

MINUTES OF EXECUTIVE COMMITTEE MEETING

Friday, May 3, 1974

8:45 A.M., Westport

Members Present:

H. B. Morley
C. C. Baldwin
R. P. Bond
J. W. Kettle
J. F. Luther
H. S. Mickley

In Attendance:

I. C. Macdougall - Secretary

EC 74-91 APPROVAL OF MINUTES

The Executive Committee unanimously approved the minutes of the meeting of April 26, 1974.

EC 74-92 NEW COMMITTEE ON PUBLIC ISSUES - AUTHORIZED

Dr. Morley distributed copies of Mr. Narwold's memorandum suggesting the formation of a new management committee to develop and coordinate the Company's position on issues of public importance. Following general discussion, it was agreed that such a Committee would be desirable, and the Committee was established as follows:

A. H. Narwold - Chairman
J. W. Kettle
F. E. Cook
I. C. Macdougall
H. C. Sweet

EC 74-100 WESTEND PLANT - STATUS REPORT

Mr. Luther summarized the results of the most recent meeting with executives of Kerr-McGee Corporation at Oklahoma City. In principle, the parties have agreed on a sale price of \$8.3 million for all of the assets and operations except the gas turbine. The gas turbine would be operated by Stauffer at Kerr-McGee's cost for a period of four years, at a fee of \$175,000 per year. Kerr-McGee would have a first refusal option to purchase this turbine after four years. Kerr-McGee would also commit to underwrite the cost of projected pollution abatement equipment at the Westend plant, up to a maximum of \$1.6 million. The understanding would be conditioned on approval by the Bureau of Land Management for transfer of the mineral leases, and would be subject to termination in the event the Department of Justice should indicate that it would object to the proposed sale.

Mr. Luther noted that Stauffer is currently committed to a long-term contract with a major soda ash customer at a fixed price through 1975 which is below current market levels. Kerr-McGee have agreed to protect Stauffer's supply of soda ash to meet this commitment, but at a price higher than the contract price. If current attempts to renegotiate the price are unsuccessful, the contract could represent a continuing burden through 1975.