

**REGULAR MEETING - BOARD OF DIRECTORS
SALMON RIVER ELECTRIC COOPERATIVE, INC.
CHALLIS, IDAHO
June 15, 2016
1:00 P.M.
MINUTES**

Directors Present: Bob Boren Doug Parkinson Norman Wallis
Michael Miller Steve Rembelski Jeff Bitton
Earl Skeen

Staff Present: Ken Dizes, Manager Steve Sidlo, Director of Finance
Tyler Thayn, Staff Assistant

Others Present: None

Bold Language indicated follow-up items.

The regular meeting was called to order by President Boren at 1:00 P.M.

There was no public input

The board took the following actions:

- The minutes of the May 18, 2016 regular meeting were approved as distributed.
- It was moved by Wallis, seconded by Bitton to approve the retirement of two decedent capital credit accounts totaling \$3,499.48. Passed by unanimous consent.
- It was moved by Parkinson, seconded by Wallis to approve the retirement of two write off accounts totaling \$394.74. Passed by unanimous consent.
- It was moved by Parkinson, seconded by Skeen to approve the capital credit split as presented by staff. Passed by unanimous consent.
- President Boren reviewed potential bylaw committee members with the board. President Boren then appointed Jeff Bitton, Earl Skeen, Gary Gadwa, Mary Skeen, Trish Downton, Paul May, Cliff Hansen, Betty Corrigan, and Leray Johnson to serve as members of the bylaw committee.

The May Financials were reviewed.

Dizes and Sidlo did a training segment with the board on equity management. The following items were covered:

- The first nine pages of the CFC Publication “Considering Equity Management“ were reviewed.
- Reviewed equity metrics “equity as a percentage of assets” and “equity as a percentage of capitalization”.
- Summaries of equity and debt for SREC from 2000 to 2015 and capital credit retirements over the same period were reviewed.
- A residential rate comparison was reviewed.
- A draft equity plan will be presented to the board at the July board meeting.

Wallis and Boren reported the following from the CFC Forum:

- Cooperative structure provides a strategic advantage.
- Culture of cooperatives starts from the board and management
- Change comes quickly and needs to be embraced
- There have always been changes in the generation fuel source and these are not easily predicted. Discussed coal, nuclear, wind, and solar.
- Diversified energy portfolio is important for the future
- Additional report attached.

Boren reported on the Sawtooth 20/20 meeting. Compliments were given to staff from the Stanley members. More communication was requested for planned outages. Emergency power generation in the Stanley basin was discussed and it was determined that individual generation is the best route at this time. An inquiry was made as to whether SREC could facilitate the purchase of generators. It was generally acknowledged that Salmon habitat in the Stanley basin is in good shape and that any further efforts should focus downstream.

Dizes reported on SREC Safety. No reportable accidents occurred in May. The 2016 Safety Improvement Plan was reviewed.

Dizes reported on the following:

- BIOP ruling status.
- BP-18 IPR/CIR kick off
- NRU strategic planning
- UAMPS visit
- Line loss on the Stanley circuit
- kwh sales

Member Report was reviewed. There were 19 new members in and 16 out for a net gain of 3. Membership at the end of May stands at 2113.

Discussed upcoming Director Meetings/Schools and who would be attending as well as the upcoming board meeting dates.

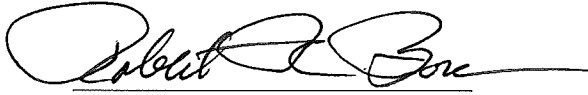
There was no unfinished business.

New Business: The August board meeting will be held in Stanley. Staff is to check availability and to make appropriate arrangements.

The next meeting is July 13, 2016 at 1:00 P.M. in Challis. This is a change from the typical date and needs to be noted in the Challis Messenger.

The regular meeting was adjourned at 3:10 P.M.


Secretary


President

7/13/16
Date

7/13/16
Date