

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

May 22, 2023

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, May 22, 2023, in Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 9:57 a.m. 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, Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

Past President Dede Draper, Jeff Keay, Anna Lindstedt, Brent Robson, and Doug Schmier, Jay Hansen

DIRECTORS ABSENT

NONE

OTHERS

CEO/General Manager Bryan Case, Attorney Hyrum Erickson, CFO Linden Barney, Member Services Manager Clint Washburn, Manager of Engineering Dave Peterson, Board Candidate Travis Markegard, IT Manager Shannon Hill, IT Specialist Nathan Strahm, Member Services Representative Kaylene Schultz, Guest EES Consulting - Garrett Cole, Lea Fisher Senior Project Manager, Abby Phelps Analyst and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

Director Schmier made a motion to approve the minutes from the April 24, 2023, Board Meeting as presented. Director Hanson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

GDS, GARRETT COLE, REPORT OF RFP FOR FR POWER & TRANSMISSION OPTIONS

EES Consulting, a GDS Associates Company, represented by Garrett Cole, Lea Fisher, and Abby Phelps presented the final RFP report for the Post 2028 Power Supply Evaluation for Fall River with recommendations and explanations of each recommendation included. The presentation was interactive with board questions as well as discussion.

MEMBER COMMENTS
NONE

FINANCIAL & STATISTICAL REPORTS

APRIL 30, 2023, FINANCIAL REPORTS

CFO Barney reported on the financials for April 2023. The Cooperative's YTD actual net margin is \$1.1M above budgeted net margins YTD. The biggest portion of this is revenue net of power costs. Other variances include a slightly higher growth rate of new services than anticipated at just under 3.8% and 15% more kWh usage per service than budgeted. For budget purposes we use a five-year average kWh use per meter for weather normalization and the first quarter of 2023 was the coldest first quarter in more than ten years. In addition to that we are also still seeing more winter usage in seasonal areas. The Cooperative's equity ratio remains strong at 49%. The Cooperative generated just under 4M from operations and invested \$1.9M YTD in plant and materials. Approximately 28% of the total 2023 capital budget has been spent which includes carry overs from 2022 that were in progress. Just over 1.5M principal has been paid back on long-term debt.

FALL RIVER PROPANE DELIVERY TRUCK LOAN REQUEST

CFO Barney reviewed the request from FR Enterprises to borrow funds to purchase a used delivery truck needed due to the growth of the propane business. It was noted that FR Enterprises has significantly grown the business and their equity position is over 36%.

LOAN SUMMARY

Included in the board packet.

Director Hanson made a motion to approve the FR Enterprises loan request to purchase a propane delivery truck as presented. Director Schmier seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

COOPERATIVE BUSINESS

ENERGY EXPO SCHEDULE AND AGENDA FOR BUSINESS MEETING

OVERALL AGENDA FOR THE DAY

Included in the board packet.

BUSINESS MEETING AGENDA

Included in the board packet.

ANNUAL MEETING NOTICE AND REPORT

Included in the board packet.

BOARD VOLUNTEERS FOR DOOR PRIZES – PRESENT TO WIN

BOARD MEMBERS WEARING BLUE FALL RIVER SHIRTS

LAST YEAR'S ENERGY EXPO MEMBER SURVEY
Included in the board packet.

BOARD MEETINGS AND UPCOMING OPPORTUNITIES

JUNE BOARD MEETING ON SATURDAY JUNE 17TH – NO ADDITIONAL BOARD MEETING IN JUNE

Director Hanson made a motion to hold one FR Board Meeting on June 17, 2023, and remove the additional June meeting date off the previously approved board calendar. Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

JULY 17TH – INL BLACK START/MICRO GRID

CEO Case stated this project will be demonstrated the week of July 17th at the Felt Hydro facility.

JULY 24TH – PNGC POST – 2028 PNGC CONTRACT DETAILS

JULY 24TH & 25TH STRATEGIC PLANNING – SPRINGHILL SUITES

INL BOARD TOUR – NUCLEAR AND GEOTHERMAL GENERATION AUGUST 8TH

AUGUST 28TH BOARD MEETING – BOARD PHOTO – BUSINESS ATTIRE

WIND TURBINE TOUR – UAMPS HORSE BUTTE EAST OF IDAHO FALLS –
SEPTEMBER 8TH AROUND 11 AM WITH LUNCH

BUDGET ADJUSTMENT – FALL RIVER PACE & PERSONNEL

CEO Case stated FR has grown from 15,589 services in 2007 to 19,712 services as of March 2023. The number of employees has reduced from 66 to 53 as of March 2023. Case reviewed several KRTA (Key Ratio Trend Analysis) ratios with the board. These comparisons, in addition to discussions with the management team, have led to the conclusion that Fall River has arrived at an intersection which will require additional staff to accomplish the ambitious list of strategic objectives. One of those projects being the Large Transmission Upgrade - \$23M over 5 years which was accelerated from 8 years.

CEO Case reviewed the additional staff positions needed, budget impact, data supporting why rates would not likely be impacted, and areas where contract support may be added.

Director Robson made a motion to approve the Budget Adjustment as presented by staff. Director Hanson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

BPA PROVIDER OF CHOICE COMMENTS – POST 2028 BPA AGREEMENTS

BPA letter included in the board packet indicating BPA's recent public meetings available to provide information and give an opportunity for input for the Post 2028 Agreement. BPA stated

they anticipate releasing a draft policy in mid-to-late July in regard to the Provider of Choice.

PNGC'S COMMENTS ON BPA PROVIDER OF CHOICE CONCEPT
PNGC's response to the BPA's current proposal. PNGC communicated their concerns about net requirements under BPA statutes, and BPA's Tier 1 System.

NRU'S & PNGC COMMENTS ON BPA PROVIDER OF CHOICE CONCEPT
Included in the board packet.

PPC'S COMMENTS ON BPA PROVIDER OF CHOICE CONCEPT
Included in the board packet.

AHWM GROUP COMMENTS ON BPA PROVIDER OF CHOICE
Included in the board packet.

PNGC STRATEGIC PLANNING FOCUS
Included in the board packet.

PPC ITEMS FOR DISCUSSION

RESIDENTIAL EXCHANGE PRESENTATION

PPC's PowerPoint presentation focused on the following topics:

- Review of key historical and statutory context of Residential Exchange.
- Brief overview of how the Residential Exchange Program has been implemented through time.
- How they got to the current settlement.
- Considerations and next steps going forward.

NORTHWEST RIVER PARTNERS Q2 UPDATE
Included in the board packet.

TALKING POINTS IN SUPPORT OF THE FEDERAL COLUMBIA RIVER POWER SYSTEM AND OPPOSITION TO BREACHING THE LOWER SNAKE RIVER DAMS (LSRDS)

PPC TALKING POINTS

PPC urges Congress to protect the Lower Snake River Dams stating they are low-cost and operationally valuable clean resources. Talking points supporting this position were included in the board packet.

MARKHAM – CENTRAL OREGON OP ED
FALL RIVER TALKING POINTS ON LSRDS AND MURRAY/INSLEE
Included in the board packet.

THE KIPLINGER LETTER ON EV'S
Included in the board packet.

SENATOR RISCH LETTER
Included in the board packet.

LETTERS TO RISCH, CRAPO, FULCHER, AND SIMPSON WITH FALL RIVER BOARD RESOLUTION 651 IN SUPPORT OF FEDEAL COLUMBIA RIVER POWER SYSTEM AND OPPOSITION TO BREACHING THE LOWER SNAKE RIVER DAMS
Included in the board packet.

MECA'S MONTANA LEGISLATION IN SUPPORT OF LSRDS
CEO Case stated that this was significant legislation with bi partisan support that was passed in Montana opposing the breach of the Lower Snake River Dams which will be sent to every member of Congress and the governors of each state where BPA provides service.

LEGISLATIVE EXECUTIVE SUMMARY FOR ID, MT, WY FOR 2023
Included in the board packet.

CFC VOTING DELEGATES

A motion was made for Vice President Crowther to serve as CFC voting delegate and Director Keay as alternate voting delegate. The motion was seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

COOPERATIVE REPORTS

Director Lindstedt reported on solar providers in the area and possible resources for members.

Director Draper reported on Fall River Enterprises.

Director Hanson reported on a webinar he participated in.
Director Keay reported on Fall River Enterprises.

Director Schmier reported on NWPPA Annual meeting and legislative happenings in DC.

Secretary Stiehl reported on NWPPA meetings attended and accepting the Helping Hands award on behalf of Fall River. Noted Director Schmier is NWPPA's new Board Vice President and offered her congratulations.as did the other FR board members.

President Behrens reported on ICUA meetings attended and the upcoming ICUA Annual Meeting.

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

EXECUTIVE SESSION

Director Hanson made a motion to go into Executive Session at 1:32 p.m. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

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

President Behrens made a change in assignment to the FR Propane Board.

MANAGEMENT DISCUSSION ITEMS

QUARTERLY GOALS AND WORK PLAN PROGRESS

Included in the board packet.

NRECA COMMITTEE ASSIGNMENTS – BRYAN CHAIR OF INSURANCE & FINANCIAL SERVICES COMMITTEE

Included in the board packet.

BILL STATEMENT UPDATE

Included in the board packet.

NEW MEMBER SERVICE VIDEO ON TREE TRIMMING, RIGHT-OF-WAY, TREE PLANTING, AND CALLING 8-1-1

Link included in the board packet.

EMPLOYEE HOUSING UPDATE

CEO Case reported the two homes have been constructed and delivered. The staff is working with Teton County to finalize building permits. Site preparation has commenced with clearing of existing foundation and concrete footers.

WEST YELLOWSTONE CONDO DESIGN

Included in the board packet.

YOUTH OUTDOOR SKILLS DAY – FALL RIVER CURRENT AND RETIRED STAFF

CEO Case stated Fall River Staff members Dave Peterson, Jeremy Banta, and Tim Jenkins along with retired Fall River employees Trent Yancey and Mark Chandler, contributed their time and talents to help with the Idaho Fish and Game Youth Outdoor Skills Day on Saturday, May 13th. Fall River contributed the use of the cook trailer and the above staff helped with the event cooking hamburgers and hot dogs as well as manning some of the stations where youth learn about shooting, archery and other outdoor skills.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,794,914 kWh in April. This amounts to 5.9% of all the kWh billed by PNGC in April and 6.3% of all kWh sold and used by Fall River in April.

Felt Hydro produced 2,535,707 kWh in April. When this is included with Island Park, Chester, and Buffalo it amounts to 14.3% of all the kWh billed by PNGC in April and 15.2% of all kWh sold and used by Fall River in April.

ISLAND PARK

Island Park hydro produced 984,385 kWh during the month of April.

BUFFALO

Buffalo hydro produced 161,670 kWh during the month of April.

FELT

Felt hydro produced 2,535,707 kWh during the month of April.

CHESTER

Chester Hydro produced 648,859 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

POLICY COMMITTEE

Chairman Schmier reported the committee met this morning and policies reviewed will be moved to the full board for approval in June.

ADMINISTRATIVE COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Nothing to report.

EXECUTIVE COMMITTEE

Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE

Chairman Robson stated the committee will meet during board strategic planning in July.

ATTORNEY RIGBY'S REPORT
Nothing to report.

ADJOURNMENT

The meeting was adjourned by President Behrens at 2:15 p.m.

DATE APPROVED: June 17, 2023



Secretary Jodi Stiehl