

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

September 25, 2023

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, September 25, 2023, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:07 a.m. Angie Haws recorded the minutes. The invocation was given by Brent "Husk" Crowther. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Georg Behrens, Vice President Brent "Husk" Crowther,

DIRECTORS PRESENT

Jeff Keay, Anna Lindstedt, Brent Robson, Travis Markegard, and Doug Schmier

DIRECTORS ABSENT

Secretary/Treasurer Jodi Stiehl and Past President Dede Draper

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, Member Service Manager Clint Washburn, CFO Linden Barney, 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.

MINUTES AND BOARD OFFICER ELECTIONS

APPROVAL OF MINUTES FOR AUGUST 28, 2023

Director Robson made a motion to approve the minutes from the August 28, 2023, Board Meeting as amended. Director Markegard seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

SCHOLARSHIP REPORT ASHLEY DREDGE

Included in the board packet.

The Board discussed the cause and resolution of a recent outage as well as comments posted on social media regarding an outage.

FINANCIAL AND STATISTICAL REPORTS

AUGUST 31, 2023, FINANCIAL REPORTS

CFO Linden Barney reported that the YTD net margins are \$287k ahead of the revised budget. The revised budget included actual amounts through the month of April. The variance spans over the most recent 4 months ending in August. The biggest difference is in revenue net of power costs, which is expected to get closer in the fourth quarter. Interest on long term debt is the next significant variance and is \$62k under budget but within

3.8% of budget. Other significant variances are discussed in the variance analysis report. The annualized growth rate in new services is still strong at 3.7%. The Cooperative's equity ratio is just under 50%. Cashflow YTD of \$7.5 M has been generated from operations, \$7.2 M has been used on plant and materials, \$2.5 M of principal on long-term debt has been paid down. Barney reported 52% of the capital budget has been spent. The Board discussed Aid to Construction and material costs.

BOARD REVIEW OF FALL RIVER ELECTRIC FEDERAL 990 Included in the packet.

The Board reviewed the Federal 990 report and noted the importance of reporting hours worked on Cooperative business.

COOPERATIVE BUSINESS FALL RIVER RETAIL RATE INCREASE FOLLOW UP

RETAIL RATE TARRIFF SHEETS BASED ON BOARD APPROVED INCREASE
The board reviewed the tariff sheets for Montana and Idaho that were updated with the rate increase as previously approved. The board discussed the Wyoming tariff sheets.

Director Schmier made a motion to approve the Retail Rate Tarriff Sheets as presented, with latitude to make minor grammatical and or formatting adjustments for the tariff submitted to Wyoming. Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

TALKING POINTS FOR 4% RETAIL RATE INCREASE
The board reviewed the talking points and discussed addressing member questions as well as identifying tools available on the FR website to assist the membership.

RETAIL RATE CHANGE MEMBER COMPARISON
CEO Case reviewed a rate impact analysis on a sampling of FR members to demonstrate the different billing impact/outcomes to various types of accounts once the new rate is implemented.

MEMBER MEETING DATES TO MEET WIT AND DISCUSS THE RATE INCREASE WITH MEMBERS – BOARD MEMBERS INVITED

- Nov 13th West Yellowstone 6 pm
- Nov 14th Ashton 6 pm
- Nov 15th Driggs 6 pm

PROPOSED 2024 FALL RIVER BOARD MEETING DATES
Director Robson made a motion to approve the proposed 2024 FR Board Meeting

Dates as presented. Director Markegard seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

REPORT ON HORSE BUTTE WIND FARM TOUR – DEDE DRAPER & TRAVIS MARKEGARD

Director Markegard reported his experience providing statistics and points of interest on the Horse Butte Wind Farm Tour. Markegard communicated Director Draper's comments she provided on the tour as well.

RECAP OF VOTING DELEGATES

Included in the packet.

NW RIVERPARTNERS SUCCESS MARKETING CAMPAIGN TO IMPROVE POSITIVE VIEW ON HYDRO GENERATION

Included in the packet.

NWPPA PRESS RELEASE: NEVADA TV AD TO PROTECT HYDROPOWER

Included in the packet.

PPC MEETING RECAP- DEDE DRAPER & BRYAN CASE

CEO Case provided a summary of the presentation from UAMPS and Energy NW on the small modular nuclear reactors in Idaho and Washington respectively. Both entities have received funding and grants and are seeking participants to contribute to proceed. Both are seeking to create base load and on demand generation to meet the future energy needs of the NW with carbon free resources. Both Draper and Case were impressed with comments from Debra Smith, the CEO at Seattle City and Light. Her comment was that we have a math problem in the NW. We have growing loads and energy demand and not enough generation to keep pace with growth. Rick Dunn, CEO of Benton PUD, stated he wasn't expecting the first small modular nuclear reactor to be the lowest cost and easiest to build but that Benton was investing in the Energy NW project because they are looking to the future and building generation options for their children and grandchildren and know we need the generation to meet future loads. Dunn wants that generation to be dependable and carbon free.

BPA PROVIDER OF CHOICE DRAFT RECORD OF DECISION (ROD) – OCTOBER 13TH

CEO Case stated the topics of note are system size, allocation, and transfer. Case reported on a discussion regarding a Tier 1 allocation issue involving load. The board discussed avenues of communication to ensure clarity on important power contract priorities for FR

PNGC SUMMARY OF BPA PROVIDER OF CHOICE

CEO Case reported on expectations, augmentation, transfer agreements, and contract verbiage. The board discussed submitting a letter of support on those points discussed.

AHWM GROUP PROVIDER OF CHOICE LETTER DRAFT
Included in the packet.

ICUA DRAFT COMMENTS
Included in the packet.

PPC COMMENTS
Included in the packet.

WEST WIDE RTO MOVEMENT
CEO Case reported on the discussions past and present. Case stated 16 utilities including FR will sign onto a letter that is still in progress.

BPA RTO SIGN ON LETTER
Included in the packet.

IDAHO, MONTANA, WYOMING PSC LETTERS ON WESTERN RTO
Included in the packet.

PNGC CEO EXECUTIVE SEARCH
Included in the packet.

RATIFICATION EMPLOYEE HOUSING FELT LAND PURCHASE
CEO Case reported on the terms to a proposed contract to purchase certain lands in Felt for the purpose of providing employee housing.
A motion was made to ratify the land purchased in Felt for future employee housing. The motion was seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

FALL RIVER ELECTRIC AND PROPANE CULTURE STATEMENTS
The board reviewed the culture statements. CEO Case stated the statements were a result of various exercises. Case requested board input for any necessary updates. There was a discussion on culture.

FALL RIVER ELECTRIC CULTURE STATEMENT
Included in the packet.

FALL RIVER PROPANE CULTURE STATEMENT
Included in the packet.

FALL RIVER ELECTRIC & PROPANE EMPLOYEE CULTURE STATEMENT
Included in the packet.

AWARDED 2023 – IDAHO PRIVATE 100

Case stated for the third year in a row FR has been notified we have been named to the Idaho Private 100 list. The Idaho Private 100 lists the top 100 private businesses in Idaho.

DOUG SCHMIER ELECTED AS NWPPA'S BOARD PRESIDENT 2023

Director Schmier reported on changes at NWPPA and his new role as the Board President. The FR Board congratulated Schmier.

COOPERATIVE REPORTS

Director Schmier reported on NWPPA matters of interest and an NRECA online course taken.

Director Markegard previously reported on the Horse Butte Wind Farm tour he attended.

Director Lindstedt reported on NRECA online seminars she attended. She forwarded notes with topics of interest to the board.

Director Key reported on the FR Enterprises Propane board meeting he attended.

Vice President Crowther reported on solar.

President Behrens reported on ICUA 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 Markegard seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

EXECUTIVE SESSION

Director Robson made a motion to go into Executive Session at 11:39 a.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. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

WINTER SAFETY VIDEO

Included in the packet.

WYOMING AVOIDED COST RATE COMMISSION ORDER

CEO Case stated that this has been approved. The signed docket was included in the board packet.

SURPLUS SALE OF EQUIPMENT AND VEHICLES RESULTS

CEO Case reported that the sale was in progress and the results of the surplus sale will be included in next month's board packet.

FALL RIVER ENDOWMENT – WEST YELLOWSTONE FOUNDATION

CEO Case reported on the contribution made years ago and the continued benefit to the school.

PNGC AMENDED & RESTATED AGREEMENT - UPDATES

Attorney Rigby provided an update.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 2,298,628 kWh in August. This amounts to 8.1% of all the kWh billed by PNGC in August and 8.8% of all kWh sold and used by Fall River in August.

Felt Hydro produced 1,810,777 kWh in August. When this is included with Island Park, Chester, and Buffalo it amounts to 14.5% of all the kWh billed by PNGC in August and 15.7% of all kWh sold and used by Fall River in August.

ISLAND PARK

Island Park hydro produced 1,415,631 kWh during the month of August.

BUFFALO

Buffalo hydro produced 107,498 kWh during the month of August.

FELT

Felt hydro produced 1,810,777 kWh during the month of August.

CHESTER

Chester Hydro produced 705,325 kWh in the month of August.

CEO Case discussed a necessary repair with an estimated cost of \$400k.

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 met this morning and will be bringing three policies to the board next month for review and approval. The next committee meeting will be November 20th.

ADMINISTRATIVE COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Nothing to report.

EXECUTIVE COMMITTEE

Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

ATTORNEY RIGBY'S REPORT

Attorney Rigby reported on the current status of the Columbia River Treaty and the PNGC power contract.

2023 CALENDAR

Included on the board agenda.

BOARD PER DIEM

Director Schmier related a recent per meal diem discussion and the board discussed if the current meal per diem was adequate as well as other options to calculate per diem. This item will be brought back next month for further discussion.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Markegard to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 1:45 p.m.

DATE APPROVED: October 23, 2023


Secretary Jodi Stiehl