

SURPRISE VALLEY ELECTRIFICATION CORP.

The Rural Electrification Administration was created by Executive Order 7037 of May 11, 1935, under authority of the Emergency Relief Appropriation Act of 1935, approved April 8, 1935. It is under this act that the Surprise Valley Electrification Corp. came into being. Statutory provisions for the agency was made in the Rural Electrification Act of 1936, approved May 20, 1936.

If you looked for one person responsible for the creation of an Electric Cooperative Utility in this area it would have to be F. L. (Barney) Roberts. It is said that Mr. Roberts having made application to the California Public Service Company, Cedarville, and being turned down by that utility, wrote a letter to President Roosevelt and requested help for the rural residents in Surprise Valley in obtaining power to their homes and ranches.

As a direct result of this letter, the Surprise Valley Electrification Corporation was formed June 13, 1936, when F. L. Roberts, Dave H. Grove and Frank J. Powers met at the home of Dave H. Grove in Eagleville, California. Board of Directors elected were F. L. Roberts, Dave H. Grove and Frank J. Powers. F. L. Roberts was elected President and Dave H. Grove was elected Secretary.

In subsequent meeting of the Board of Directors being held June 24 thru July 17th, 1936, by-laws were formulated and accepted; applications were presented to the Board of Supervisors of Modoc and Lassen Counties for franchises to operate in Modoc and Lassen Counties; and application for membership and a membership form was printed. The advisability of appointment of an Attorney-in-fact to represent the Corporation Board of Directors in the plans for electrification of Modoc and Lassen counties, and securing necessary right-of-way, and securing necessary loans from the Federal Government to build their lines was considered and adopted. Mr. Allan Sickler was given General Power of Attorney to act for the Board of Directors in behalf of the Surprise Valley Electrification Corporation.

Upon application to the United States Government for a loan, the loan was denied due to the fact that the Corporation papers were not, in the judgement of the Government Counsel, in compliance with the Rural Electrification Act.

In view of the aforesaid, the Surprise Valley Electrification Corporation filed dissolution papers and entered into an agreement with Surprise Valley Electrification Corp. (a new corporation) which would incorporate to conform with the Rural Electrification Act and obtain a loan for the purpose of electrifying the rural areas of Modoc and Lassen Counties and to carry on the purposes for which Surprise Valley Electrification Corporation was formed. Franchises previously

obtained from the Board of Supervisors of Modoc and Lassen Counties were sold to the newly formed corporation.

Surprise Valley Electrification Corp. was incorporated under the laws of the State of California, March 29th, 1937.

Application for a loan in the amount of \$500,000.00 was made 6/1/37 and the first funds received 8/30/37. Office space was rented from Mark Belli and headquarter office established on the top floor of the Belli Building, Main Street, Alturas, California with Allan Strickler-manager in charge of building the distribution lines.

At a special meeting of the coporation held April 21, 1937, the following seven members of the Cooperative were elected to serve as their Board of Directors:

F. L. Robert, President
Mark E. Maddock, General Agent and Attorney in Fact
R. O. Ward Vice President
Bevis A. Ash
S. J. Niles
M.B. Woody
M. E. Prescott, Secretary and Treasurer.

The first loan (\$500,000.00) was known as California 6A Modoc. Allan Sickler, Engr N.J. Churchill was project superintendent. Parker-Schramm was awarded the contract to build the distribution lines of the system. Lines to be built under this loan would be from Alturas to Surprise Valley from Ft. Bidwell in the north end of the valley to Eagleville at the south end of the valley; from Alturas to Canby, Adin and Lookout, in California and from Alturas to Lakeview -westside in Oregon. Upon completion, the system would be approximately 344 miles in length and serve approximately 809 customers. Gilford G. Rowland, Sacramento, California was hired as attorney to aid in the legal preparation of the loan documents.

On September 25, 1937 a bid for the plant generators was awarded to Fairbanks-Morse. The Generators and plant was installed under the supervision of C. C. Hicks, engineer from Fairbanks-Morse and was completed and turned on in June, 1938.

On September 19th, 1938, Leon T. Smith was elected Secretary-Treasurer of the Board of Directors to replace M. E. Prescott who had passed away. At the same meeting Milan Briles was employed as bookkeeper, employment to start January 24, 1938.

The office of the Surprise Valley Electrification Corp was moved from the

Belli Building to the Bistrop building, located on Main Street in May 1938. and the following employees were hired :

Shirley (Griener) Flournoy, Secretary to the Manager
C. C. Hicks, Chief Operator
Donald W. Hicks, Plant Operator
Cecil Aldridge, Plant Operator
G. M. Miller, Lineman.

On July 28th, E. J. Keffer was hired as Manager of the Cooperative, replacing Allan Sickler, who had acted as manager through the construction period of the system.

At the Board meeting held August 27, 1938, on a resolution passed by the Board of Directors, the regular monthly meeting of the Board was set for the 3rd day of each month. At the same meeting by resolution the Manager, E. J. Keffer was given blanket authority to conduct the business of the Cooperative to the best interest of the Cooperative, making necessary purchases and having complete charge of all employees; the Board of Directors retained power of approval of all contracts entered into by the Cooperative. Prior to this time all business from hiring of employees to payment of bills, was vested in the Board of Directors requiring numerous special meetings.

At the meeting of the Board of Directors of September 18, 1938, the acquisition of the Fort Bidwell Electric Company, owned by Cecil Aldridge was made, adding 75 consumers in the Ft. Bidwell area to the system of Surprise Valley Electrification Corp.

A franchise was obtained for service to the Lake County, Oregon, November 2, 1938.

Prior to the meeting of the Cooperative held March 3, 1939, the by-laws of the Cooperative had set the fiscal year of the Cooperative from July 1, of one year to the 30th of June of the following year. At the meeting of September 18, 1938 the Board of Directors adopted a resolution which would change Article X of the by-laws to read: "The fiscal year of the Cooperative shall begin on January 1 of each year and end on December 31, of the same year".

On February 10th, 1940, meeting Manager E. J. Keffer presented an option he had obtained for the acquisition of the power plant located at Paisley, Oregon. The option to expire April 24, 1940. The purchase price of the plant to be \$7,500.00 Manager Keffer was instructed to investigate the Paisley Project and report his findings at the next meeting.

On October 1, 1940, J. M. Grigsby was made Manager of Surprise Valley Electrification Corp. replacing E. J. Keffer who had served as Manager for the previous

two years. At the meeting on December 5, 1940, a deed to the aforesaid property was accepted by the Manager J. M. Grigsby, and shortly thereafter the Cooperative requisitioned \$35,000.00 for the rehabilitation of the Paisley plant.

Manager J. M. Grigsby was called for military service and was replaced by William Eckhoff, June 20, 1942 and served as Manager until November 1, 1942 when he was relieved of his responsibilities by the Board of Directors. Rudolph Carlson was hired November 20, 1942 and served in this capacity until January 29, 1944. Milan Briles, who had worked for the Cooperative previously was hired as Manager to replace Mr. Carlson.

On July 21, 1944 the engineers contract for the Paisley line was accepted by the Board of Directors, and on October 12, 1944 bids were read and bid was awarded to Leonardi Construction Company.

Milan Briles resigned his position as of May 15, 1945. The Board of Directors appointed Fred C. Holland, superintendent of Crews, Manager on the above date.

At this time the Cooperative system had grown to a point where generation could not supply the demand, and the cost of buying power from outside sources was more economical. A contract for the purchase of power to serve the Cooperative needs was finalized February 7, 1947 between California-Oregon Power Company and Surprise Valley Electrification Corp.

Due to increased load and voltage problems in the Adin area, at the meeting of the Board of Directors held October 27th, 1947, the board approved the Canby-Adin Transmission line and applied for a loan (designated as the L allocation) to build this line. December 22, 1947, bids were opened and the bid was awarded to Sam Bisset Company.

On November 13, 1947, Paul B. Baker, attorney, was hired by the Board of Directors on a monthly basis as counsel until such time as the Cooperative attorney C. S. Baldwin could resume his duties.

At a special meeting held April 8, 1948, the Board of Directors issued a bill of sale for the diesel plant to the Atkinson Company, San Francisco, California for a total price of \$65,000.00, sale of which had been approved by the Rural Electrification Administration.

August 5, 1948 Menzal and Kimbell was awarded the bid on the construction of the Modoc L, Section II contract for the extension of distribution lines in our established service area. A letter of resignation was read from C. S. Baldwin, Cooperative attorney effective immediately. Paul B. Baker was retained on the above date as counsel for the cooperative. At this meeting the contractor Manzal and Kimball reported the completion of the Adin transmission line.

At the meeting of the Board of Directors held December 27, 1948, it was reported that the line to Jess Valley was completed and energized. This line had been built from force account and the people receiving power had donated labor in setting poles for this extension.

On June 19th, 1949, the low bid of Del Monte Electric Company was accepted for the construction of the M & N loan covering extensions to Warner Valley - Summer Lake plus the rephasing of the Lakeview Paisley line.

At their August 18th, 1949 meeting bids were opened for the remodeling of the diesel plant building and garage into office space. Low bid was accepted from Gibbons and Zick Construction Company, Alturas, California. This project was completed and ready for occupancy on January 19, 1950.

At the May 21, 1953, meeting Donald W. Hicks was appointed temporary Manager to replace Fred Holland who had resigned. The Secretary was instructed to advertise for a permanent manager.

July 16th the board interviewed applicant C. J. Hunter for the position of Manager. Following the interview, the Board passed a resolution appointing Mr. Hunter as permanent Manager as of August 1st, 1953.

In the correspondence read at the May 31st, 1956 meeting the Manager read a letter from the Head of the Operations Section, Fred Hamlin, Western Area Electric regarding an inquiry received in their office about supplying power to the Day Community in the southwest corner of Modoc Count. The Manager was instructed to make a feasibility study on this matter and report his findings at their next meeting.

November 17, 1960, the Manager reported that the contract for with Bonneville Power Administration to serve the Lake County Oregon area was complete.

At the April 28, 1961, meeting bids were opened for the Paisley Transmission line. Low bid was accepted from C. W. Brown, Terry Montana in the amount of \$147,793.29 for 43.55 miles of line.

May 25, 1961, bids were opened for purchase of complete substation and 69 KV Oil Circuit breaker. Low bid of \$49,264.00 from Northwest Electric Supply Company of Portland, Oregon was accepted.

The Board of Directors received word at their February 22nd meeting advising them that by executive order of the Secretary, the entire service area of Surprise Valley Electrification Corp was included in the Bonneville Power Administration marketing area. Thus it would be possible to receive all power through BPA.

General Manager C. J. Hunter passed away August 16, 1962 of a heart attach. At their regular meeting held August 23, Donald W. Hicks was placed in charge until a new manager could be selected. The Secretary was authorized to advertise in the NRECA Magazine and Pacific Northwest bulletin for applications.

September 27th, 1962, on request from the Hansen Ranch and Woods ranch for power to their properties, a thorough discussion was held. It was decided that the extension could be made on a 15 year contract calling for a \$250.00 guaranteed minimum bill monthly. The minimum was split \$150.00 per month on the Hansen Ranch and \$100.00 per month for the Woods Ranch.

January 24, 1963, the board appointed Donald W. Hicks, General Manager.

At the March 28, 1963 meeting the board approved the Alturas-Likely transmission line with a substation at Likely and the transmission line terminating at Brockman.

At the September 16, 1963 Board meeting a power sales contract between Bonneville Power Administration and Surprise Valley Electrification Corp. was signed for the needs of the cooperative in their Oregon and California service area.

October 26, 1963, at a regular meeting the board was informed that street lights were being installed at Ft. Bidwell and Adin.

November 26, 1963, the board approved the purchase of the Pacific Power & Light substation at Adin, California for \$10,000.00.

Bids for the Alturas, Likely, Madeline transmission line were opened at the board meeting held May 28, 1964. Low bid was submitted by Brink Construction Co., Rapid City, South Dakota in the amount of \$186,750.47.

Bids for 3-69 KV Oil switches and structures were opened at the regular meeting of the Board of Directors on June 25, 1964. All bids were rejected and bidders informed that the rebids would be held at the July meeting.

At the regular meeting of the Board held July 23, 1964, the plans and specification for a Transmission line from Cedarville North to Ft. Bidwell and south to Eagleville were approved. At the August 27, 1964, meeting bids were opened and the contract awarded to Bonneville Construction Company for the low bid of \$187,011.73.

September 4, 1964, bids were opened for construction of seven substations and switchracks. The contract was awarded to Enloe Electric Company.

At the meeting held October 24, 1964, a discussion took place regarding the extension of our lines to Hualapai Valley, Nevada. It was advised by Harry Reising that we include the town of Gerlach. The General Manager and Attorney were instructed to contact Mrs. Thrasher about the acquisition of the Gerlach system which she owned. The Attorney reported to the board at the November 21, 1964 meeting with Mrs. Thrasher. He also reported that on October 28, Harold Cantrall, Manager of Bonneville Power Administration, Walla Walla, reported Public statute 88-552, the Cooperative would be delivering power to the ultimate consumer in this area beyond the boundaries as incorporated in this act; and therefore service could not be extended to the Gerlach-Hualapai area.

At the regular meeting held January 27, 1966, it was reported that the Lakeview Adel 69 line was energized on the 10th of January and the Warner Valley load transferred to the substation on January 17th.

Meter readers were hired to read the meters monthly in 1967. May 25th Kimball Construction Company, Redding was awarded the contract for the Big Valley tie line. At this meeting it was reported that negotiations for acquisition of the South Fork Mountain line owned by Citizens Utilities Company had been started.

Bill of Sale from Citizens Utilities Company to Surprise Valley Electrification Corp was executed for the line to the top of South Forth Mountain at the regular meeting held June 27, 1967. It was also reported that Kinnan Engineering Company were plowing in cable at Dead Indian Mountain.

Engineers presented their plans and specifications for the extension to the Day Community at the June 27th meeting.

Bid was awarded to Brink Construction Co. for the Day extension on March 28, 1968. Representatives from Gerlach appeared before the Board requesting power to serve their pump installations in Hualapai Valley. President Withers explained to them that a portion of the Valley was out of the limits of the marketing area of Bonneville Power Administration and therefore we could not serve them.

At the May 23rd meeting, 1968, the Board passed a resolution authorizing payments of capital credits up to \$500.00 to heirs of deceased person. Anything above the aforesaid amount would be presented to the Board Authorization.

May 22, 1969, the Board authorized payment of capital credits earned in 1969; checks to be distributed at the Annual Meeting of the members in September. Total amount of distributed checks was \$52,005.66.

The General Manager advised the Board of the formation of the National Rural Utilities Cooperative Finance Corporation, a lending Corporation formed by the Electric Cooperatives of the nation at the Board meeting held July 23, 1969. The Board authorized the General Manager to make application for membership in this organization and remit the \$1,000.00 membership fee.

At their regular meeting June 23, 1970, authorization was given by resolution for the payment of capital credits earned in 1960 in the amount of \$48,779.09. In August of the same year a Time Certificate was purchased in CFC in the amount of \$35,318.00

February 25, 1971, the Board authorized the contract with Bonneville Power Administration for an extension to be built to their micro-wave station at Coyote Hills, in Oregon. The Engineering firm was requested to make up the specifications and request bids on this job.

Bids were opened and read for the BPA Micro-wave extension at the regular meeting held June 17, 1971. Low bid was awarded to Hinkels and McCoy for \$16,435.00

Payment of capital credits owing deceased persons was raised from \$500.00 to \$2,000.00 without prior board approval at the regular meeting June 17, 1973.

A site had been picked for a substation to be installed between Cedarville and Eagleville and the Board was asked to authorize the purchase of this site. This authorization was given to the General Manager.

At the meeting of May 28, 1976 it was reported that the Paisley-Summer Lake rephase was completed and the Substation at Paisley had been up-graded to handle the additional load.

A capital credits program was adopted by the Board of Directors at the regular meeting of the Board on January, 1977 in which the payments of capital credits to heirs of deceased persons was authorized, the limit being \$2,500.00 paid in any one year.

At the meeting held July 28, 1977 the board approved the application for a loan for the erection of 5 substations designated as Bieber, Canyon Creek, Lakeview, Modoc and Valley Falls. The President read a letter from General Manager Donald W. Hicks advising the board of his intention to retire effective January 15, 1978. Mr. Hicks resignation was accepted with regret, and the Board appointed Assistant Manager N. W. Mathews as General Manager effective January 16, 1978.

April 20, 1978 bids were let for erection of 5 substations, low bid of \$337,742.00 by Carlson Construction Company, Baker, Oregon was accepted.

At the August 31, 1978 meeting the bid was awarded to Power City Construction Company for the construction of transmission lines to tie in the new substations.

At the meeting held April 26, 1979, the office building in Lakeview was sold.

February 26, 1981 Bids were opened and read for construction of a Transmission line from Likely to Brockman. Low bid was awarded to Henkles & McCoy for \$114,633.80.

April 23, 1981, bids were opened for the Brockman Substation, low bid was presented by North Coast in the amount of \$59,534.90. The low bid was accepted by the board.

At the July 23, 1981 meeting it was necessary to elect new officers for the Board of Directors due to the death of Board President, Carl F. Bucher. New officers elected are:

Duane McGarva, President

George Jaska, Vice President

Raymond J. Cloud, Secretary Treas.

John Erquiaga was appointed director to serve the unexpired term of Director Carl F. Bucher.

August 27, 1981, at the regular meeting of the Board of Directors, the Cooperative purchased the 69KV line extending from Highway 140 to Cottonwood, this is the line that served the King Company in Lake County, purchase price \$10.00.

At the regular meeting on February 25, 1982, Attorney Paul Baker presented an agreement with Cal-Pines outlining an understanding pertaining to the construction of a power line deep into the mountain units to Hilton Road. The board accepted the agreement as written. The General Manager was instructed to advise the engineering firm to proceed with the staking of this line.

At the regular meeting held May 27, 1982, bids were opened for the construction of the substation to be located at Brockman. Two bids were received, low bid was awarded to Harker and Harker, Reno Nevada, amount of bid \$51,830.00

During this meeting Robert Welty, of Robert Welty Engineering firm advised bids for the line construction to Cal-Pines Hill Units. at the June 24th meeting.

At the regular meeting of June 24th bids were opened and read, Harker and Harker of Reno, Nevada was awarded the contract with a low bid of \$377,414.90.

At the July 22, 1982, the General Manager requested permission to advertise for a person to fill the position of Office Manager. At the April 4th meeting Michael M. Humpreys was employed to fill the aforesaid position.

May 19, 1983 the board passed a resolution to request a 2% loan from REA for the Hualapai project.

At the above meeting a letter of resignation was read from Attorney Paul B. Baker, effective June 1, 1983. Also a letter of application was read from John Paul Baker, requesting that he be considered for the position of counsel for the Cooperative.

At the July 19, meeting, the board interviewed John Paul Baker for the position of Cooperative Attorney. Following the interview the Board hired John Paul Baker as counsel for the cooperative.