

MINUTES OF REGULAR MEETING BOARD OF DIRECTORS

OF

WHITE RIVER ELECTRIC ASSOCIATION, INC.

May 18, 2016

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 May 18, 2016 at 12:50 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 12:50 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, Matrisciano, Brown and Reidinger. Maddie Shults with the RBC 4-H judging team requested sponsorship to their judging event in Montrose and Gunnison, and thanked the board for their previous support.
- Minutes The minutes of the regular meeting of April 20, 2016, and the special meeting of April 20, 2016 had been deposited in the Drop Box and Boardpaq. A typographical error was corrected in the regular minutes. It was regularly moved, seconded and passed, to approve the meeting minutes as corrected
- Bills and Checks The bills and checks for the month of April were reviewed by the Directors. It was regularly moved, seconded and passed, to approve the checks.
- Membership Twelve applications for membership in the cooperative were submitted for approval, and upon motion by Director Hilkey, seconded by Director Wyatt 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 two safety committee minute from May 17, 2016. Several items were discussed with the board. Also, the board discussed the involvement in the Mesa Hotline School. Upon motion by Director Pearce, seconded by Director Parr, and passed by all Directors present, the safety report was approved.
- Donations Requests were reviewed as follow:
- RBC Livestock Judging Team - \$500.00
 - NRECA International - \$1,500
 - CARE 527 account - \$10,000
- Upon motion by Director Welle, seconded by Director Pearce, and passed by all Directors present, the donations were approved.
- A discussion was held on the donation of putting WREA's name on the bucking chute for \$25,000, but the directors decided not to participate in that program at this time.
- Audit The board reviewed the 2015 audit as it was completed by Kevin Kelso, CPA. Mr. Kelso reviewed the audit via phone and PowerPoint for the entire board.
- Upon motion by Director Pearce, seconded by Director Parr, and passed by all directors present, it was approved to go into executive session to discuss the audit with the auditor.
- Upon motion by Director Pearce, seconded by Director Welle, and passed by all directors present, it was approved to come out of executive session and reconvene the regular meeting.
- Upon motion by Director Pearce, seconded by Director Welle, and passed by all directors present, the 2015 audit was approved.
- Membership The Town and Rural memberships counts were reviewed. Upon motion by Director Welle, seconded by Director Pearce, and passed by all directors present, it was approved to accept the membership count with the board ratio remaining the same.
- Capital Credits Upon motion by Director Dunham, seconded by Director Wyatt, and passed by all directors present, it was approved refund the capital credits of 2002.
- Stand-By The L3 Stand-By Rate was tabled for future discussion.

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

Credit Ins. A discussion was held on the Credit Insurance on LP accounts.

Telecom Manager Michalewicz gave a brief update on the Telecom project. This project is still making progress

Hydro Manager Michalewicz briefly reviewed items for the board that included all of the hydro projects WREA has been investigating to date.

Solar Manager Michalewicz briefed the board about the solar garden project. Go live on the project is scheduled for 6/1.

Building Manager Michalewicz briefed the board about the building remodel project and the board toured the facility.

Net Metering A discussion on the net metering policy ensued. Presently it is up to 10kw for residential application and 25kw for commercial applications. There was a request to allow the 10kw to be waived for individuals. Upon motion by Director Pearce, seconded by Director Hilkey, and passed by all directors present, it was approved not to change the policy and to leave it as written and not waive for individuals over 10kw.

Power Bill Manager Michalewicz reported on the operations of the Association for the month of April 2016. The power bill for the month of April was \$4,001,308.10, the capacity commitment program credited \$58,941.71, there was 59,331,800 worth of kWh purchased, the demand was 88,847 the cost per kilowatt-hour was 67.4395 and the member system billing load factor was 92.7496. The Directors reviewed the statistical information for the month of March.

Other Mgmt There were several additional items to discuss with the board.

- The member satisfaction survey questions are being reviewed.
- CREA planning Survey
- Annual meeting entertainment

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

Travel Request was presented to send 3 people to the annual NISC MIC conference. Upon motion by Director Parr, seconded by Director Pearce, and passed by all directors present, it was approved for travel to this.

Computers A program to replace old PC's was presented. Upon motion by Director Dunham, seconded by Director Hilkey, and passed by all directors present, the program was approved.

Auction A request was made to participate in an auction to purchase an item for employee recognition was approved by the board.

Open House The building open house was discussed with the board.

Auditor Upon motion by Director Pearce, seconded by Director Parr, and passed by all directors present, it was approved to request a proposal for the 2016 audit from Kevin Kelso, CPA.

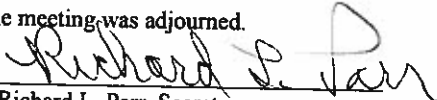
Attorney Attorney Zagar-Brown reported she had attended the CREA Attorney meeting.

Associated President Jordan reported on CREA. The meeting was at Co-Bank. Next month's meeting will be at Gunnison County Electric.

Director Dunham reported on WUESC. Sales are still down from 2015, but before tax margins are up. Inventory turns are good; the rubber testing is going well with 55 customers; Capital credits were reviewed.

Director Hilkey reported on Tri-State. Items of interest were X-prize, Wyoming Test Center, Western Fuels, CEO Evaluation, E&O committee, and rating agencies.

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


Richard L. Parr, Secretary