

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

May 24, 2021

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, May 24, 2021, virtually and at the main office of Fall River Rural Electric in Ashton, Idaho. Having determined a quorum was present, Vice-President Behrens called the meeting to order at 10:01 a.m. Executive Assistant Angie Haws recorded the minutes. The invocation was given by Hyrum Erickson. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

Vice President Georg Behrens, Secretary/Treasurer Husk Crowther, and Past President Doug Schmier

DIRECTORS PRESENT

Jeff Keay, Brent Robson, Jodi Stiehl, and Anna Lindstedt

DIRECTORS ABSENT

President Dede Draper, Jay Hanson

OTHERS

CEO/General Manager Bryan Case, Legal Counsel Representative Attorney Hyrum Erickson, CFO Linden Barney, Fall River staff Trent Yancy, Dave Peterson, Shannon Hill, Sheena Stricker, Nick Watson, Kaylene Schultz, Executive Assistant Angie Haws, guests from INL Thomas Mosier, Board Candidates Greg Bitter and Rick Clements.

APPROVAL OF AGENDA

**Director Robson made a motion to approve the agenda as presented. Director Crowther seconded. Vice-President Behrens asked if any were opposed. None opposed; THE MOTION CARRIED BY GENERAL CONSENT.**

APPROVAL OF MINUTES

**Director Robson made a motion to approve the April 26, 2021, Board Meeting Minutes as presented. Director Stiehl seconded the motion. Vice-President Behrens asked if any were opposed. None opposed; THE MOTION CARRIED BY GENERAL CONSENT.**

THOMAS MOSIER, INL – MICROGRID PRESENTATION

Thomas Mosier is the Energy Systems Group Lead at Idaho National Laboratory. His personal research focuses on hydropower innovation in the context of the evolving grid. Before coming to INL in 2018, he was a consultant in the World Bank's Office of the Chief Economist for South Asia. Mr. Mosier shared details from a recent field demonstration project in collaboration with Idaho Falls Power exploring the use of hydropower to serve critical loads during a potential emergency outage of the regional power grid by establishing an operational microgrid in Idaho Falls.

## MEMBER COMMENTS

### LEW WILSON THANK YOU AND SUGGESTIONS

CEO Case shared that Lew Wilson expressed appreciation for the conservation seminars provided by FR. Wilson also encouraged FR's involvement in opposing the removal of the Snake River dams and suggested FR investigate the SMR plants proposed at INL. His comments were appreciated. A response will be drafted communicating an assurance that FR is involved in these conversations, and will continue to work closely with, and be mindful of, all impactful regional affairs.

### KENNEDI BAGLEY SCHOLARDHIP THANK YOU

CEO Case reported FR received a very nice thank you letter from one of our 2021 scholarship recipients. Kennedy was very appreciative of the \$2400 scholarship that will assist her in completing her educational goals. In addition, Case mentioned he recently attended the Rigby High School awards night to present Amaya Webster her scholarship certificate. After the ceremony, both Amaya and her parents expressed gratitude for FR's scholarship program.

## FINANCIAL & STATISTICAL REPORT

### APRIL 30, 2021, FINANCIAL REPORTS

Net margins are \$1.7M ahead of budget through April of 2021. Of the total variance, \$1.4M is in revenue net of power costs due to the following:

1. Budget is based on possible recession (anticipating a 5% drop in services) while the annualized growth rate is now 2.9%.
2. kWh usage per residential meter YTD is higher than anticipated.
3. Hydro costs are \$188K below budget (due to the section 242 award for Chester generation that was not budgeted) and maintenance costs are lower than anticipated.
4. Expensed labor and overhead are \$57K under budget YTD, but this is within 2% of the budget.

Other expense-related variances listed on the report are mostly due to timing.

Cash flow year-to-date shows \$3.7M has been generated from operations, \$675K received from investments (most of which was the redemption of PNGC capital term certificates), \$800K invested in plant, and \$12.5M of principal payments of long-term debt have been made, including \$500K paid on the PPP loan. The remaining amount of the PPP loan was paid off in May. It was noted the decision to pay off the PPP loan was made after an analysis was done indicating the interest earned was not going to be enough to offset the interest being paid on the loan, and it would be in the best interest of the Cooperative to pay it off.

The equity ratio as of the end of April was just over 46% and, as previously mentioned, the annualized growth rate in new services remains steady at 2.9%.

FR has spent \$1.8M on the capital budget. This includes spending from last year on projects that were in progress and carried over to this year (4500 West rebuild, Felt relicensing, Felt interconnection and the reclaiming of the old Felt plant).

COOPERATIVE BUSINESS

STRATEGIC PLANNING DISCUSSION

TETON TUNNEL TO JACKSON

Included in the board packet.

NATURAL GAS UPDATE

Included in the board packet.

FALL RIVER ENERGY EXPO – ANNUAL MEETING REVIEWED

CEO Case reviewed the hybrid in person and virtual meeting schedule for the June 19, 2021, Fall River Energy Expo previously known as the Annual Meeting. Highlights of the event include: EV test drives scheduled in advance on FR's website, FR booths, STEM activities for youth, business meeting and election of three board seats, announcement of scholarship recipients, prizes for those attending in person and virtually, and a ribbon cutting for the Solar for Schools project immediately following the business meeting.

BOARD AND STAFF MEMO WITH SCHEDULE

Included in the board packet.

MAP OF FR'S ENERGY EXPO AT NORHT FREMONT

Included in the board packet.

FALL RIVER ENERGY EXPO – ANNUAL REPORT

Included in the board packet.

MINI MEMBER APPRECIATION AND FR TESLA EV MEMBER TEST DRIVE  
EVENTS

Included in the board packet.

BPA 2022 RATE CASE SETTLEMENT DISCUSSION

Included in the board packet.

2.1% TO 2.5% DECREASE IN POWER COSTS & 9% INCREASE IN  
TRANSMISSION

ESTIMATED IMPACT ON FALL RIVER'S COSTS

Included in the board packet.

BPA-PPC POST 2028 CONTRACT DISCUSSIONS AND INTERESTS

PPC LETTER AND BPA'S RESPONSE

Included in the board packet.

PNGC POST 2028 LIST OF EXPECTATIONS

Included in the board packet.

PPC BLUE SKY TOPICS

Included in the board packet.

#### CFC VOTING DELEGATE

**Director Robson made a motion to name Jay Hanson as CFC voting delegate and Linden Barney as alternate. The motion was seconded. Vice-President Behrens asked if any were opposed.** None opposed; THE MOTION CARRIED BY GENERAL CONSENT.

#### COOPERATIVE REPORTS

##### BOARD REPORTS

Director Stiehl reported she would like to attend the ICUA annual meeting in July.

Director Lindstedt reported she attended a policy decisions training online that she really enjoyed.

Past President Schmier reported on the NWPPA meetings. 2021-2022 officers have been elected and he stated at the GRC meeting a representative from WA, D.C. spoke about the current political climate.

Director Keay reported on NWPPA meetings he attended and expressed congratulations to Doug Schmier for his election to the position of Secretary Treasurer for NWPPA.

Vice-President Behrens reported on the ICUA board meeting he attended.

#### CONSENT AGENDA

**Director Robson made a motion to approve the Consent Agenda as discussed. Director Crowther 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 11:47 a.m. Director 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 12:03 p.m. and Director Crowther seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

#### MANAGEMENT DISCUSSION ITEMS

##### FALL RIVER WEBSITE UPDATES/REDESIGN

Manager of Member Services Sheena Stricker gave an overview of the new and improved FR website. Stricker stated that modernization, ease of use, and creating a more aesthetically appealing site were the focus for this project. The site is available in multiple languages and new content is regularly being added to address our members' energy needs and questions.

##### COOPERATIVE SOLAR UPDATE

CEO Case reported that Creative Energies has completed the installation of the solar

panels at the FR Driggs location. The inspection should take place at the end of the month. Final costs will be determined once FR is notified on the results of grants awarded. The anticipated program start date is early fall of 2021.

#### EXECUTIVE SUMMARY

Included in the board packet.

#### PRELIMINARY COST ANALYSIS

Included in the board packet.

#### SOLAR CERTIFICATE PURCHASE AGREEMENT

Included in the board packet.

#### HYDRO FACILITIES UPDATE

Island Park, Buffalo and Chester hydro generated a total of 1,938,631 kWh in April. This amounts to 7.8% of all the kWh billed by PNGC in April and 8.4% of all kWh sold and used by Fall River in April.

Felt hydro produced 2,253,000 kWh in April. When this is included with Island Park, Buffalo, and Chester, it amounts to 16.8% of all the kWh billed by PNGC in April and 18.2% of all kWh sold and used by Fall River in April.

#### ISLAND PARK

Island Park hydro produced 966,704 kWh during the month of April.

#### BUFFALO

Buffalo hydro produced 167,191 kWh during the month of April.

#### FELT

Felt hydro produced 2,253,000 kWh during the month of April.

#### CHESTER

Chester hydro produced 804,836 kWh during the month of April.

#### NRECA MANAGEMENT INTERNSHIP PROGRAM (MIP) COMPLETED BY:

SHEENA STRICKER

CLINT WASHBURN

CEO/GM Case stated both HR Manager Clint Washburn and Member Services Manager Sheena Stricker have completed the six-week management internship program through NRECA. Stricker presented a Take Safety Home initiative as part of the program, and Washburn presented a Leadership Development series for employees. The projects presented by these FR staff members were also implemented within the Cooperative, adding tremendous value.

#### BPA FIRE MITIGATION AND PUBLIC SAFETY POWER SHUTOFF (PSPS)

CEO Case reviewed the FR fire mitigation plan which has been approved by the Forest Service. Case shared measures BPA has in place and the lessons learned from the 2020 California

wildfires, resulting in additions to the BPA Public Safety Power Shutoff policy.

#### SMART THERMOSTAT REBATE EXECUTIVE SUMMARY

Included in the board packet.

#### LEADERSHIP DEVELOPMENT SESSION 5 FEEDBACK

Included in the board packet.

COBANK SHARING SUCCESS DONATION TO FALL RIVER HELPING HANDS \$10,000  
CEO Case stated the application for CoBank sharing success donation was completed by Sheena Stricker, Manager of Member Services, and the funds were received by FR. Funds are donated to the Helping Hands program, and the CoBank funds serve as the matching part of the grant.

FALL RIVER/ICUA YOUTH RALLY - FALL RIVER CONDENSED ONE DAY EVENT  
CEO Case reported that, due to COVID-19 concerns, the ICUA week-long Youth Rally event was cancelled. FR has decided to award the Youth Rally Applicants the \$500 scholarship and hold a Mini Youth Rally event at the FR Ashton office. Participants will learn about the cooperative business model, state government, electric and propane safety, sustainability efforts, careers in the energy field, wind and solar, scholarship opportunities, electric vehicle overview and test drive/ride. Guest speakers and staff member participation will add to this valuable experience for our youth.

#### NORTHWEST RIVER PARTNERS FAST FACTS

Included in the board packet.

#### DONATIONS

Included in the board packet.

#### REPORTS

##### EXECUTIVE COMMITTEE

Nothing to report.

##### ADMINISTRATIVE COMMITTEE

Nothing to report.

##### ENGINEERING & OPERATIONS COMMITTEE

Nothing to report.

##### FINANCE COMMITTEE

Nothing to report.

##### POLICY COMMITTEE

Chairman Schmier reported some new policies are being considered and the next meeting is June 21<sup>st</sup>.

#### ATTORNEY REPORT

Attorney will report next month.

FALL RIVER'S MANAGEMENT REPORT  
Included in the board packet.

ADJOURNMENT

There being no further business, **Director 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 1:23 p.m.

DATE APPROVED: June 21, 2021

  
Secretary Brent Crowther