

MINUTES OF THE ANNUAL MEETING
OF MEMBERS OF
FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

JUNE 24, 2017

Fall River Rural Electric Cooperative, Inc. held the Annual Membership Meeting on Saturday, June 24, 2017, at North Fremont High School, 3581 E 1300 N, Ashton, Idaho.

CALL TO ORDER

Board President Doug Schmier called the annual meeting of the members to order at 10 a.m. and Executive Assistant Joni Amen recorded the minutes.

PLEDGE OF ALLEGIANCE

President Doug Schmier welcomed all and thanked everyone for coming. President Schmier also expressed appreciation to those who helped make the meeting a success. Boy Scouts of America Troop 83 from the Ashton region performed the posting of the colors and led the Pledge of Allegiance. Members of the North Fremont High School Choir followed with singing the National Anthem.

INVOCATION

The invocation was given by Stake President Shawn Dye.

WELCOME & INTRODUCTIONS

A welcome was given by President Doug Schmier to all the members, special guests - CEO Beth Looney, PNGC Hyrum Erickson, Attorney, Kurt Anderson and Mandi Hitt of Raft River, City of Driggs Mayor Hyrum Johnson. The Board of Directors, Dede Draper, Debra Smith, Dan Skene, Brent Robson, Ron Dye, Boyd Bows, and Candidates, Nolan Boyle, Del Fullmer, Georg Behrens, Josh Richardson, Alan Smith, Terrell Kelly; Incumbents Jay Hanson, Ralph Burton. Candidates Randy Burnside and Jeff Keay were not able to attend, and employees. President Doug Schmier outlined the agenda as it would follow.

The appointment of the election judges, parliamentarian, and the sergeants of arms were announced. Those appointed were: Chief Election Judge - Patricia Sturm; Parliamentarian - Attorney Hyrum Erickson; and Sergeants of Arms - Brent Gamett and Randy Wakefield. Election judges were Bonnie Reece, Gary Henrie, Karen Harrigfeld, Lynette Turner, Bill Vroman, and Randall Foster.

DETERMINATION OF A QUORUM

Chief Election Judge Patricia Sturm, reported a quorum was constituted with a total of 1,783 voting members at the close of registration.

READING OF THE ANNUAL MEETING NOTICE & MINUTES

Board of Directors Secretary/Treasurer, Dede Draper, read the certificate of mailing and then entertained a motion to abstain from the reading of the minutes

BUSINESS REPORTS

President Schmier explained that our auditor would not be able to attend, we do have a certified copy of our financials in the office of Fall River and are available upon request.

SCHOLARSHIP PRESENTATION

Administrative Committee Chairperson Dede Draper announced the scholarship recipients for 2017 and acknowledged those that were present by asking them to stand.

SPECIAL GUEST SPEAKER

CEO Beth Looney of PNGC. CEO Looney presented a very informative speech, explaining the power supply that Fall River serves its members with. She explained that PNGC is a Generation & Transmission Cooperative that finds power in the market and purchases it to send to the over 14 distribution Cooperatives. The market is currently being over supplied with excess electricity from solar, but only during the daylight hours and then drops off at night, which is a challenge to manage these large fluctuations in generation. There is a lot of energy production out of California from solar, combined with low cost natural gas, and fracking, the energy markets are being transformed in a sometimes disruptive manner. The price of energy is being depressed due to over-supply. PNGC and Fall River purchase low cost power and have contracts in place until 2028 with Bonneville Power Administration (BPA). BPA has kept prices low largely in part by selling excess power into the market, called secondary sales. These additional revenues are used to reduce costs to BPA customers. With low energy markets, sometimes negative prices for energy sales, BPA secondary revenue is significantly lower which means they can't offset as much of their power costs which places upward pressure on BPA power rates. Beth then described the Columbia River Treaty and how the Canadian treaty is a bad deal for Northwest electric users. We are overpaying the Canadians by hundreds of millions dollars. The Northwest is also paying about one third of its wholesale power rates for fish and environmental costs.

PNGC is working on those issues. BPA have transmission lines that are aging and we are constrained. They are running out of assets and cannot add load. They need to begin adding capacity and to maintain the infrastructure. Courts are demanding additional water spilled that BPA can't use to generate power.

A slide was shown on market forecast and the wholesale energy markets. We are monitoring and planning in the future. It is the cooperative way all the way.

FALL RIVER ELECTRIC – DIRECTORS REPORT

President Doug Schmier gave the directors' report for the Fall River Electric Board of Directors. President Schmier addressed Fall River's strategic initiatives and investments in technology in preparation for the future. He confirmed Fall River Electric's focus on conservation, energy technology, quality service, operation efficiencies, and reliability.

management will be doing a cost of service analysis (COSA), a 10-year financial forecast, and a competitive retail rate comparison. The review and final decision on the impact to retail rates will be available by October 2017.

GM Case gave a kudos to outgoing Director Boyd Bows. He said he was a better man because of the tutelage he had under Boyd's leadership. GM Case thanked him for all he has done for the Cooperative.

QUESTIONS FROM MEMBERS will be answered on our Facebook and Website.

RESULTS OF THE ELECTIONS:

Chief Election Judge Patricia Sturm announced that there was a total of 1,798 ballots cast and the elections results are as follows:

District 2 – West Victor Area:

Nolan Boyle -----360
Randy Burnside-----325
Jay Hanson-----940

District 3 – East Victor Area:

Georg Behrens-----492
Del Fullmer -----374
Josh Richardson -----236
Alan Smith-----453

District 9 – North Island Park Area:

Ralph Burton -----904
Jeff Keay -----345
Terrell Kelly-----361

ADJOURNMENT

There being no other business, the Fall River Annual Membership Meeting was adjourned at 11:45 a.m.

DRAWING OF DOOR PRIZES

Fall River Electric scholarship recipients helped with the distribution of the door prizes.

DATE APPROVED: June 16, 2018


Secretary Dede Draper