

MINUTES OF REGULAR MEETING BOARD OF DIRECTORS

OF

WHITE RIVER ELECTRIC ASSOCIATION, INC.

November 18, 2015

The meeting of the Board of Directors of White River Electric Association, Inc was held at the Headquarters of White River Electric Association, Inc. on November 18, 2015 at 1:00 P.M. with the following Directors present:

Dunham, Jordan, Parr, Hilkey, Wyatt, and Welle.

Directors Absent: Pearce

President Jordan called the meeting to order at 1:00 p.m. and presided throughout.

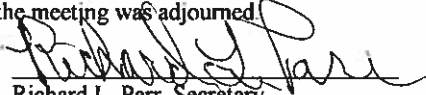
- Agenda It was regularly moved, seconded and passed to approve the agenda.
- Dale Dunbar was appointed as recording secretary.
- Public Comment There was no public comment to be heard
- Guests Visitors present included Manager Michalewicz, and Staff Members Dunbar, Sampson, and Zagar-Brown. Also present was Mr. Robert Scrivner of Applied Energy for the rate presentation.
- Minutes The minutes of the regular meeting of October 21, 2015 had been deposited in the Drop Box and Boardpaq. It was regularly moved, seconded and passed, to approve the meeting minutes.
- Bills and Checks The bills and checks for the month of October were reviewed by the Directors. It was regularly moved, seconded and passed, to approve the checks.
- Membership Fifteen applications for membership in the cooperative were submitted for approval, and upon motion by Director Welle, seconded by Director Parr and passed by all Directors present, the presented were accepted pursuant to the requirements of the By-Laws.
- Safety Operations Manager Sampson gave the safety report. The board reviewed the safety committee minutes from October 12, 2015. Sampson reported on the H2S monitors purchased, AED pads, eyewash station, Safety Manuals, and the Federated annual audit. Also the CREA JT&S will be here. Upon motion by Director Welle, seconded by Director Hilkey, and passed by all Directors present, the safety report was approved.
- Donations Requests were reviewed as follow;
- Chamber of Commerce Membership
Upon motion by Director Welle, seconded by Director Dunham, and passed by all Directors present, it was approved to continue membership in the Chamber of Commerce at the Platinum level of \$4,000.
 - Board Holiday Donations
Upon motion by Director Welle, seconded by Director Wyatt, and passed by all Directors present, it was approved to donate \$500 to the School Chromebooks program, and \$500 to the 4-H program.
 - Barone Anti Bully Challenge – the board was updated on this program.
- Budget Comm. Director Welle presented the budget committee report. Welle gave a brief synopsis of the meeting from earlier in the morning that all the board participated in. The Board reviewed the operating budget as presented by staff for 2016. After hearing Director Welle's report and upon motion by Director Dunham, seconded by Director Hilkey and passed by all Directors present it was approved to accept the 2016 operating budget.
- Rates Mr. Robert Scrivner with Applied Energy Concepts presented the recently completed Cost of Service Study to the board. The board reviewed the COS in depth with Mr. Scrivner. Upon motion by Director Welle, seconded by Director Parr and passed by all Directors present it was approved to accept the COS and to establish the rates based on the Cost of Service Study.
- Estate Retire There was one request to retire capital credits from a decedent estate. Upon motion by Director Parr, seconded by Director Wyatt and passed by all Directors present it was approved to retire the Pat Cap in the amount of \$2,564.56.
- 2016 Calendar Upon motion by Director Welle, seconded by Director Parr and passed by all Directors present the calendar for 2016 was accepted with changes to the July and the October regular meeting dates.

Digger Truck	Operations Manager Sampson presented the board with proposals to purchase a new digger truck. The board reviewed quotes from Altec, Terex, and Custom Truck and Equipment. Upon motion by Director Dunham, seconded by Director Parr and passed by all Directors present it was approved to purchase the truck from Custom Truck for the amount of \$224,586.00
Servers	Finance Manager Dunbar presented an IT request for server purchase in the amount of \$16,292 that will further allow the IT department to bring more of WREA services "in house". Upon motion by Director Parr, seconded by Director Welle and passed by all Directors present the purchase was approved.
Building Remodel	Manager Michalewicz discussed the building remodel project with the board and gave them a brief report on the quotes received but still being evaluated. Upon motion by Director Hilkey, seconded by Director Parr and passed by all Directors present it was approved to spend up to \$1.5 million for construction of the remodel project.
Other Costs	Upon motion by Director Dunham, seconded by Director Welle and passed by all Directors present it was approved to spend up to \$50k and \$25k for the asbestos removal and the moving of the backup generator.
Christmas and New Years	Upon motion by Director Welle, seconded by Director Hilkey and passed by all Directors present, it was approved to close the offices of WREA and WRE on Christmas Eve, and New Years Eve.
Manager's	Manager Michalewicz discussed several items with the board.
Hydro	Upon motion by Director Welle, seconded by Director Hilkey, and passed by all directors present it was approved to enter into executive session for purposed of discussion of hydro project Upon motion by Director Welle, seconded by Director Wyatt, and passed by all directors present it was approved to reconvene the regular meeting.
Solar	Manager Michalewicz briefed the board about the solar garden project. Manager Michalewicz reported that the Planning commission and the Town of Meeker had both approved the project. After discussion by the board, and upon motion by Director Welle, seconded by Director Dunham, and passed by all directors present, it was approved to proceed with solar garden project as presented.
Power Bill	Manager Michalewicz reported on the operations of the Association for the month of October, 2015. The power bill for the month of October was \$3,857,505.73, the capacity commitment program credited \$154,141.64 there was 60,207,200 worth of kWh purchased, the demand was 87,345 the cost per kilowatt-hour was 64.0705 and the member system TPP/MCP Factor was 92.6483. The Directors reviewed the statistical information for the month of September.
Other Mgmt	Other items discussed of interest to the board. <ul style="list-style-type: none"> • Telecom Update – Atty Zagar-Brown gave update to the board. Project is moving forward. • Building Update – Nothing additional. • Colowyo – the contract for Collum Gulch was complete and upon motion by Director Parr, seconded by Director Hilkey and passed by all Directors present it was approved for the General Manager to execute and sign the contract for the Collum Gulch Line
Thank You's	Several thank you notes were passed around for the Directors to review.
Travel	The known travel for the year was presented to the board. Included were the standard yearly meetings. Upon motion by Director Welle, seconded by Director Parr and passed by all Directors present the meetings and travel agenda were approved.
ERBM	Upon motion by Director Dunham, seconded by Director Hilkey and passed by all Directors present it was approved to participate in the ERBM membership blitz again for employees and directors and spouses.
Attorney	Attorney Zagar-Brown had no additional comments, however updated the board on the CCP rebate and the annual Christmas Party
Associated Organizations	President Jordan reported on CREA. Jordan discussed items concerning the Energy Summit, and the legislative activities. Director Dunham reported on WUESC. All is still going well with WUESC, sales are slightly behind last year, but before tax margins are up. The backlog remains adequate and the rubber testing program is progressing. The Albuquerque warehouse construction is progressing. Director Hilkey reported on Tri-State. The report is posted on Board paq. Hilkey reported on the Jemez Mtns fire, the financial forecast, LT financials and the growth expectancies. There has been no protest to the rates for 2016 from New Mexico Coops.
Executive Session	It was regularly moved, seconded and passed by all directors present to enter into executive session for purposed of discussion of the review of the attorney.

Upon motion by Director Parr, seconded by Director Welle, and passed by all directors present it was approved to reconvene the regular meeting.

Upon motion by Director Welle, seconded by Director Parr, and passed by all directors present it was approved to authorize the General Manager \$15,000 to use for bonuses for the executive staff of the cooperative.

No further business appearing before the board, the meeting was adjourned.


Richard L. Parr, Secretary