

MINUTES OF THE BOARD MEETING
OF THE BOARD OF DIRECTORS
OF
FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

January 25, 2016

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, January 25, 2016, at the Silver Star Conference Center in Driggs, Idaho. Determining a quorum was present, President Jay Hanson called the meeting to order at 2:35 p.m. Executive Assistant Cathy Meeks recorded the minutes. The invocation was given by Vice-President Doug Schmier.

ATTENDING
OFFICERS

President Jay Hanson, Vice-President Doug Schmier, Secretary/Treasurer Debbie Smith, and Past President Dan Skene

DIRECTORS
PRESENT

Brent Robson, Boyd Bowles, Dede Draper, Ron Dye. Ralph Burton participated via phone conference.

DIRECTORS
ABSENT

None

OTHERS

General Manager (GM) Bryan Case, Executive Assistant Cathy Meeks, Member Services Manager Brand Hathaway, CFO Linden Barney, Engineering Manager Dave Peterson, and Operations Manager Trent Yancey

Also attending, Jerry Rigby, Attorney.

APPROVAL OF
AGENDA

Boyd Bowles made a motion to approve the Agenda. Doug Schmier seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

EXPENSE
VOUCHERS

Debbie Smith made a motion to approve the expense vouchers submitted for payment. Dan Skene seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF MINUTES

MINUTES OF JULY 27, 2015, BOARD MEETING

Following a review of the minutes for December 14, 2015, Dan Skene made a motion to approve the minutes as submitted. Brent Robson seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

CONSENT AGENDA

After review, Boyd Bowles made a motion to approve the consent agenda. Brent Robson seconded the motion, which included the Memberships, Purchase of Power Agreements, check report, vouchers, safety report, and capital credit report. Following discussion and hearing no objections, THE MOTION CARRIED BY UNANIMOUS CONSENT.

MEMBER COMMENT

GM Bryan Case reviewed some of the comments posted on Facebook regarding the consolidation.

FINANCIAL AND STATISTICAL REPORTS

DECEMBER 2015 FINANCIAL REPORTS –

Staff reviewed the December financial report, which shows preliminary year-end numbers. It will be finalized following the audit. Staff reviewed the variance report, which compares actual and last year data to this year's budget, which reported Fall River's financials exceeded budget expectations.

FALL RIVER ENTERPRISES LOAN FOR STAR VALLEY EXPANSION –

GM Bryan Case reviewed the Executive Summary, which was included in the Board Packet, along with the signed promissory note and the amortization schedule. **Boyd Bowles made a motion to move forward with loan to Fall River Enterprises. Debbie Smith seconded.** A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

EXECUTIVE SESSION

Dan Skene made a motion to go into Executive Session. Doug Schmier seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

Boyd Bowles made a motion to go out of executive session. Dan Skene seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

Boyd Bowles made a motion to contract with HDR to conduct the field test at Chester Hydro as discussed. Dan Skene seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

Brent Robson made a motion to have Jerry Rigby request a response, or counter proposal, by the end of February. Once FRREC gets the answers back on Felt

Hydro, then the board will discuss next steps. Doug Schmier seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

COOPERATIVE BUSINESS

FALL RIVER AND LOWER VALLEY CONSOLIDATION -

GM Bryan Case reviewed the consolidation talking points document, which was included in the board packet. Staff has started a FAQ - "Frequently Asked Questions". Once it is finalized, it will be distributed to the board. Some discussion followed. Suggestions given were to add something to address preparing for the future, and no disruption to quality – services – reliability.

HYDRO OPERATIONS -

Staff gave an update on hydro operations. The rake for Chester will be picked up and the manufacturer will oversee the installation and provide training. Discussion ensued on the plan or process to follow if the rake goes down again. Island Park Hydro is ready for operations. Buffalo Hydro is running; however, staff reported that the rake is having some control issues. The rake is 11 years old, so it may need replacement parts. Also included in the Board Packet is the proposal for the purchase of property located near Chester; which will be used for storing equipment for the Chester hydro.

OPERATIONAL UPDATES -

Staff gave an update on the transmission lines and progress on the fiber optics line to the Driggs office. An update was given on the recruitment for the Engineer position. Staff also gave a review of the progress on the recruitment for the Lineman position.

ANNUAL MEETING PREPARATIONS –

The FRREC Annual Meeting timeline is included in the board packet. GM Bryan Case asked the Board Members to submit two names from each of their districts to serve on the Nominating Committee; especially those districts that are up for election this year.

IPAD OR SURFACE BOARD PREFERENCE –

After some discussion, the Board took a straw vote on their preference, and the majority would choose to go with the Surface, which is more compatible with Microsoft Office. If a Board Member chooses to keep their I-pad, GM Case will report back on the cost to do so.

NRECA and CFC VOTING DELEGATE AND ALTERNATE -

Boyd Bowles made a motion GM Bryan Case be the Voting Delegate for NRECA, with President Jay Hanson as the alternate; also, President Jay Hanson be the Voting Delegate for CFC, with GM Bryan Case as the alternate. Doug Schmier seconded. A voice vote was taken, THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER VOTING DISTRICT -

Staff is not recommending any changes at this time. Dan Skene also recommends the districts are kept the same for now. Review of districts will be put on hold until next year.

FOR INFORMATION

2016 WORK PLAN, GOALS AND BUDGETS –

The 2016 Work Plans and Goals notebooks were distributed. These were put together at the end of year 2015. There was discussion of adding the consolidation with Lower Valley Energy to the list of goals. This will be reviewed again over the next couple of months to decide if it needs to be updated.

242 APPLICATION – FALL RIVER CY2014 v2 –

GM Case gave an update on the funds for this, which are anticipated to be received with the submission of the latest 242 Application.

BOARD CALENDAR WITH MAIN ASSOCIATION MEETINGS –

The board calendar of Association Meetings is included in the board packet; if a board member has an interest in going to some of the meetings, coordinate with President Jay Hanson.

FRREC FAST FACTS –

GM Bryan Case presented this document, which is included in board packets.

YOUTH RALLY INFORMATION –

Staff reported April 15th is the deadline for sophomores and juniors to apply. Not only does the ICUA Youth Rally have some fun events, but it also focuses on the educational part of leadership and electric cooperative utilities. Applications for the Youth Rally will be posted on the FRREC website and distributed to the local schools.

FALL RIVER SCHOLARSHIPS –

The Administrative Committee will hold a meeting prior to the next board meeting. Applications are currently available on the FRREC website, and packets to the local high schools will be going out shortly. The deadline for submitting applications for scholarships is March 25, 2016, with the exception of the Lineman Scholarship, which is open year round.

JOHN TAPOGNA ECONOMIC FORECAST PRESENTATION –

This presentation is included in the packet for review.

NORTHWEST RIVER PARTNERS REPORT –

It is reported the fish returns are at record, or near record; however, staff expressed concerns with the fish fatalities due to high temperatures this past summer.

NWPPA NOVEMBER BULLETIN – OFFICERS ARTICLE –
Included in Board Packet for your information.

NRECA BOARD POSITION NOMINATION –
GM Bryan Case expressed his appreciation to the board for their support, and noted the IUCA board unanimously approved submitting his name to replace Eric Anderson on the NRECA board. His name will be presented at the NRECA Annual Meeting in February.

POWER SUPPLY

No report at this time.

REPORTS

BOARD REPORTS –

Those attending the ICUA Annual Meeting all agreed it was a good meeting.

FINANCE COMMITTEE CHAIR – BOYD BOWLES

Chairman Boyd Bowles reported on the pre-audit conference call. The field audit will begin February 8, 2016.

ATTORNEY RIGBY'S REPORT:

Attorney Rigby reported he has concerns following a recent meeting he attended regarding the Columbia River Treaty.

MANAGEMENT REPORT:

General Manager Bryan Case gave a summary of the management report, which was included in the board packet.

ADJOURNMENT

There being no further business, **Dede Draper moved that the meeting be adjourned. Debbie Smith seconded.** By consensus, the meeting was adjourned at 4:45 p.m.

DATE APPROVED:

2/22/2016


Secretary, Debbie Smith