

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

March 28, 2022

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, March 28, 2022, 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 10:05 a.m. Executive Assistant Angie Haws recorded the minutes. The invocation was given by Georg Behrens. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Dede Draper, Vice President Georg Behrens, Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

Husk Crowther, Jay Hanson, Brent Robson, Doug Schmier, and Jeff Keay

DIRECTORS ABSENT

Anna Lindstedt

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, CFO Linden Barney, HR Manager Clint Washburn, Manager of IT Shannon Hill, Engineering Manager Dave Peterson, Apprentice Lineman Jace Arnold, Guest PNGC CEO Roger Gray and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

**Vice-President Behrens made a motion to approve the February 28, 2022, Board Meeting Minutes as presented. Director Robson seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

GUEST ROGER GRAY, PNGC CEO, TO DISCUSS BPA POST 2028 EFFORTS

PNGC is a generation and transmission cooperative owned by 15 cooperative members. They exist solely for the benefit of their members and help them with their power supply, which usually represents about one-half of a utility's total cost. Because generation and transmission are larger-scale businesses and cooperatives are usually small utilities, G&Ts have formed across the nation to lower cost and risk.

2028 is an important year for all consumer-owned utilities in the region, including PNGC, because BPA power contracts terminate.

PNGC POST 2028 CONCEPT PAPER

Included in the board packet.

## PPC CONCEPT PAPER

Included in the board packet.

## COMPARISON OF THE PNGC AND PPC CONCEPT PAPER

Included in the board packet.

## MEMBER COMMENTS

CEO Case reviewed the member comments included on the agenda and mentioned the Tesla member lease program has started and he shared one member's feedback that participated. The member said that this experience changed his perspective on electric vehicles, and he expressed his appreciation for the opportunity to drive it.

## MARY MARTIN THANK YOU FOR REBATE AND LINE CREW

Included in the board packet.

## MIKE HALE SUPPORT FOR DAMS

Included in the board packet.

## VANCIE TURNER LOVES FALL RIVER AND COOPERATIVE MODEL

Included in the board packet.

## FINANCIAL & STATISTICAL REPORT

### FEBRUARY 28, 2022, FINANCIAL REPORTS

CFO Barney reported on the financials for February stating the net margins YTD were \$265K better than budgeted. The major driver for increased margins is revenue net of power cost. The average usage per meter is higher than the five-year average used for the budget and slightly higher than last year. In addition, January and February temperatures were colder than average. The biggest reason for the variance is growth in new services. The budget was based on 2 to 3% growth, and our annual growth rate is at 3.8%. Other budget variances are mainly due to timing of actual expenses versus when they were budgeted. Cooperative equity is just under 50%. We paid \$943K in principal payments on long-term debt. YTD there has been just over \$400K of cash generated from operations.

The board discussed growth in the area, possible economic impacts, and availability of materials.

### LONG RANGE TECHNOLOGY PLAN WITH HELP FROM NRTC \$30,000

CEO Case stated the Fall River staff recommend adjusting the operating budget to allow for the development of a long-range technology plan working with NRTC to assess and provide data to facilitate implementation of the plan.

**Director Crowther made a motion to authorize changes to the operating budget to allow the Cooperative to develop a long-range technology plan consulting with NRTC. Director Robson seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

COOPERATIVE BUSINESS  
STRATEGIC DISCUSSION

ANNUAL MEETING/ EXPO

CEO Case stated FR Board Compensation is typically reviewed every three to five years. A member Ad Hoc committee would be placed on the 2022 ballot for the members of the Cooperative to either approve the committee and its members or to oppose the committee and its members. If the committee is approved by the membership, the committee will be assembled and meet to review board compensation.

**Director Crowther made a motion to assemble the Ad Hoc committee, placing the member compensation committee and its members on the 2022 Fall River ballot for the members to vote on. Director Schmier seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NOMINATING COMMITTEE MEETING ATTENDANCE

Included in the board packet.

BOARD CANDIDATES SO FAR

District #4

Anna Lindstedt

Owen Moulten

Ron Hansen

District #7

Jodi Stiehl

Bruce Ard

District #9

Doug Schmier

Kelli Hart

Alice Owsley

The board discussed the nominating process for director candidates.

PPC RESPONSE TO DIRECT SERVICE BLUE WOLF ALUMINUM  
SMELTER

Included in the board packet.

NORTHWEST POWER AND CONSERVATION COUNCIL LETTERS  
CONCERNING LSRDS

FALL RIVER'S LETTER TO THE COUNCIL

Included in the board packet.

PPC LETTER ON CRSO MONITORING

Included in the board packet.

BPA ENGAGING RESPECTED CONSULTANT TO UPDATE ANALYSIS

Included in the board packet.

STATEWIDE AND OTHER LETTERS TO THE COUNCIL ON LSRDS

Included in the board packet.

RIVERPARTNERS REBUTTAL TO REMOVAL OF THE LOWER SNAKE RIVER DAMS

Included in the board packet.

DISCUSS BRYAN'S INTEREST IN RUNNING FOR NRECA OFFICER, SECRETARY/TREASURER WHICH IS A 6 YEAR COMMITMENT AND SIGNIFICANT TIME COMMITMENT. SEEKING THE BOARD'S SUPPORT  
**Director Hanson made a motion to support CEO Case running for the Secretary/Treasurer officer position on the NRECA board. Director Schmier seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

DISCUSS MOVING THE MAY 23<sup>RD</sup> BOARD MEETING DUE TO CONFLICT WITH NWPPA MEETING

The board discussed and agreed to change the May board meeting date to Monday, May 16, 2022.

STATE LEGISLATIVE UPDATES

ICUA

Included in the board packet.

WREA

Included in the board packet.

MECA

Included in the board packet.

COOPERATIVE REPORTS

Director Hanson reported on the CFC meeting he attended.

Director Schmier reported on NWPPA and CFC meetings attended as well as upcoming meetings he will be attending in DC. Director Schmier also attended the Lincoln Day dinner.

President Draper reported she attended the NWPPA, PPC and Fall River Propane board meetings.

Vice President Behrens reported attending ICUA and NRECA meetings.

Secretary Treasurer Stiehl reported attending NRECA meetings and will be attending an upcoming MECA meeting.

#### CONSENT AGENDA

**Secretary Treasurer Stiehl made a motion to approve the consent agenda. 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

#### EXECUTIVE SESSION

**Director Robson made a motion to go into Executive Session at 1:03 p.m. Director Schmier 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 1:27 p.m. and Director Crowther seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

#### MANAGEMENT DISCUSSION ITEMS

##### PATRONAGE CAPITAL ALLOCATION FOR 2021 NET MARGINS

###### PAT CAP CERTIFICATE

CEO Case stated the patronage capital certificates will be mailed out to members in mid-April.

###### PAT CAP SUMMARY BY YEAR STATEMENT

Included in the board packet.

###### PAT CAP LETTER

Included in the board packet.

##### UPDATE OF FALL RIVER'S EV TESLA LEASE PROGRAM

CEO Case reported that the member lease program is up and running. Members can sign up on the FR website to take the EV for up to three days to experience the technology firsthand. EV charging and battery life were discussed as well as current gas prices.

##### UPDATE OF EMPLOYEE HOUSING PROGRESS

CEO Case reported that FR is moving forward pursuing a location for employee housing. An offer has been made on some land in the FR service area.

##### TRANSMISSION PROJECT UPDATE – ROW NEPA PROGRESS

##### HYDRO FACILITIES UPDATE

Island Park and Buffalo hydros generated a total of 561,015 kWh in February. This amounts to 1.6% of all the kWh billed by PNGC in February, and 1.6% of all kWh sold and used by Fall River in February.

Felt hydro produced 1,276,000 kWh in February. When this is included with Island Park and Buffalo, it amounts to 5.1% of all the kWh billed by PNGC in February, and 5.2% of all kWh sold and used by Fall River in February.

#### ISLAND PARK

Island Park hydro produced 486,155 kWh during the month of February.

#### BUFFALO

Buffalo hydro produced 74,860 kWh during the month of February.

#### FELT

Felt hydro produced 1,276,000 kWh during the month of February.

#### CHESTER

Chester hydro did not run during the month of February. The plant has been shut down since the 19<sup>th</sup> of December due to too much ice in the intake.

#### FALL RIVER LEADERSHIP DEVELOPMENT EVALUATION

Included in the board packet.

#### FALL RIVER DEBT PORTFOLIO SUMMARY

##### FALL RIVER LONG TERM DEBT TO LENDERS

Included in the board packet.

##### PROPANE DEBT TO FALL RIVER ELECTRIC

Included in the board packet.

##### LOANS UP FOR REPRICING & FUTURE DEBT

Included in the board packet.

#### PATRONAGE CAPITAL DISCOUNT RATE FOR EARLY RETIREMENT

Included in the board packet.

#### SUPPLY CHAIN IMPACTS

CEO Case indicated that the supply chain continues to be affected by the pandemic and other external mounting concerns. Case reviewed big picture items noting oil, natural gas, aluminum, copper, steel, palladium, nickel, and neon are raw materials that are exported by Russia and Ukraine. Fall River has been proactive in ordering and trying to secure materials needed for the coming year and have already placed orders for some material for 2024. The continued pressures on material supplies and now a reduction in raw materials sets the stage for additional price hikes and material shortages. Staff will continue to strive to secure the material we need and to date feel cautiously optimistic.

#### DONATIONS

Included in the board packet.

#### FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.

#### REPORTS

##### EXECUTIVE COMMITTEE

Nothing to report.

##### ADMINISTRATIVE COMMITTEE

Chairman Key reported that the committee will meet next month to recommend scholarship applications.

##### ENGINEERING & OPERATIONS COMMITTEE

Nothing to report.

##### FINANCE COMMITTEE

Nothing to report.

##### POLICY COMMITTEE

Chairman Schmier reported the Policy Committee met this morning and will be forwarding several policies to the board for review and adoption at the next board meeting.

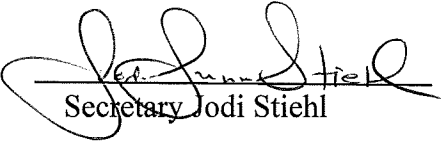
##### ATTORNEY REPORT

Jerry Rigby reported on the various groups he has been participating in. He will attend a meeting in Washington DC concerning water rights.

#### ADJOURNMENT

There being no further business, **Secretary Treasurer Stiehl 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 2:15 p.m.

DATE APPROVED: April 25, 2022



Secretary Jodi Stiehl