

MINUTES OF AD HOC MEMBER COMMITTEE  
OF  
FALL RIVER RURAL ELECTRIC COOPERATIVE, INC.

April 12, 2018

The meeting of the Ad Hoc Member Committee of Fall River Rural Electric Cooperative, Inc. was held on Thursday, April 12, 2018, at the main office of Fall River Rural Electric in Ashton, Idaho. Fall River's Board President, Doug Schmier called the meeting to order at 6:05 p.m. CEO Bryan Case recorded the minutes.

ATTENDING AD HOC MEMBER COMMITTEE MEMBERS

Bonnie Reece, Richard Bishop Randy Woolstenhulme, Terrell Kelly, Karen McBride, Emma Atchley, Carter Burke, Sara Bowersox, Michelle Campbell, Nathan Scafe, Jeffrey Key and James Dewey joined the meeting via conference call.

FALL RIVER STAFF, PRESIDENT, & GENERAL COUNSEL

Board President Doug Schmier, General Counsel Jerry Rigby, and CEO Bryan Case.

MEETING CALLED TO ORDER

The meeting was called to order at 6:05 p.m. by Board President Doug Schmier. Attendees at the meeting introduced themselves. Board President Schmier and CEO Case summarized a request from a member nominating committee to consider two by-law changes.

The first suggestion the nominating committee made was for the Fall River Board to consider processes for a pre-election or a post-election process. A pre-election may be used to narrow the field of Board candidates in the case of significant numbers of interested candidates. Or a post-election run off in the case an individual candidate who doesn't secure the specified percentage of the votes cast. The second suggested by-law change was to add a Board member qualification, which included that a candidate or Board member must be a US Citizen.

The Fall River Board discussed both proposed by-law changes thoroughly. The Board determined they wanted a group of members to discuss the need and possible processes for pre or post-election runoffs. On the suggested changes to require a candidate or Board member to be a US citizen, the Fall River Board asked legal counsel "What limitations or disadvantage would the Cooperative experience if a non-US citizen served as a Fall River Board member or officer of the Cooperative?" Jerry Rigby, Fall River's Legal Counsel, stated there were no legal or functional limitations or disadvantages for the Cooperative. In addition, Jerry stated that excluding a non-U.S. citizen is not legal for several reasons, including federal law which does not allow citizenship discrimination unless and only unless required to do so by law, regulation or government contract (The Immigration Reform and Control Act of 1986). Because the Cooperative is NOT a governmental entity and not subject to any governmental restrictions as to citizenship, then it would be an illegal discrimination to exclude a candidate from the Fall River Board due to his/her citizenship if he/she otherwise qualified under the Fall River by-laws.

Therefore, the Fall River Board directed staff to assemble a member committee to meet for discussing and making a recommendation to the full board on a possible pre or post-election by-law change.

#### AD HOC MEMBER COMMITTEE SCOPE

Board President Schmier and CEO Case reviewed the Ad Hoc Member Committee scope and committee members asked for clarification on the scope. Questions included, could alternate voting scenarios be proposed or considered. President Schmier indicated he was open to other suggestions. Discussion ensued with a possible limit to the number of candidates being considered for one voting district. Several committee members suggested giving the Nominating Committee some additional instruction prior to their meeting and provide the Nominating Committee members a way to coordinate and communicate with one another prior to making nominations.

#### VOTING HISTORY, BY-LAWS, AND VOTING COSTS REVIEWED

Board President Schmier and CEO Case reviewed historical Fall River voting information, by-law language, voting costs, and nominating process. A board candidate can be placed on the election ballot by being nominated through a nominating committee or through a nomination by petition requirement which a potential candidate needs to secure 15 or more members signatures supporting the individual's nomination.

#### ELECTION OF AD HOC COMMITTEE CHAIR

**A motion was made to nominate Richard Bishop as the Committee's Chairperson.** Jerry Rigby asked if there were additional nominations for Chairperson from the floor.

**Bonnie Reese made a motion that nominations cease which was seconded and voted on with unanimous support.** President Schmier declared Richard Bishop as the Ad Hoc Member Committee Chairperson by acclamation. Chairman Bishop conducted the remainder of the meeting.

#### AD HOC MEMBER COMMITTEE DISCUSSION

The committee members had a thorough discussion of the proposed pre or post-election runoff. They noted that in the last seven years there were only two times the winning Board candidate didn't win with more that 50% of the voting membership and only once in the last seven years did the victorious candidate win by a relatively narrow margin 3% over the next highest candidate.

Member's discussed the difference between winning an election by a plurality vote and majority vote. Discussion ensued on the fairness to interested candidates and what is best for the Cooperative in voting in new Board members. Board term limits were discussed and questioned as to why they are in place. A suggestion was discussed to have interested candidates do a nomination by petition prior to holding or assembling a nominating committee to recommend Board Candidates. The advantages and disadvantages were discussed.

The committee members again discussed and encourage the Board and Fall River staff to provide more education and instruction to the nominating committee members prior to holding the meeting. President Schmier and CEO Case committed to take the suggestion to the Fall River Board for discussion and they felt certain the Board would support taking additional steps to better prepare nominating committees and provide them with contact information with other committee members, so they could coordinate their efforts.

AD HOC MEMBER COMMITTEE RECOMMENDATION

**Randy Woolstenhulme made a motion to leave Fall River Rural Electric's nominating process as currently outlined in the Cooperative's By-laws. Emma Atchley seconded the motion.** Discussion ensued and Chairman Bishop sought out every Committee Members input and opinion on the matter. A voice vote was taken; THE MOTION CARRIED WITH ONE VOTE IN OPPOSITION.