

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

September 27, 2021

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, September 27, 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 Brent "Husk" Crowther. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Dede Draper, Vice President Georg Behrens, Secretary/Treasurer Jodi Stiehl, and Past President Doug Schmier

DIRECTORS PRESENT

Husk Crowther, Jay Hanson, Jeff Keay, Anna Lindstedt, and Brent Robson

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 Operations Brent Gamett, and Executive Assistant Angie Haws. Guests Eric Anderson with CFC, Jon Weber, State Representative, and Will Hart, ICUA Executive Director

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

Director Hanson made a motion to approve the August 23, 2021, Board Meeting Minutes as presented. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

MEMBER COMMENTS

CEO Case reported that FR received a phone call from a member complimenting staff handling a recent outage at his location and the care they took in making repairs and clean up. The member expressed an appreciation for the exceptional work that was done, and the way FR staff cared for the property. The board expressed appreciation for staff and noted the caliber of individuals working for FR.

FINANCIAL & STATISTICAL REPORT

AUGUST 31, 2021, FINANCIAL REPORTS

Net margins are \$4.8M. The big driver of the variance is still the revenue net of power costs as the budget was based on a possible recession and a 5% reduction in services. However, there is currently a 3.2% annual growth rate in new services. There was a slight loss in August due to the timing of Annual FERC charges that were budgeted for in July but were charged to the books in August and, an earlier than expected decline in irrigation kWh charges.

Cooperative equity is currently 49.2% and the cash generated from operations YTD is \$6.7M. FR has invested \$2.3M YTD in plant, and \$5M in principle payments on loans year to date have been made. The board discussed report balances.

COOPERATIVE BUSINESS

FALL RIVER KRTA – ERIC ANDERSON TO REVIEW WITH THE BOARD

Eric Anderson, CFC representative provided a brief overview of the Key Ratio Trend Analysis (KRTA) report which is generated annually. Data is collected from over 800 form seven's each year from cooperatives across the country to assemble the data in this format. Mr. Anderson stated the report contains 145 various ratios to compare and contrast with other cooperatives. The analysis allows FR to look at trend lines as well as look back at the decisions that were made and review them based on the results over time, offering additional insight. Several of the ratios were reviewed with the board and there was discussion regarding rate structure, reliability, patronage capital, trend lines in growth, generation, power costs, investment in plant, depreciation, equity position, kWh sales, and recommendations based on the data.

RETAIL RATE DISCUSSION

The board reviewed the rate discussion from the August board meeting expressing appreciation to those offering various perspectives allowing for robust discussion and contemplation to make the best decision for the cooperative and its membership.

EXECUTIVE SUMMARY

CEO Case stated the board participated in an engaging and robust discussion at the August board meeting and as a result of that discussion and consideration of the Cost-of-Service Analysis, the decision to move forward with a recommended retail rate decrease of 1.9% and changes to the rate structures as proposed. In addition, staff proposed the following:

- The elimination of the AMI meter opt-out option as of the date of this motion and will grandfather existing opt-out participants at the current monthly fee of \$65.
- Leave the Cooperative's Green Power rate at the current rate of \$0.011 but will revisit the rate as the Cooperative re-evaluates retail rates.
- Net metering be limited to 25 kW for residential services. General Service accounts may install distributive generation up to the average of the lowest six months' demand, and for irrigation accounts up to the average of the lowest two months' demand. The Board also authorizes the CEO to make minor adjustments to the tariff sheets to accommodate verbiage, formatting, and grammatical modifications as requests from the required Public Service and Public Utilities Commissions.

PROPOSED TARIFF SHEETS FOR IDAHO, MONTANA & WYOMING
Included in the board packet.

RATE DECREASE AND RESIDENTIAL DEMAND QUESTIONS/ANSWERS
Included in the board packet

MARKETING & PR PLAN
Included in the board packet.

POSSIBLE BOARD MOTION
Included in the board packet.

Vice President Behrens made a motion to adopt the retail rate tariffs for Idaho, Montana and Wyoming as included in the board packet and allow for other changes as noted to go into effect January 2022. **Director Stiehl seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

FALL RIVER POWER REQUIREMENT STUDY WITH LINK TO FULL REPORT
The Engineering and Operations Committee Chair, Director Robson stated that the committee recognizes the necessity to prepare for things happening at an accelerated rate. He commented that the process and presentation of the work plan was thorough and well done. The meeting was efficient, and the committee was in agreement that the work plan should go forward with the possibility to look at it again before 2025. Robson stated that the attention to detail for projects and scheduling was impressive.

PROPOSED FOUR YEAR CONSTRUCTION WORK PLAN
Link included

POWER POINT FOUR YEAR CONSTRUCTION WORK PLAN
Included in the board packet.

SUMMARY FOR PROJECTS AND ESTIMATED COST FOR CWP
Included in the board packet.

BOARD RESOLUTION TO APPROVE FOUR YEAR CONSTRUCTION
WORK PLAN
Included in the board packet.

Director Hanson made a motion to accept Resolution # 650 as presented by staff. **Vice-President Behrens seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MECA DIRECTOR CERTIFICATION
Included in the board packet.

FALL RIVER BOARD MEETING DATES
Included in the board packet.

GUEST SPEAKER REPRESENTATIVE JON WEBER, WILL HART, ICUA EXECUTIVE DIRECTOR PARTICIPATING VIRTUALLY

Idaho House Representative Jon Weber was raised in Michigan; attended Ricks College and Utah State University; owned and operated small business for 30 years; served 12 years as Madison County commissioner; served on board of directors for Chamber of Commerce, Beehive Federal Credit Union, Idaho Association of County Commissioners and Clerks (past president); magistrate commission member; spouse: Heather, 32 years; five children; seven grandchildren. He currently serves on the following committees: Commerce & Human Resources, Local Government, and Revenue & Taxation.

COOPERATIVE REPORTS
BOARD REPORTS

Director Robson stated that the E&O Committee meeting went well, and it was well attended, complimenting staff member Dave Peterson on a job well done.

Director Behrens reported on the ICUA board meeting he attended.

Secretary/Treasurer Stiehl reported on social media postings.

Director Lindstedt reported she attended the KRTA discussion virtually.

Director Schmier reported he attended NWPPA's annual meeting and shared highlights with a report including the presentations forthcoming. He will attend the upcoming MECA meeting also.

Director Crowther reported on a member comment via phone conversation and email. The member commented on the solar connection fee and net metering credits. Director Crowther will follow up with the member.

Director Hanson reported attending MECA and the NRECA Regional meetings virtually. He also reported the Finance Committee Budget meeting in October will be open to the full board.

President Draper reported she attended the propane board meeting.

CONSENT AGENDA

Director Hanson 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 Hanson made a motion to go into Executive Session at 1:23 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 2:08 p.m. and Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

PERSONNEL UPDATE

OPERATIONS MANAGER, BRENT GAMETT
ASHTON ENGINEERING SERVICE REPRESENTATIVE, RANDY
WAKEFIELD
PART-TIME ACCOUNTING CLERK, SHELLY PHELPS
OTHERS

LOAN PAID IN FULL FOR ISLAND PARK CONDO – ACROSS FROM SUBWAY

INTERNAL REVIEW OF PROPERTY – USE AND CONSIDERATION FOR SALE
Included in the board packet.

FEDERATED SAFETY AND LOSS PREVENTION LETTER
Included in the board packet.

HYDRO FACILITIES UPDATE

Island Park, Buffalo and Chester hydro generated a total of 1,715,723 kWh in August. This amounts to 6.7% of all the kWh billed by PNGC in August, and 7.1% of all kWh sold and used by Fall River in August.

Felt hydro produced 1,671,000 kWh in July. When this is included with Island Park, Buffalo, and Chester, it amounts to 8.3% of all the kWh billed by PNGC in July, and 8.7% of all kWh sold and used by Fall River in July.

ISLAND PARK

Island Park hydro produced 943,368 kWh during the month of August.

BUFFALO

Buffalo hydro produced 158,534 kWh during the month of August.

FELT

Felt hydro produced 1,722,000 kWh during the month of August.

CHESTER

Chester hydro produced 615,821 kWh during the month of August.

DONATIONS

Included in the board packet.

FACEBOOK AND GOOGLE ANALYTICS SUMMARY

Included in the board packet.

FALL RIVER LEADERSHIP DEVELOPMENT PARTICIPANT FEEDBACK

Included in the board packet.

FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.

REPORTS

EXECUTIVE COMMITTEE

Nothing to report.

ADMINISTRATIVE COMMITTEE

Nothing to report.

ENGINEERING & OPERATIONS COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Chairman Hanson reported the Board Budget meeting will take place Monday, October 18th in Ashton.

POLICY COMMITTEE

Chairman Schmier reported the committee

ATTORNEY REPORT

Attorney Rigby reported on the Columbia Basin Collaborative.

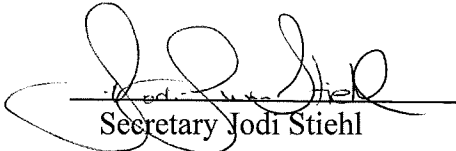
2021 CALENDAR

Included in the board packet.

ADJOURNMENT

There being no further business, **Director Hanson made a motion to adjourn. Vice-President Behrens seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 2:23 p.m.

DATE APPROVED: October 25, 2021


Secretary Jodi Stiehl