

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

July 24th and 25th, 2023

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, July 24-25, 2023, at Springhill Suites Marriott in Island Park, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 9:01 a.m. Angie Haws recorded the minutes. The invocation was given by Jeff Keay. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Georg Behrens, Vice President Brent "Husk" Crowther, Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

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

DIRECTORS ABSENT

NONE

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, Member Service Manager Clint Washburn, Engineering Manager Dave Peterson, CFO Linden Barney, IT Manager Shannon Hill, Manager of Operations Brent Gamett, Erin Erben Senior Vice President of Power Supply and Strategy at PNGC, Josh Pepple VP of Smart Grid Technology Planning with NRTC, Chris Bradley Regional Business Manager with NRTC, Joe Walsh with NRTC, Jeff Kugel with PNGC, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

MINUTES AND BOARD OFFICER ELECTIONS

APPROVAL OF MINUTES FOR JUNE 17, 2023

Director Robson made a motion to approve the minutes from the June 17, 2023, Board Meeting as amended. Director Keay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

REVIEW OF ANNUAL BUSINESS MEETING MINUTES FOR JUNE 17, 2023

There was a correction made to the Annual Business Meeting minutes that will be presented to the membership at the 2024 Annual Business Meeting.

DIRECTOR ELECTIONS – JERRY RIGBY

Attorney Rigby reviewed the Director Election process. Rigby asked the Board members for nominations of Board officers. There were no new nominations.

President Georg Behrens, Vice President Husk Crowther, and Secretary Treasurer Jodi

Board Minutes of July 24-25, 2023

Stiehl were presented as nominees.

Attorney Rigby called for a vote on Georg Behrens as President. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Attorney Rigby called for a vote on Brent “Husk” Crowther as Vice President. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Attorney Rigby called for a vote on Jodi Stiehl as Secretary Treasurer. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

Secretary Stiehl reported on positive comments she received about Fall River handling a recent outage timely and professionally.

FINANCIAL AND STATISTICAL REPORTS

JUNE 30, 2023, FINANCIAL REPORTS

CFO Linden Barney reviewed the financials stating YTD net margins are just under \$4 M, which is \$217K better than budgeted. The budgeted amounts are based on the adjusted budget approved by the Board in May which included actual amounts through April 2023. Therefore, the year-to-date variance is really from the last two months.

The largest part of the variance is due to revenue net of power costs. The revised budget has additional power costs included and actual power costs which will likely hit during the fourth quarter.

Year-to-date cash flow includes \$5.9 M generated from operations, \$4 M invested in plant and material and \$1.5 M of principal payments on long-term debt.

Year to date, 37% of the capital budget has been spent, which includes significant amounts which were already in process and carried over from last year.

PROPANE LONG TERM LOAN REQUEST

The board reviewed the purpose and terms of the propane long term loan request. There was discussion regarding return on investments, interest rates, financial equity position, and future loan requests.

Director Schmier made a motion to approve the Fall River Enterprises propane long term loan request as presented. Director Keay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

COOPERATIVE BUSINESS

PNGC POWER AMENDED & RESTATED CONTRACT REVIEW – ERIN ERBEN

Erin Erben Senior Vice President of Power Supply and Strategy at PNGC, an Oregon based electric generation and transmission cooperative, reviewed PNGC’s services, value proposition and mission. Erben spent time discussing PNGC’s future perspective, power supply, contracts, and next steps for the G&T.

ENERGY EXPO SUMMARY AND VOTING RECAP
Included in the board packet.

EXECUTIVE SUMMARY OF THE MEETING

CEO Case reported that Fall River Rural Electric Cooperative's 2023 Energy Expo and Annual Member Meeting was held on June 17th, 2023, at the North Fremont High School in Ashton. Breakfast was served between 8AM and 10AM to just over 700 attendees. The Energy Expo was held from 8AM to 10AM. There were 20 exhibitor booths including the Fall River booths which featured information on Conservation, Member Services, Propane, Engineering and Operations. Fall River was offering Tesla Test Drives were first come first serve with 10 members signing up for the EV experience. Three Safety Demonstrations were given. Members had the opportunity to enter a drawing to win a chainsaw if they attended one of the Safety Demonstrations.

The Business Meeting was held at 10AM and approximately 275 people attended. The business meeting was available to watch live on Facebook for those who were unable to attend in person. Directors Georg Behrens and Jeff Keay were re-elected. Jay Hanson reached his term limit, candidate Travis Markegard was elected to District 2. Member voting was down a bit from prior years with 11.3% of the members voting, most likely due to an uncontested election. Fall River's board, board candidates and special guests were recognized. Fall River awarded 33 scholarships to the children of Fall River members and the drawing for Energy Partner Scholarship, a \$1,000 scholarship was awarded by a drawing to Madison student Benjamin Dredge. President Behrens recognized the scholarship recipients. At the end of the business meeting prizes were drawn with the Grand Prize of a \$1,000 energy credit toward the member's bill.

HISTORICAL VOTING AND ATTENDANCE REPORT
Included in the board packet.

ENERGY EXPO MEMBER SURVEY
Included in the board packet.

SBS REPORT ON DIRECTOR ELECTIONS
Included in the board packet.

ENERGY EXPO AND ANNUAL MEETING – JUNE 8, 2024, TETON HS
Secretary Stiehl made a motion to approve June 8, 2024, as the next Energy Expo and Annual Business meeting date for 2024 to be held at Teton High School. Director Keay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

BPA POWER SUPPLY MIX – BPA 93% CARBON FREE
Included in the board packet.

NRECA REGION 7&9 VOTING DELEGATES – BRYAN & HUSK CURRENTLY
Director Schmier made a motion to name Jodi Stiel as the NRECA voting delegate and Bryan Case as alternate. Director Keay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

FEDERATED DIRECTOR NOMINATION AND ELECTION

Director Draper made a motion to name Bryan Case as the Federated voting delegate. Vice President Crowther seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PPC – CALL TO ACTION – CEQ WRITTEN COMMENTS IN SUPPORT OF THE LOWER SNAKE RIVER DAMS
Included in the board packet.

FALL RIVER GENERAL COUNSEL REVIEW – SURVEY WILL BE SENT PRIOR TO AUGUST BOARD MEETING.

CEO Case stated FR will typically complete this process every three years. The board and CEO/General Manager are included in the evaluations as the attorney has organizational responsibilities to both the board and management. Results of the survey are shared with the attorney and the board president and CEO will meet jointly with the attorney to review the evaluation results.

DRAFT AUDIT REQUEST FOR PROPOSAL (RFP) AND LIST OF AUDIT FIRMS
Included in the board packet.

RECOGNIZE DEDE DRAPER FOR HER SERVICE ON THE FALL RIVER PROPANE BOARD

President Behrens recognized Director Draper for her excellent representation and service on the Fall River Enterprises Board. Behrens presented a plaque, and the FR Electric Board offered their appreciation.

PROPANE QUARTERLY REPORT

CEO Case reported that there was a 132% return on equity and the business is growing substantially. Currently FR Enterprises is forecasting to end the year at the million-dollar mark. The board discussed propane expansion, equity, customers and service in Wyoming, potential changes in legislation, and propane providers in the area.

CALIFORNIA DUCK CURVE
Included in the board packet.

PPC GRAND COULEE DAM TOUR

COOPERATIVE REPORTS

Director Lindstedt reported on webinars she attended and upcoming board education.

Director Keay reported on Fall River Enterprises propane board meeting.

Director Robson reported on new board member orientation.

Director Schmier reported on meetings he attended and NWPPA's CEO search.

Director Draper reported on MECA and ICUA meetings she attended.

Vice President Crowther reported on the ICUA Annual meeting.

Secretary Stiehl reported on the MECA and ICUA meetings she attended.

President Behrens reported on meetings attended.

CONSENT AGENDA

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

Director Robson made a motion to approve the consent agenda. Director Schmier 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 11:54 p.m. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

A motion was made and seconded to go out of Executive Session at 12:18 p.m. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

FALL RIVER MEMBER USAGE STATISTICS

Included in the board packet.

SAP INSPECTION LETTER

Included in the board packet.

2023 WORK PLAN AND GOALS PROGRESS

Included in the board packet.

FALL RIVER INL PILOT PROJECT AGENDA & UPDATE

Dave Peterson Engineering Manager and CEO Case reported that the week of July 17th was the testing and demonstration of nearly a year of work putting together a pilot project which used Fall River's hydroelectric facilities to dark start a hydro which replicates a black out or widespread power outage using a 2 MW utility scale battery to generate

power and then use the battery and generation to create a micro grid network. This project has consumed a lot of staff time and is exploratory. At Noon on July 20th, Alejandro Moreno, acting Assistant Secretary for Energy Efficiency and Renewable Energy, held a round table meeting with a few utilities or representatives to have a discussion at the Driggs office. The overarching theme Mr. Moreno touched on for the round table discussion was challenges and opportunities for small utilities associated with the clean energy transition, and ways for DOE to better support them.

PNGC STRATEGIC PLANNING

Included in the board packet.

EV CHARGER INSTALLATIONS

CEO Case reported on progress happening with the level three EV Charger installation. The Ashton charger is in place and awaiting the charging cable. Installation has started in Island Park and is nearing completion. Work has not yet started at the Driggs location, and FR is waiting for the city to approve the new location and drawings. The location was moved at Driggs request.

EMPLOYEE HOUSING

CEO Case reported progress continues and the housing is nearly completed. The excavation, foundation, electrical service, septic system, and homes are on site. To complete the homes, work including repairs to tape and texture, finishing the siding, roofing, and some painting. This work is expected to be completed by the end of July 2023.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 3,811,540 kWh in June. This amounts to 12.8% of all the kWh billed by PNGC in June and 14.7% of all kWh sold and used by Fall River in June.

Felt Hydro produced 3,462,465 kWh in June. When this is included with Island Park, Chester, and Buffalo it amounts to 24.4% of all the kWh billed by PNGC in June and 28.0% of all kWh sold and used by Fall River in June.

ISLAND PARK

Island Park hydro produced 2,559,537 kWh during the month of June.

BUFFALO

Buffalo hydro produced 157,535 kWh during the month of June.

FELT

Felt hydro produced 3,462,465 kWh during the month of June.

CHESTER

Chester Hydro produced 1,094,468 kWh in the month of June.

DONATIONS

Included in the board packet.

FALL RIVER'S MANAGEMENT REPORT.

Included in the board packet.

REPORTS BOARD COMMITTEES, MEETINGS, AND MEMBER COMMENTS

POLICY COMMITTEE

Nothing to report.

ADMINISTRATIVE COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Chairman Lindstedt previously reported on the RFP for auditors.

EXECUTIVE COMMITTEE

Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

ATTORNEY RIGBY'S REPORT

Attorney Rigby reported on the Lower Snake River Dams and the Columbia River Treaty.

2023 CALENDAR

Included on the board agenda.

FALL RIVER & NRTC LONG RANGE TECHNOLOGY PLAN

DISCUSSION AND REVIEW OF TECHNOLOGY TRENDS

FALL RIVER LONG RANGE TECHNOLOGY PLAN, REVIEW, DISCUSSION AND APPROVAL

President Behrens recessed the meeting at 4 p.m.

President Behrens resumed the board meeting at 9 a.m. July 25th.

FUTURE POWER COSTS – JEFF KUGEL, PNGC

Mr. Kugel's presentation covered power market fundamentals, markets in transition, and future markets.

INSTANT SURVEY – BOARD AND MANAGEMENT POLL

PREDICTIONS OF THE FUTURE – ROUND TABLE PARTICIPATION BOARD & MANAGEMENT

EXERCISE TO EVALUATE - CONDUCT A SWOT ANALYSIS ON THE OPTIONS AVAILABLE TO FALL RIVER

FALL RIVER – ON OUR OWN
BPA – MOTHER SHIP LANDS AD TAKES CARE OF FR
PNGC – GROWING AND HAS A PLAN
UAMPS – CARBON FREE POWER PLANT & MORE
NRU – LAGE MEMBERSHIP – SERVICE PROVIDER

REVIEW FALL RIVER'S VISION AND STRATEGIC OBJECTIVES

The board discussed the Cooperative's Vision and Strategic Objectives making minor verbiage changes for clarity and conciseness.

OVERVIEW OF CURRENT FALL RIVER PROJECTS

CEO Case reviewed the list of projects in progress or on the horizon. Case noted FR has set an aggressive pace to meet the needs and expectations of our members while keeping up with the demands of a rapidly changing industry.

The significant projects which are in progress or on the horizon include:

- Large Transmission Upgrade - \$23M over 5 years which was accelerated from 8 years.
- Long Range Technology Planning Process.
- Initial work on a new SCADA system. This is a multi-year project.
- Windmill software analysis used to stress test and analyze Fall River's distribution system.
- Using available data to mine information to be used to manage the distribution system, create reports to recognize preventative maintenance needs, wildfire mitigation reporting and planning, real time system analytics...most of which will be intertwined with new SCADA capabilities.
- Micro Grid pilot project with INL.
- EV Charging Stations Construction.
- Continued pursuit of grant opportunities.
- RFP and Evaluation of Software Systems for the Cooperative future decision.
- Finalize the Felt relicensing process.
- Complete employee housing in Felt.
- Auditor RFP process.
- RFP process for CIS, OMS, GIS, Mapping, MDM...Enterprise software solutions, etc.
- Post 2028 Power and Transmission.
- Victor Midway Substation Easements and BPA interconnection.
- Record Retention - Automation Electronic Filing and Document Storage.
- Meet continued robust growth, 2023 slow start but has caught up.

STRATEGIC TOPICS TO REVIEW DURING UPCOMING BOARD MEETINGS –
PRESIDENT BEHRENS

ADJOURNMENT

A motion and a second was made to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 1:20 p.m.

DATE APPROVED: August 28, 2023


Secretary Jodi Stiehl