

MINUTES OF REGULAR MEETING BOARD OF DIRECTORS

OF

WHITE RIVER ELECTRIC ASSOCIATION, INC.

October 21, 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 October 21, 2015 at 1:15 P.M. with the following Directors present:

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

Directors Absent: None

President Jordan called the meeting to order at 1:05 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. Members of the 6th grade class gave a lunchtime presentation of their trip sponsored by White River Electric.
- Lindsey George was present to give the board a review of the Miller Creek Ditch Hydro Project. It was consensus of the board to go forward with this project.
- Minutes The minutes of the regular meeting of September 16, 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 September 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 Pearce, seconded by Director Hilkey 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 September 24, 2015. A near miss was discussed with the board where a crane contacted the 25kV power line in Piceance Creek. No injuries and unknown if there was any equipment damage. Also discussed was a battery overheat in the truck bays from a charger on it all night. Other items of interest were discussed with the board included the H2S monitors, AED machine pads, FR clothing Table Top Disaster, and outage indicators. Upon motion by Director Pearce, seconded by Director Wyatt, and passed by all Directors present, the safety report was approved.
- Donations Requests were reviewed as follow;
- MHS Wrestling Map Sponsorship - \$1,000
 - Horizon Parade of Homes - \$1,000
 - CACD - \$200
 - CFL Bulb giveaway to the community
- Upon motion by Director Pearce, seconded by Director Parr, and passed by all Directors present the donations were approved.
- Employee Comm. Director Welle presented the employee committee report. Welle gave a brief synopsis of the meeting from earlier in the morning. The Board reviewed the wage and salary sheet of the cooperative employees. After hearing Director Welle's report and upon motion by Director Welle, seconded by Director Hilkey and passed by all Directors present it was approved to grant the employees of the organization a 3% COLA effective in January of 2016.
- Estate Retire. 3 estates requested early retirement of their Patronage Capital. Two of the requests were missing paperwork. However, upon motion by Director Welle, seconded by Director Parr, and passed by all Directors present, the presented estates were retired contingent upon the questionable request completing the necessary paperwork.
- Youth Tours Upon motion by Director Wyatt, seconded by Director Pearce and passed by all Directors present, it was approved to participate in the CREA Youth Tour, and also to participate in the CEEI Youth Leadership Camp for 2016.
- Audit Agreement The board discussed the audit with staff. It was staff recommendation to accept the bid of Dreyer and Kelso CPA's, to perform the 2015 audit of White River Electric and White River Energy. Upon motion by Director Pearce, seconded by Director Parr and passed by all Directors present, it was approved to accept the bid

Co-op Connections The board discussed the Co-op connections card. It was consensus of the board to go forward with the co-op connections card.

Manager's Manager Michalewicz discussed several items with the board.

Hydro Upon motion by Director Pearce, 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 Parr, 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 requested an additional \$50,000 for contingencies of the project bringing the total requested to \$400,000 for the project. After discussion by the board, and upon motion by Director Dunham, seconded by Director Hilkey, and passed by all directors present, it was approved to add \$50,000.00 on the solar garden project.

Power Bill Manager Michalewicz reported on the operations of the Association for the month of September, 2015. The power bill for the month of September was \$3,727,943.64, the capacity commitment program credited \$0 there was 54,096,800 worth of kWh purchased, the demand was 83,140 the cost per kilowatt-hour was 68.9125 and the member system TPP/MCP Factor was 90.3710. The Directors reviewed the statistical information for the month of August.

Other Mgmt Other items discussed of interest to the board.

- Telecom Update – discussed IRU with T/S signed and moving forward
- Building Update – A brief update about the building was presented.
- Cost of Service – updated on progress.
- Capacity Commitment program was discussed. Items included marketing and communications and how to rebate the money. Also discussed was future years should there be another opportunity to do so.

Thank You's Several thank you notes were passed around for the Directors to review.

Travel Manager Michalewicz requested travel approval for the following;

1. CEO Close-up (Michalewicz) - Tucson AZ, Jan 9-13 2016
2. NET Conference (Zagar-Brown) – Fort Meyers, FL Feb. 2-6, 2016
3. ECBA Legal Seminar – (Zagar-Brown) Long Beach, CA – Aug., 15-16, 2016
4. NRECA Annual – New Orleans

Upon motion by Director Pearce, seconded by Director Hilkey, and passed by all directors present, presented travel was approved.

Attorney Attorney Zagar-Brown had no additional comments, and deferred any comments to the executive session.

Associated Organizations President Jordan reported on CREA. Jordan reported on items of interest to the board including dues structure.

Director Dunham reported on WUESC. Sales are up slightly from last year, before tax margins are up approx. 1.5%, turns are still goo, New Mexico backlog is up from last year, and the A/R still in good condition.

Director Hilkey reported on Tri-State. The report is posted on Board paq. Hilkey reported on Strategic Planning session in January, RTO in market states, Colorado Power Project, Kit Carson buyout, AVG annual Growth, capital expenditures, and other items of interest

Region VII Those directors who attended Region VII reported a good meeting

MIP Attorney Zagar-Brown reported on her attendance at the MIP training.

Executive Session Upon motion by Director Parr, seconded by Director Hilkey, and passed by all directors present it was approved to enter into executive session for purposed of discussion of settlement of the rate case.

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

Upon motion by Director Welle, seconded by Director Dunham, and passed by all directors present it was approved to authorize the General Manager to proceed with and execute the settlement in the PUC case regarding Tri-State.

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


Richard L. Parr, Secretary