increasing prices. Poles have doubled, crossarms are almost impossible to get, and deliveries on transformers take up to 45 weeks.

Fred Toombs then gave a slide presentation on the activities of the Company during the past year.

Door prizes were awarded.

Meeting adjourned at 9:12.


Secretary, Clarence C. Swett


President, James L. Ballard