

REPORT OF BOARD OF DIRECTORS OF THE WISCONSIN RURAL
ELECTRIC COOPERATIVE ASSOCIATION

INCORPORATION OF STATEWIDE

On April 30, 1936, at 2:40 p. m., the Articles of Incorporation of the WISCONSIN RURAL ELECTRIC COOPERATIVE ASSOCIATION were filed with the Secretary of State and recorded with the Register of Deeds.

The Articles were prepared and drawn up by the following committee:

- PROF. CHARLES BUNN, *Law School, U. of W.*
 PROF. MARTIN M. GLAESER, *Engineering Dep't., U. of W.*
 SEN. HAROLD M. GROVES, *Economics Dep't., U. of W.*
 MR. GEORGE HALONEN, SR., *Educational Director of the
Central Cooperative Wholesale, Superior*
 MR. EDWARD M. MOREHOUSE, *Public Service Commission*

Proceedings of the incorporation were called to order by Mr. B. W. Huiskamp, who was then counsel for the Rural Electrification Coordination. Mr. Huiskamp explained to those present that the purpose of the meeting was the fact that a Statewide set-up was necessary both for the Cooperative and the REA, in order to carry forward the engineering and the contacts between REA and the operating unit.

Present at this meeting were representatives from the following cooperative associations:

1. Buffalo Electric Cooperative
2. Columbus Rural Electric Cooperative
3. Dane-Iowa Electric Cooperative
4. Farmers' Cooperative Electric Association
5. Head of the Lakes Cooperative Electric Association
6. North Eastern Electric Cooperative
7. Oakdale Co-operative Electrical Association
8. Pierce County Electric Cooperative
9. Richland Cooperative Electric Association
10. Rock County Electric Cooperative Association
11. Trempealeau County Electric Cooperative
12. Tri-County Rural Electric Cooperative Association
13. Vernon Electric Cooperative
14. Winchester Cooperative Light Association
15. LaCrosse County
16. Juneau County

The ten incorporators of the Association, namely: N. C. Anderson, John B. Crombie, E. R. Finner, Oscar Gilbertson, George Halonen, Sr., Frank H. Krampeter, Sulo Loyva, H. O. Melby, W. E. Rabe and Grant S. Rice were presented with a list of the fourteen Charter Members of the WRECA, who were accepted and duly set a time and place for the first meeting of the Wisconsin Rural Electric Cooperative Association.

Mr. H. O. Melby, acting chairman, called for nominations to the Board of Directors. The following men were unanimously elected to the Board:

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| N. C. ANDERSON | BERT KELSEY |
| JOHN BALCIAR, JR. | SULO LOYVA |
| CLAYTON K. BUTLER | H. O. MELBY |
| LAWRENCE C. COLE | OTTO OIMOEN |
| E. R. FINNER | W. E. RABE |
| OSCAR GILBERTSON | GRANT S. RICE |
| GEORGE HALONEN, SR. | ADOLPH SAUBY |

The first meeting of the Board of Directors was held that same day at which the officers of the Association were elected as follows:

MR. H. O. MELBY, *President*
 MR. N. C. ANDERSON, *Vice-President*
 MR. GRANT S. RICE, *Secretary-Treasurer*

On May 19, 1936, a Special Meeting was called for the purpose of selection of an Executive Committee, consideration of the selection of personnel, receipt of applications for membership to the Statewide, and other matters relative to organization.

The Executive Committee was selected from the Board of Directors consisting of the following three members:

MR. BERT KELSEY
 MR. LAWRENCE C. COLE
 MR. OTTO OIMOEN

This Committee was empowered to carry out the usual and regular routine matters of the business and select the personnel.

The application of the Chippewa Power and Light Cooperative was read to the Board at this meeting and was duly accepted, upon their signing the proper application and payment of dues.

The form of engineering contract between the Statewide and the member cooperatives, which Mr. Orland S. Loomis had perfected with the Rural Electrification Administration, was adopted by the Executive Committee at a meeting on July 7th. It was reported that eight (8) Wisconsin Projects had received allotments, as listed below:

<i>Richland Cooperative Electric Association</i>	\$250,000
<i>Columbus Rural Electric Cooperative</i>	254,000
<i>Dane-Iowa Electric Cooperative</i>	160,000
<i>Chippewa Power and Light Association</i>	96,000
* <i>Rock County Electric Cooperative Association</i>	106,000
* <i>Trempealeau Electric Cooperative</i>	95,000
<i>Hartford Municipality</i>	31,000
<i>Head of the Lakes Electric Cooperative Association</i>	100,600

(*These amounts are approximately one-fifth of the anticipated allotment expected to come through after these particular projects got under way.)

The Executive Committee was authorized to make contact with these projects and offer the services of Statewide to perform the engineering and construction work on a basis of 3%. It was pointed out that private utilities had justified charges as high as 15% for promotional and engineering overhead.

In October, 1936, Mr. Grant S. Rice, secretary-treasurer, and Mr. John Ernest Roe, attorney, approved by REA for Wisconsin, made a trip to Washington to attempt to secure financial assistance from REA for the Statewide. As the result of their visit, they arranged for requisitions totaling approximately \$10,000 to clear REA for compensation to the Statewide for engineering services rendered to the member cooperatives.

A joint meeting of the WISCONSIN RURAL ELECTRIC COOPERATIVE ASSOCIATION and the Rural Electrification Coordination Committee was held on November 6, 1936, which was the regular quarterly meeting date Mr. Loomis informed the group present that the allotted program would

serve about 12,000 rural families and was larger than the entire last 20-year program of a utility in Wisconsin which was supposed to be a pioneer in rural electrification.

A Committee was drafted at this meeting for the prime purpose of drawing up resolutions, to be presented to the Legislature, for the protection of rural electric cooperatives.

The following resolution was one of several passed at the group meeting on November 6, 1936:

WHEREAS, the office of the Wisconsin Rural Electric Cooperative Association was created in April, 1936; and

WHEREAS, since the creation of said office more than 25,000 farmers have signed Consumer Requests as part of forty-one cooperative projects formed to render electric service under the program of the Rural Electrification Administration; and

WHEREAS, during the progress of said work it has become apparent that there are many matters of legislative concern vitally affecting this program which would need the attention of those interested in its preservation and future growth; and

WHEREAS, the Legislature of the State of Wisconsin will soon convene to-wit, on the first Monday in January, 1937; and

WHEREAS, it is the purpose of the Rural Electrification Coordination to act as a coordinating agency between the farmers of this state and the Rural Electrification Administration at Washington, and to assist and promote a wider use of rural electrification in Wisconsin;

NOW THEREFORE, BE IT RESOLVED, by the WISCONSIN RURAL ELECTRIC COOPERATIVE ASSOCIATION at a meeting held on the 6th day of November, 1936, that a committee of three (3) members be appointed to cooperate with a committee of two (2) members from the office of the Rural Electrification Coordination to the end that there may be presented to the Legislature of Wisconsin and the Congress of the United States, such legislation as may be necessary to protect the interest of the rural electric cooperatives and thus obtain for such cooperatives the same rights, benefits and privileges as are now enjoyed by the privately owned utilities of the state, and to advocate such further legislation as may be necessary and advisable to promote the future needs of the farmers of this state to the end that there may be a fuller and wider use of electricity on Wisconsin farms."

At the Executive Committee Meeting of November 25, 1936, the new form of 4% engineering contract was introduced to include administrative supervision as well as engineering service. This had been approved by the Rural Electrification Administration. A motion was passed whereby all members of the Statewide and any other parties for whom the association performed engineering services, in aid of constructing rural electric lines, be requested to execute the new 4% contract. Furthermore, that any member who at that time had a contract for services with Statewide be asked to cancel said contract and substitute the new form in its place, after being given credit for all payments (under the old contracts) upon the new contract.

Mr. J. A. Becker, Director of Rural Electrification Coordination, spoke to the Statewide Board on February 5, 1937. He reported that a bill had been introduced to give a Cooperative which incorporates and files a

project with the Public Service Commission, six months protection from utility invasion. Other legislation was being considered which would define rural electric cooperatives' status. The following resolution was passed to that effect:

"RESOLVED, by joint resolution of the Board of Directors of the Association, together with the Committee for Rural Electrification Coordination, that these associations be placed on record as unalterably opposed to legislation that may cause the rural electric cooperative associations to be treated in any way as a public utility."

On February 16, 1937, at the special meeting of the Executive Committee, a resolution was adopted to be submitted to the Governor asking that the Coordination Office be continued to carry on the preliminary organization and educational work.

At a special meeting of the Executive Committee on February 16, Mr. J. Morgan Wilson was appointed the Executive for the WISCONSIN RURAL ELECTRIC COOPERATIVE ASSOCIATION.

The Board was informed at the March 9th meeting that the Clark project had been given an allotment of \$850,000. Of this amount \$700,000 was to be used for distribution lines and \$150,000 for a generating plant.

A resolution was passed at this meeting to the effect that all officers of member cooperatives who sign checks upon the Special Construction Account, and who disburse construction monies be required to, and shall be, bonded. (This is in accordance with the terms of the Construction Loan Contract and the By-Laws of the Statewide.)

Unanimous consent was given by the Board that Statewide should do its utmost to protect member cooperatives under the Rush Law—Bill 26S, which was introduced and passed by the Legislature, and which primarily in effect was drawn up to prevent raids in cooperative territory by private utilities in their efforts to destroy the rural cooperatives and thus divide the membership.

The General Manager was authorized and directed to prepare and file with the Public Service Commission, such required information as to incorporation, loan agreement, map of territory and statement to comply with the provisions of such Law for cooperatives, who are members of the Statewide, and that this information be passed on to all the member cooperatives.

The loyal support and enthusiasm of the farmers was evidenced by the unusual turn-out of several hundred representatives from our member cooperatives attending the Annual Meeting of the STATEWIDE on March 30, 1937. This meeting was held at the Park Hotel in Madison and the business of the day was broken up into group meetings on construction, finance, utilization and organization.

A noon banquet was held on March 30th at which Governor LaFollette, Attorney General O. S. Loomis and Professor Barton spoke.

The officers of the Statewide and the Executive Committee were re-elected to office by unanimous vote of the Board.

At the quarterly meeting of June 30, 1937, the resignation of Mr. Otto Oimoen, who was the director representing Dane-Iowa on the Statewide Board, was accepted and Mr. John E. Olson was elected to replace the

late Mr. A. G. Bilodeau of Chetek, who was president of the BARRON COUNTY ELECTRIC COOPERATIVE.

On August 14th, the Executive Committee authorized STATEWIDE to sign a contract with the Village of Bangor to perform engineering services at cost but not to exceed the maximum allowable by REA under the new compensation basis.

Mr. Wilson, general manager, informed the Board at the regular quarterly meeting Sept. 30, 1937, that REA had asked all costs be kept within the allotments for the reason that REA's annual forty million dollar appropriation had been reduced this year. Congress has cut this appropriation from forty million to thirty million. The President has effected a 10% cut on all expenditures which brings the appropriation down to twenty-seven million. REA is trying to make their funds go as far as possible by making partial allotments. During 1935 and 1936 REA held a small contingency fund to make allotments. This year they do not have this fund to fall back on and STATEWIDE has been instructed to inform our member cooperatives along these lines.

Discussion relative to an emergency fund was brought up to render financial aid to the cooperatives when weather conditions were apt to damage the lines. It was unanimously agreed by the directors representing their local cooperatives that STATEWIDE should be induced to continue its engineering and other services at the end of the construction stage.

It was at this meeting of September 30th, 1937, the motion was passed to compile this—the 1937 Year Book of the WISCONSIN RURAL ELECTRIC COOPERATIVE ASSOCIATION.

MISS GENE CURTIN,

Assistant Secretary to Board of Directors.