

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

May 19, 2025

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, May 19, 2025, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:00 a.m. Executive Assistant, Angie Haws recorded the minutes. The invocation was given by Hyrum Erickson. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Georg Behrens, Vice President Brent “Husk” Crowther, and Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

Past President Dede Draper, Jeff Keay, Anna Lindstedt, Brent Robson, Travis Markegard and attending virtually Doug Schmier.

DIRECTORS ABSENT

None

OTHERS

CEO/General Manager Bryan Case, Attorney Hyrum Erickson, Member Service Manager Clint Washburn, Engineering Manager Dave Peterson, Guests IT Specialist Johnathen Inskeep, Federated Insurance CEO Phil Irwin, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

Director Robson made a motion to approve the agenda as presented. Secretary Stiehl seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF MINUTES FOR APRIL 21, 2025

Director Robson made a motion to approve the minutes from the April 21, 2025, Board Meeting as presented. Director Keay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

GUEST PHIL IRWIN – CEO FEDERATED

Federated Rural Electric Insurance Exchange was founded in 1957 by Cooperatives for Cooperatives. Federated is committed to working with their members to provide superior value-oriented insurance programs with a focus on safety, service, and stability. Mr. Irwin discussed the future of insurance, wildfire mitigation, safety programs, and a review of best practices. Irwin recognized Fall River’s commitment to safety and proactive approach.

MEMBER COMMENTS

The board reviewed member comments and communications.

WARREN GROVER – APPRECIATION FOR MEMBER SERVICES

IAN FILLMORE – SCHOLARSHIP THANK YOU

HUNTER WADE SCHOLARSHIP REPORT

Included in the board packet.

FINANCIAL & STATISTICAL REPORTS

APRIL 30, 2025, FINANCIAL REPORTS

CEO Case reported the net margins for April are \$1.6M ahead of budget. The budget revenue is 5.7% above budget due mainly to new services growth that is higher than budgeted. The calculation used to forecast new services was based on a 2.5% growth factor. The actual growth in new services remains strong at 3.9% which was higher than anticipated. The cost of purchased power is slightly lower than budget, COSA projections for the budget and actual increases were not as high as projected. Labor and overhead are also under budget YTD, but we anticipate these costs will get closer to budget as the year progresses. The Cooperative's equity ratio is 53.5%. Fall River generated \$4.5M from operations, \$2.5M was invested in plant and materials and \$1.7M of principal on long-term-debt was paid down. FR has drawn \$1M on our line of credit. FR has spent 47% of the capital budget YTD which includes carryover items from last year.

The Board discussed increased growth in apartment complexes, equity, long term expectations, budgets, principal and interest payments.

COOPERATIVE BUSINESS

FALL RIVER 2025 FACTS AND FIGURES

Handed out at the Board meeting.

Fall River Electric Serving Idaho / Montana / Wyoming

Founded: 1938

Energized: 1941

Board Meeting Dates:

4th Monday

Annual Meeting Date:

Saturday, June 21, 2025

General Information

Members: 15,802

Employees: 56

Ashton Office

1150 N. 3400 E.

Ashton, ID 83420

Phone: 208-652-7431

Driggs Office

1605 N. Highway 33

Driggs, ID 83422

Phone: 800-632-5726

West Yellowstone Office

436 Madison Ave.

West Yellowstone, MT 89758

Phone: 800-632-5726

Rates 2025 (Effective May 2025)

Residential Rate:

Access Fee:\$39.00

kWh Charge:

(kWh-hour) 0-2000\$0.0575

(kWh-hour) over 2000\$0.0807

Demand per kW\$2.75

General Service - Small:

Determined Demand Use less than 50 KW in the prior year of any month.

Access Fee:\$39.00

KWH Charge:\$0.0575

Demand per KW\$4.50

General Service:

Determined Demand Use over 50 KW in the prior year of any month.

Access Fee:\$59.00

KWH Charge:\$0.05284

Demand per KW\$7.50

Irrigation Rates:

Horsepower Charge (Billed in May)

0 to 100 Horsepower\$20.12

Over 100 Horsepower\$29.57

KWH Charge:\$0.0316

Demand per kW\$1.44

Idle Services:\$10.00

Facts and Figures 2025

Electric Facts:

Meters: 20,713

Miles of Line:2,593

Meters per Mile:8

Coverage: 2728 Sq. Miles

2024 kWh Sales: 431,435,474

Power Suppliers: BPA/PNGC

Green Power Charge:

Opt-in\$0.011

Hydro Facts:

Size / Average Generation MWh:

Chester: 3.6 MW

Average Generation 5.745 MWh

Island Park: 4.8 MW

Average Generation 18.253 MWh

Buffalo: 250 kW

Average Generation 1.603 MWh

Felt: 7.65 MW

Average Generation 28.534 MWh

Propane Facts:

Customers: 7446

Gallons sold 2024 4.8M

Employees: 17

ENERGY EXPO AND ANNUAL MEETING

SCHEDULE AND BUSINESS MEETING AGENDA

President Behrens reviewed the schedule for the Energy Expo and Annual Business Meeting of the owner members to be held on Saturday, June 21, 2025, at North Fremont High School. CEO Case highlighted events noting a free breakfast will be served from 8-10am. The Expo will include FR and vendor booths, Tesla test drive, Safety demonstrations, Drone demonstration, Robotics demonstration, STEM activities and a youth scavenger hunt to receive a free backpack, bucket truck rides, as well as other fun activities for the kids. Members will be given a bag at registration containing FR information, door prize, and conservation kit. Members signing up for, or currently participating in paperless billing will receive a sapling. The member voting will end at 10 a.m. and the Member Business Meeting will begin and will include Director election results, Board President and CEO addresses, scholarship raffle drawing winner and member prize drawing winners announced.

MAP

Included in the board packet.

BALLOT LANGUAGE – CANDIDATES & MEMBER COMPENSATION COMMITTEE

Included in the board packet.

2025 Board of Director Candidates

District 4 -East Driggs

Anna Lindstedt (Incumbent)

Delwyn Jensen

District 7 -Southern Island Park

Jodi Stiehl (Incumbent)

District 9 -West Yellowstone

Doug Schmier (Incumbent)

Proposed Member Board Compensation Committee comprised of the following Fall River Electric owner members: Rocky Hermanson, West Yellowstone; Jerry Tingey, Island Park; Brett Whitaker, Island Park; Sean Maupin, Ashton; Chris Ricks, Newdale; Annita Cooke, Driggs; Bruce Smithhammer, Victor; Randy Woolstenhulme, Victor; Paul Dye, Rexburg; and Ted Hendricks, Rexburg.

E&O RECOMMENDATION ON FALL RIVER'S TRANSMISSION UPGRADE FROM DRUMMOND TO MACKS INN

Transmission upgrade estimated cost and timeline.

- Requires Coordination with BPA and PacifiCorp
- Significant Upgrades at Seven Substations
- Over 43 Miles of Transmission Line Upgrades
- GDS Analyzed Nine Transmission Options
- Drummond to Macks Inn 46 kV to 115 kV Selected
- Originally Estimated at \$23M and Eight Years to Complete

The reforecast differences from the original forecast, using actuals to date, indicate costs are 12.4% higher, the costs for line upgrades were overestimated, and the decision was made for a substation redesign and improvements, increasing reliability. The initial estimate was prepared in 2019, pre pandemic, and inflation over that same period of time has been 26%.

The projected timeline when the Transmission Upgrade project was approved by the Board in 2020 and was originally estimated to take eight years to complete, FR is striving for 2028 completion.

The Engineering and Operations Committee has reviewed the proposed increase and recommends approving the increased budget for the 115kV line upgrade project as discussed.

Vice President Crowther made a motion to approve the increased budget for the Fall River 115kV Transmission Upgrade Project from Drummond to Macks Inn as presented. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NEW LARGE LOAD AND RETAIL RATES DISCUSSION

CEO Case stated Fall River has upheld the principle of treating all members equally, providing them access to blended, low-cost power derived from the Bonneville Power Administration (BPA) Tier 1 hydroelectric allocation as well as access to the Cooperative's infrastructure. The Cooperative's policies for new services and retail rates are sufficient at collecting the cost of service. With the general conversation about increasing generation regarding increasing loads and with the request of an actual member, the Board revisited this topic for discussion and possible direction if the determination is made that policies need to be changed. Discussions have primarily addressed the impacts of new large loads and could include a variety of business ventures. The Board discussed interconnection and engineering analysis, other up-front costs, processes, policies, risks, rate structure, load, and cooperative principles. GDS performed a hypothetical analysis for a new large load and concluded that Fall River's retail rate structure, pricing and policies would recover appropriate costs. Discussions on risk mitigation, avoiding cross subsidization and member equity was discussed. The Board directed staff and legal counsel

to propose language to fine tune the Cooperative's retail rate policy to address concerns pertaining to risk and member equity.

BRIEF EXECUTIVE SUMMARY

Included in the board packet.

FALL RIVER RETAIL RATE STRUCTURE

Included in the board packet.

NRECA ADVISORY – CRYPTOCURRENCY

NRECA business and technology advisory document was reviewed to provide an overview and definition of cryptocurrency mining as well as addressing costs, capacity, impact, benefits, safety, constraints, and other considerations.

GP#304 RETAIL RATES

Included in the board packet.

COSA EXAMPLES OF APPROACHES

Included in the board packet.

NORTHWEST RIVERPARTNERS HYDRO POWER VITAL ROLE

CEO Case noted the value of hydroelectricity and its vital role in reliable, clean, low-cost energy. The Northwest RiverPartners presentation was included in the board packet. Case stated FR will continue to provide the hydro facts and studies to the Board and Members.

PUBLIC POWER COUNCIL EXECUTIVE COMMITTEE

RICK DUNN, CEO OF BENTON PUD IN WASHINGTON, COMMENTS AND PRESENTATION

Included in the board packet.

BPA ITEMS

CANCELLATION OF BPA PTP AGREEMENT

CEO Case noted Bonneville requested the cancellation of the point-to-point transmission service for Chester output with Bonneville Power. If needs change in the future FR can revisit this.

LETTER EXPRESSING FALL RIVER INTENT TO SIGN A PRESERVATION AGREEMENT

Included in the board packet.

SCHOLARSHIP CERTIFICATES AWARD CEREMONY DATES

Included in the board packet.

NRECA LEGISLATIVE RALLY RECAP

CEO Case stated Fall River had good representation at the NRECA Legislative Rally. Important topics and legislation were discussed that affect cooperatives and their members. The Board

recognized the value in participating in these events.

PNGC IDAHO JOE LETTERS

PNGC letter to Senators Crapo and Risch and Congressmen Simpson and Fulcher regarding defending the Joint Operating Entity (JOE) rights as BPA expressed its intent to discontinue aggregation of demand, further diminishing the rights intended of the JOE. The letter outlines the effects of this action and urges Congress to reaffirm and clarify that Joint Operating Entities are entitled to remain aggregated under federal law-not only to preserve rural power affordability, but also to advance the broader strategic priorities of energy resilience and national competitiveness.

CFC VOTING DELEGATE

Director Draper made a motion to designate Jodi Stiehl as CFC voting delegate and Bryan Case as CFC alternate voting delegate. Director Robson seconded the motion.
A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NCSC VOTING DELEGATE

Director Draper made a motion to designate Jodi Stiehl as NCSC voting delegate and Bryan Case as NCSC alternate voting delegate. Director Keay seconded the motion.
A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PROCESS FOR FR OFFICER ELECTIONS

President Behrens noted the details of the Board officer election process were included in the board packet for review as outlined in the bylaws. Those interested are to contact Past President Draper. It was noted that FR officer elections will take place in July at the regularly scheduled board meeting. Nominations may also be made at the meeting.

BOARD OFFICER DUTIES/RESPONSIBILITIES

Included in the board packet.

COOPERATIVE REPORTS

Director Draper reported on classes attended.

Secretary Stiehl reported on MECA updates.

Vice President Crowther reported on positive comments received about FR staff.

Director Robson disclosed he was invited to do some work on Felt.

President Behrens reported on ICUA meetings and inquired if there was interest from board members to attend the ICUA Annual Meeting in July.

CONSENT AGENDA

Board and CEO expense reports, New Memberships, Purchase of Power Agreements, Check Report, and Safety Report, Early Retirement of Patronage Capital were reviewed by all Board Members in Board Package prior to meeting.

Director Robson made a motion to approve the consent agenda as discussed. Vice President Crowther seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

EXECUTIVE SESSION

Secretary Stiehl made a motion to go into Executive Session at 1:24 p.m. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Director Robson made a motion to go out of Executive Session at 1:54 p.m. Director Key seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

MANAGEMENT DISCUSSION ITEMS

WILDFIRE MITIGATION PLAN DISCUSSION – POWER SHUTOFF

Protecting the Cooperative's power grid from wildfire damage is a priority but more importantly protecting the lives and property of our owner-members is of paramount importance. Fall River Electric has a wildfire mitigation plan posted on its website which is used to outline the steps Fall River takes to mitigate the risk of wildfire.

Should a serious wildfire event occur within our service territory, the Cooperative may implement a "Fire Safety Shutoff" (FSS) which is defined as an entire shut-off of power in any one or more of our service areas. An FSS will result in the loss of power to critical equipment such as well pumps, irrigation lines, refrigeration, electric gates and garage door openers, and members which have medical equipment reliant on electrical power. Internet and cell service may also be affected if the FSS has a long duration. The Cooperative will be elevating FSS information marketing to members and in the near future enhancing the tools available on the website including information on preparations for heat/food/water/medications, backup generators, transfer switches, contact lists, battery backup options, and defensible space information.

SUMMARY OF FALL RIVER LAND OWNERSHIP AND PURPOSE

Included in the board packet.

FR 2024 FUEL MIX PRELIMINARY REPORT

CEO Case noted the preliminary report was included in the board packet and the 2024 fuel mix report decreases the carbon-free category (hydro and nuclear) from 93% to 89% while increasing the unspecified category from 7% up to 12%.

WYOMING PSC SIGNED TARIFF

CEO Case stated the rate sheets affected by the May 2025 rate increase were submitted and have been accepted by the Wyoming Public Service Commission.

HYDRO ANALYSIS

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 2,254,700 kWh in April. This amounts to 7.8% of all the kWh billed by PNGC in April and 8.5% of all kWh sold and used by Fall River in April.

Felt Hydro produced 1,776,017 kWh in April. When this is included with Island Park, Chester, and Buffalo, it amounts to 13.9% of all the kWh billed by PNGC in March and 15.1% of all kWh sold and used by Fall River in April.

ISLAND PARK

Island Park hydro produced 1,150,605 kWh during the month of April.

BUFFALO

Buffalo hydro generated 163,543 kWh during the month of April.

FELT

Felt hydro produced 1,776,017 kWh during the month of April.

CHESTER

Chester Hydro produced 940,552 kWh in the month of April.

DONATIONS

Included in the board packet.

FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.

REPORTS BOARD COMMITTEES, MEETINGS, AND MEMBER COMMENTS

EXECUTIVE COMMITTEE

Chairman Behrens reported the Committee will meet today on bylaw discussions following the Board meeting.

ADMINISTRATIVE COMMITTEE

Chairperson Stiehl reported the assignments for upcoming scholarship certificate presentations have been made.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Nothing to report.

POLICY COMMITTEE

Chairman Crowther reported the Committee met prior to this Board meeting and will be forwarding general policies next month for the Board's approval.

ATTORNEY REPORT

Nothing to report.

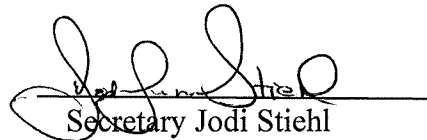
2025 CALENDAR

Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Keay to adjourn the meeting at 2:09 p.m. THE MOTION CARRIED BY UNANIMOUS CONSENT.

DATE APPROVED: June 21, 2025



Secretary Jodi Stiehl