

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

November 20, 2023

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, November 20, 2023, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:00 a.m. Angie Haws recorded the minutes. The invocation was given by Travis Markegard. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Georg Behrens, Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

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

DIRECTORS ABSENT

Vice President Brent "Husk" Crowther and Anna Lindstedt

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, Attorney Chase Hendricks, Member Service Manager Clint Washburn, Operations Manager Brent Gamett, IT Manager Shannon Hill, CFO Linden Barney, Engineering Manager Dave Peterson, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR OCTOBER 16, 2023

**Director Robson made a motion to approve the minutes from the October 16, 2023, Board Meeting as presented. Director Markegard seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF MINUTES FOR OCTOBER 23, 2023

**Director Robson made a motion to approve the minutes from the October 23, 2023, Board Meeting as presented. Director Markegard seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

JOHNIE ETHINGTON-OUTAGE CONCERNS

CEO Case discussed the member's concerns and reviewed the FR recommendations given as well as the next steps to ensure the best outcome for the member. The board discussed communications with members, the FR app, bylaws and policies in place, and other member interactions.

## FINANCIAL AND STATISTICAL REPORTS

### OCTOBER 31, 2023, FINANCIAL REPORTS

CFO Linden Barney reported that the YTD net margins are \$207k ahead of the budget. The cost of purchased power is still under budget however, the YTD variance has moved closer to the budgeted amount due to new BPA rates going into effect in October. Labor and overhead are \$134k under budget which is a 3% variance. Other significant variances are discussed in the variance analysis report.

The cashflow YTD of \$9.1 M has been generated from operations, \$8.6 M has been invested in plant and materials, \$3.1 M of principal on long-term debt has been paid down. Barney reported 63% of the capital budget has been spent. The Cooperative's equity ratio at the end of October was 50% and the annual growth rate of new services is still above 3%. The expected income from FR Propane will be booked at year-end and will be more than the budgeted amount.

## SCADA DISCUSSION

Dave Peterson, Engineering Manager, presented an overview of the implementation and benefits of the SCADA (System Control and Data Acquisition) system. Peterson noted that the project implementation is underway and most of the initial substation communications will likely be completed by the end of 2024 or early 2025.

Shannon Hill, IT Manager, discussed how the implementation of the initial upgrade to Fall River's SCADA system was foundational to the next steps needed to advance Fall River in its long-range technology plan.

## COOPERATIVE BUSINESS

### DISCUSSION OF INSTANT OWNER REBATE

The board discussed staff's recommendation to consider an instant owner rebate. CEO Case stated the Cooperative has had another good year with greater kWh sales primarily due to a colder than normal winter, new service growth, and continued record monthly kWh sales year to date. Fall River Propane was a significant contributor to Fall River's margins at close to \$1.5M in net margins. Their record margins are also a result of a colder than normal winter and a record number of gallons sold year to date with robust growth in number of new customers which outpaced Electric additions of new services. Given the Cooperative's strong financial position, significant revenues from propane services, a strong cash balance, and equity levels within set targets, Fall River has taken the following actions:

1. The Board also approved a general retirement of patronage capital of \$2.1M. This action will reduce years of outstanding patronage to about 17 years from a typical 20-year rotation cycle. With this patronage capital retirement, Fall River's equity ratio will still be around 49%.
2. Fall River has used Instant Owner Rebates to return current-year margins to the membership when we have generated more margins than are needed to be financially prudent stewards of the Cooperative. We have used this as concept in recent years including 2019, Fall River returned \$500,000, in 2021 the

Cooperative returned \$1M, in 2022 we returned \$1.5M and in January of this year, 2023, FR returned \$1.5M.

**Secretary Stiehl made a motion to approve an \$1.5 M instant owner rebate to members who contributed to net margins in 2023 in the form of a bill credit to be applied to members accounts in early 2024. Director Schmier seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

RETIREMENT OF PATRONAGE CAPITAL – LETTER & STATEMENT  
Included in the board packet.

2024 FALL RIVER ELECTRIC WORK PLAN AND GOALS  
CEO Case highlighted new Work Plan and Goal items for 2024. Also included in the board packet for review.

**Director Keay made a motion to approve the 2024 Work Plan and Goals as presented. Director Robson seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

DEBRIEF INL TOUR

Members of the FR Board and FR Staff reported on a recent tour of the INL Energy Systems Laboratory. The following topics were presented:

Geothermal Generation, Integrated Energy System Uses, EV Charging Infrastructure, Improving Reliability and the Charging Experience, INL Microgrid Development Testbeds, Small Modular Reactor Update, AI, INL Overview.

PNGC HIGHLIGHTS

MEETING HIGHLIGHTS  
Included in the board packet.

CEO RECRUITMENT/INTERVIEW PROCESS  
CEO Case reported on the CEO Recruitment / interview process and progress for the new CEO of PNGC.

PNGC EDUCATION SESSION  
Link included in the board packet.

ELECTED BOARD PRESIDENT  
CEO Case reported he was elected the PNGC Board President as of the November 2023 PNGC board meeting. The board congratulated Case.

STRATEGIC DISCUSSION – FOLLOW -UP PROPANE TANK REVENUES  
The board discussed perspectives on FR propane customer tank lease and purchase

Board Minutes of November 20, 2023

options, the cost of each option and tank maintenance costs.

#### CONTRIBUTION TO ENERGY NW'S FEASIBILITY STUDY FOR SMALL MODULAR NUCLEAR

CEO Case updated the board on the DOE's investment in small modular nuclear and there was a discussion about generation projects including geothermal, wind, solar and natural gas peaking plants, and the potential impacts. The board noted this is an important topic for continued discussion.

#### AGREEMENT & CLARIFICATION ON GOVERNANCE

Included in the board packet.

#### ANNOUNCEMENT ON NUSCALE/UAMPS PROJECT – CLOSING

Included in the board packet.

#### RETAIL RATE INCREASE MEMBER PRESENTATION

CEO Case stated the member rate meetings were held in November at each district office location (Ashton, West Yellowstone, and Driggs). Case thanked the board members and staff who attended the meetings and contributed to the conversations with members. A PowerPoint presentation was given at each member rate meeting outlining FR Highlights and Background, Strategic Objectives and Consideration, FR Cost of Service Analysis, Rate Increase and Timing, Demand and Tools to Manage and Help. The members were encouraged to ask any questions they may have.

#### CAITLYN WANNER – REQUESTS AND CONCERNS

CEO Case reviewed comments and discussion regarding the Lower Snake River Dams from a participant at the member rate meeting held in Ashton.

#### SUPPORT FOR THE LOWER SNAKE RIVER DAMS - TALKING POINTS

Included in the board packet.

#### EV CHARGER RIBBON CUTTING EVENTS IN ISLAND PARK & DRIGGS

CEO Case reported that FR in partnership with the cities of Driggs and Island Park and with the aid of grants has installed five DC fast chargers in three different locations. Ribbon cutting events for the EV Chargers were held in Island Park with Mayor Bogden attending and in Driggs with Mayor Christensen attending.

Island Park-2 Chargers -Total cost about \$390,000 and fully funded by the VW settlement grant.

Driggs-2 Chargers-Total cost about \$322,000 and fully funded by the VW settlement grant.

Ashton-1Charger- Total cost about \$190,000 and mostly funded by VW settlement and Bonneville Environmental Foundation grants.

These grant funds primarily came from a settlement with Volkswagen which were administered through the State of Idaho.

NERC ELECTRIC RELIABILITY REPORT FOR WINTER  
Included in the board packet.

FALL RIVER INDUSTRY & ASSOCIATION CALENDAR OF EVENTS  
Included in the board packet.

BOARD PRINTER DISCUSSION  
CEO Case asked board members who did not have access to a printer to let him know.

#### COOPERATIVE REPORTS

Director Schmier reported on an NRECA class he will attend.

Past President Draper reported on the INL tour and an NRECA class attended.

Director Key reported on the FR Propane board meeting 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.

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

#### EXECUTIVE SESSION

**Director Key made a motion to go into Executive Session at 11:52 a.m. Secretary Stiehl 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 12:28 p.m. Secretary Stiehl seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

#### MANAGEMENT DISCUSSION ITEMS

##### WEBSITE OVERVIEW-CLINT WASHBURN

Member Services Manager Clint Washburn reviewed the new information and tools available on the FR website. Washburn stated videos have been created to inform and engage members and provide valuable information that is accessible. He also noted the website will be refreshed in 2024.

#### FR VIDEO UNDERSTANDING DEMAND

Link included in the board packet.

#### LEADERSHIP DEVELOPMENT FEEDBACK SESSION 4

Included in the board packet.

#### QUARTERLY WORK PLAN AND GOAL UPDATE 2023

CEO Case reported on the progress of the 2023 Work Plan and Goals noting the majority of the planned projects will be completed, with a few pushed into next year. Case applauded staff and their efforts to accomplish the goals set each year.

#### HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,557,537 kWh in October. This amounts to 5.8% of all the kWh billed by PNGC in October and 6.1% of all kWh sold and used by Fall River in October.

Felt Hydro produced 2,539,286 kWh in October. When this is included with Island Park, Chester, and Buffalo it amounts to 15.1% of all the kWh billed by PNGC in October and 16.0% of all kWh sold and used by Fall River in October.

#### ISLAND PARK

Island Park hydro produced 777,643 kWh during the month of October.

#### BUFFALO

Buffalo hydro produced 141,077 kWh during the month of October.

#### FELT

Felt hydro produced 2,539,286 kWh during the month of October.

#### CHESTER

Chester Hydro produced 638,817 kWh in the month of October.

#### 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

Director Schmier reported the committee will have their next meeting in March of 2024.

ADMINISTRATIVE COMMITTEE

Chairman Keay reported that the Committee will meet in February of 2024.

FINANCE COMMITTEE

CEO Case reported the pre-audit conference call will be January 17, 2024. The board is invited to attend.

EXECUTIVE COMMITTEE

Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE

Chairman Robson reported the committee will meet at 9 a.m. on December 18, 2023.

ATTORNEY RIGBY'S REPORT

Attorney Rigby reported on pertinent industry issues from a legal standpoint.

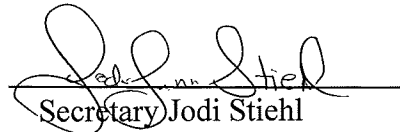
2023/2024 CALENDAR

Included on the board agenda.

ADJOURNMENT

**A motion was made by Director Robson and seconded by Director Keay to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.** The meeting was adjourned at 1:44 p.m.

DATE APPROVED: December 18, 2023

  
Secretary Jodi Stiehl