

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

June 21, 2021

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, June 21, 2021, virtually and at the main office of Fall River Rural Electric in Ashton, Idaho. Having determined a quorum was present, President Draper called the meeting to order at 10:02 a.m. Executive Assistant Angie Haws recorded the minutes. The invocation was given by Jerry Rigby. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Dede Draper, Vice President Georg Behrens, Secretary/Treasurer Husk Crowther, and Past President Doug Schmier

DIRECTORS PRESENT

Jeff Keay, Brent Robson, Jodi Stiehl, Jay Hanson, and Anna Lindstedt

DIRECTORS ABSENT

None

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, CFO Linden Barney, Fall River staff Manager of Engineering Dave Peterson, Manager of Human Resources Clint Washburn, Manager of Member Services Sheena Stricker, and Executive Assistant Angie Haws

APPROVAL OF AGENDA

**Director Robson made a motion to approve the agenda as presented. Director Keay seconded. President Draper asked if any were opposed.** None opposed; THE MOTION CARRIED BY GENERAL CONSENT.

APPROVAL OF MINUTES

**Director Schmier made a motion to approve the May 24, 2021, Board Meeting Minutes as presented. Director Robson seconded the motion. President Draper asked if any were opposed.** None opposed; THE MOTION CARRIED BY GENERAL CONSENT.

MEMBER COMMENTS

LISA MARNO-ELECTRICAL HAZARD BEYOND THE METER AND SERVICE UPGRADE

Director Behrens shared that Ms. Marno approached him as a FR Director with concerns about an improper service connection and inquired the cost to upgrade her service to accommodate a new solar installation as well as the addition of a cabin on the lot. Ms. Marno was complementary of FR's staff. Director Behrens called CEO Case, and answers were provided to her questions. Director Behrens followed up with Ms. Marno, and the member understood and appreciated the follow up.

## SCHOLARSHIP THANK YOU

BITTER

LINDSTROM

HENDRICKS

CRESHEL HILL – COUNSELOR AT MADISON

CEO Case remarked on the importance of the scholarship program and that the thank you cards received were included in the board packet. Director Lindstedt inquired about Mr. Hendricks questions regarding consideration of the disbursement of the scholarship funds when attending a program other than the traditional four-year program. Case stated the topic is on the agenda to be discussed at the next Administrative Committee meeting in August.

## FINANCIAL & STATISTICAL REPORT

### MAY 31, 2021, FINANCIAL REPORTS

Net margins are \$2.1 million ahead of budget. -As noted in prior months, the budget was based on a possible recession and a 5% reduction in services. However, there is currently a 3% growth rate in new services and kWh sales in each of the first five months of 2021 are at a five year high.

The kWh sales per active residential service are 8% higher than the same period in 2020, and 9% higher than in 2019. Other significant variances include:

- A section 242 hydro incentive award of \$115K (net of commissions) received for 2018 generation at Chester-
- Lower travel and meeting expenses year-to-date-
- Lower interest expense due to low variable debt rates and a loan repricing-

Cooperative equity is currently at 48% and the cash generated from operations YTD is \$4.9M. We have received \$675K from investments in affiliated organizations.

FR has invested \$848K YTD in plant and has made \$3.9M in principal payments on long-term debt. Cash and short-term investment balances as of the end of May totaled \$10.8M. The net amount spent on capital budget items through May, including items carried over from last year, is \$1.6M (only 23% of the total capital budget). However, this includes a significant amount in aid to construction paid in advance for new subdivisions.

### FALL RIVER PROPANE LOAN REQUEST – CUSTOMER TANKS

CEO Case reviewed the Fall River Propane loan request documents for the purchase of propane tanks needed for this year, pointing out the reference documents have been included in the board packet. Case asked if there were any questions pertaining to the documents. There was discussion on tank availability, steel prices and a request to see the updated summary of loans Fall River Electric has made to Fall River Propane.

**Director Hanson made a motion to approve the Fall River Propane Enterprises loan request to purchase propane tanks. Director Schmier seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

### AUDITOR ENGAGEMENT AGREEMENT EXPIRES IN 2023

This agenda item is informational to note the date for future action.

## COOPERATIVE BUSINESS STRATEGIC PLANNING DISCUSSION

### ELECTRIC VEHICLES-WHAT IS FALL RIVER'S ROLE

CEO Case stated Fall River's strategic vision includes "Be the Trusted Energy Partner (experts in all things energy), providing members with relevant and economical solutions for their energy needs," and its strategic objective is to be the "Trusted Energy Partner: Be the go-to trusted source for information and technology to help members make high-value energy decisions. Prepare Fall River REC for the future by timely investigating and testing emerging industry trends, and/or by piloting projects, in order to assess value for the membership."

Fall River's vision and strategic objectives would have the Cooperative test and learn about emerging trends and be prepared to assist members in making objective decisions pertaining to energy.

We will evaluate how an EV performs in our service territory, test the impact to FR's distribution system in real time, assess members' interest in owning an EV and offer significant tools available on the FR website to answer member's questions and provide resources.

Additionally, members relocating to our service territory, either permanently or via part-time residency, will expand usage of EVs in the area. Fall River Electric needs to be ready to be #AllthingsEV to our members. In addition, with Fall River's primarily carbon-free generation, the benefit of powering vehicles with carbon-free power is what is referred to as beneficial electrification. The board discussed feedback on the EV test drive event, trends, possible future infrastructure needs, rates, and timelines associated with those trends.

The board had a robust discussion on the role of Fall River and its current direction pertaining to EVs and determined the current strategic direction is appropriate for Fall River at this time. It was also noted the Cooperative's EV activities will be reviewed and adjusted on a regular basis.

### ELON MUSK VIDEO OIL AND GAS

Included in the board packet.

### WHY RENEWABLES ARE NOT COMPLETE ANSWER— OR ARE THEY?

Included in the board packet.

### CURRENT PROJECTIONS OF WHOLESALE POWER FUTURE

Included in the board packet.

### POLL EV SURVEY-LIVE AT BOARD MEETING

The board and staff went through a series of strategic discussions and participated in live survey polls as Fall River considers the future of wholesale power and transmission needs for our membership. The board and staff live polls were compared to Fall River member survey responses for several questions and then the board and staff discussed preparations, currently known and likely factors in considering Fall River's power future. The discussion was helpful to the management team as we engage in setting expectations with PNGC and BPA.

## KNOWN AND ASSUMED WHOLE POWER FACTORS DISCUSSION

### CURRENT PROJECTION OF POWER SUPPLY COST

CEO Case reviewed a whisker chart using PNGC forecasting data to predict the costs of various purchase of power scenarios.

### FALL RIVER ENERGY EXPO RECAP-DISCUSSION

CEO Case reported the Fall River Energy Expo was a success and thanked the board and staff for their efforts. The board echoed the thanks. There will be a full report next month. Case provided some of the early numbers.

- Business Meeting attendance: 187 in person and 33 online
- Registered members at the event: 81
- Ballots received: 1482 electronically and 738 received by mail

The board also discussed member attendance, engagement, the voting process, future meeting scheduling, and member feedback.

**Director Hanson made a motion to return to the mail-in election ballot cutoff date and time as done in prior years. Director Keay seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

### ANNUAL POLICY REVIEW & TRAINING – JERRY RIGBY

Attorney Rigby presented a review of general policies which require the board to review on an annual basis. He also requested certification forms be signed, acknowledging the directors have received instruction and review from counsel regarding the policies. The following policies were reviewed:

#### GP# 102 DIRECTORS GUIDE TO DUTIES

Included in the board packet.

#### GP# 309 ALLOCATION RETIREMENT PATRONAGE CAPITAL

Included in the board packet.

#### GP# 314 RETIREMENT OF DECEDENTS CAPITAL CREDIT

Included in the board packet.

#### GP# 420 PURCHASE & WHEELING OF POWER FROM SM. GENERATORS

Included in the board packet.

#### GP# 502 MEMBER DATA PRIVACY

Included in the board packet.

#### GP# 603 EQUAL EMP. AFFIRMATIVE ACTION PLAN

Included in the board packet.

#### GP# 625 ANTI-HARASSMENT / SEXUAL HARASSMENT

Included in the board packet.

## NRECA REGION 7 & 9 MEETINGS

Included in the board packet.

## CFC REQUEST FOR CANDIDATES

Included in the board packet.

## GOSHEN SUBSTATION TOUR – JUNE 22<sup>ND</sup>

Calendar item to note.

## COOPERATIVE REPORTS

### BOARD REPORTS

Director Stiehl reported she attended the awards ceremony and presented the Fall River Scholarship certificates to the students at North Fremont High School.

Director Hanson expressed his gratitude for his participation serving on the CFC board for the past seven years. Hanson stated he will miss the people and the programs, and that it was a privilege.

Director Crowther reported he went to South Fremont High School and Madison High School to present the Fall River scholarship winners their certificates.

Past President Schmier reported on an outage experience that was discussed and resolved. Schmier complimented FR crew members.

Vice-President Behrens reported that he sent his report for the ICUA meeting. Behrens also stated that he was approached to talk to the Sierra Club about Carbon-Free energy.

President Draper reported she attended the propane strategic planning board meeting last week. Draper stated the new propane CAP program (with an annual cost of \$100) is rolling out and will include a tank monitor and a never-out guarantee. The propane price is also guaranteed to not go above a set price.

## CONSENT AGENDA

**Director Behrens made a motion to approve the consent agenda as discussed.**

**Director Robson seconded the motion which included expense vouchers, new memberships, purchase of power agreements, check register, safety report, and discounted patronage capital refunds report.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

## OFFICER ELECTIONS – JERRY RIGBY TO CONDUCT

Attorney Rigby reviewed the election process. Past President Doug Schmier presented the names of those interested in running and nominated them for positions. He invited nominations from the floor for any of the positions as well. Schmier welcomed comments or suggestions pertaining to the election process and stated there would be an opportunity to open the topic for review or discussion in the future.

**Director Hanson made a motion for nominations for Board President to cease and Director Behrens seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

The nominations for officers are as follows:

PRESIDENT

Dede Draper

Brent Robson

VICE-PRESIDENT

Georg Behrens

Brent "Husk" Crowther

SECRETARY / TREASURER

Brent "Husk" Crowther

Jodi Stiehl

2021 Officers elected:

**President – Dede Draper**

**Vice President – Georg Behrens**

**Secretary/Treasurer – Jodi Stiehl**

#### EXECUTIVE SESSION

**Director Hanson made a motion to go into Executive Session at 2:05 p.m. Director Robson seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

**Director Hanson made a motion to go out of Executive Session at 2:15 p.m. and Director Robson seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

#### MANAGEMENT DISCUSSION ITEMS

##### COOPERATIVE "COMMUNITY" SOLAR

FR COOPERATIVE SOLAR COST / BILL CREDIT AND ESTIMATED PAYBACK

Included in the board packet.

FR PROJECT FINAL PROJECT SPECIFICATIONS

Included in the board packet.

SHOW LIVE COMMUNITY SOLAR DATA VIA LINK

##### INSURANCE COVERAGE REVIEW

FR Human Resources Manager Clint Washburn reviewed the current policy and changes to coverage and costs.

##### FALL RIVER YOUTH RALLY

CEO Case reviewed the ICUA week-long Youth Rally event that was cancelled this year due to COVID-19 concerns. FR has decided to offer a one-day mini-Youth Rally

experience at the Ashton office for the participants from our service area this year.

#### AGENDA FOR THE DAY

Included in the board packet.

#### LIST OF ATTENDEES

Included in the board packet.

SHORT VIDEO VIGNETTES ON ROOF TOP SOLAR, EV, CONSERVATION, ETC.  
CEO Case reported there are several videos that will soon be available to our members to view on different topics to educate and inform them and to provide resources as their trusted energy partner. The messages will be available on FR's website and social media platforms.

#### HYDRO FACILITIES UPDATE

Island Park, Buffalo and Chester hydro generated a total of 2,438,348 kWh in May. This amounts to 10.5% of all the kWh billed by PNGC in May and 11.7% of all kWh sold and used by Fall River in May.

Felt hydro produced 2,551,000 kWh in May. When this is included with Island Park, Buffalo, and Chester, it amounts to 21.4% of all the kWh billed by PNGC in May and 23.9% of all kWh sold and used by Fall River in May.

##### ISLAND PARK

Island Park hydro produced 1,150,333 kWh during the month of May.

##### BUFFALO

Buffalo hydro produced 172,588 kWh during the month of May.

##### FELT

Felt hydro produced 2,551,000 kWh during the month of May.

##### CHESTER

Chester hydro produced 1,115,427 kWh during the month of May.

#### DONATIONS

Included in the board packet.

#### REPORTS

##### EXECUTIVE COMMITTEE

Nothing to report.

##### ADMINISTRATIVE COMMITTEE

Nothing to report.

##### ENGINEERING & OPERATIONS COMMITTEE

Chairman Robson reported the next meeting will be in July.

FINANCE COMMITTEE

Nothing to report.

POLICY COMMITTEE

Chairman Schmier reported the committee met this morning and will present to the board at the July board meeting. The next policy committee meeting is scheduled for September 27th.

ATTORNEY REPORT

Attorney Rigby reported on legal developments in the industry.

FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.


2021 CALENDAR

Included in the board packet.

ADJOURNMENT

There being no further business, **Director Behrens made a motion to adjourn. Director Robson seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 2:45 p.m.

DATE APPROVED: July 26, 2021

  
Secretary Jodi Stiehl