

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

June 22, 2020

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, June 22nd, 2020, by webinar/teleconference. Having determined a quorum was present, President Doug Schmier called the meeting to order at 10:00 a.m. The invocation was given by Director Jeff Keay. The Pledge of Allegiance was recited. The minutes were recorded by Executive Assistant Joni Amen.

ATTENDING OFFICERS

President Doug Schmier, Vice President Brent Robson, Secretary/Treasurer Husk Crowther, and Past President Jay Hanson

DIRECTORS PRESENT BY WEBINAR/TELECONFERENCE

Dede Draper, Jeff Keay, Anna Lindstedt, Jodi Stiehl, and Georg Behrens

DIRECTORS ABSENT - NONE

OTHERS PRESENT BY WEBINAR/TELECONFERENCE

CEO/General Manager Bryan Case, Legal Counsel Attorney Jerry Rigby, CFO Linden Barney, IT Manager Shannon Hill, Member Services Manager Sheena Stricker, Engineering Manager Dave Peterson, Operations Manager Trent Yancey, and Executive Assistant Joni Amen

APPROVAL OF AGENDA

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

EXPENSE VOUCHERS

Secretary Crowther made a motion to accept and approve expense vouchers. Director Hanson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF MINUTES

Director Crowther made a motion to approve the May 26th, 2020 Board Minutes as presented. Director Hanson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Director Hanson made a motion to approve the June 13th, 2020 Board Minutes as presented. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Board Minutes from Annual Meeting were included for review and discussion.

CONSENT AGENDA

Director Hanson made a motion to approve the Consent Agenda. Vice President Robson seconded the motion which included check register, safety report, and the discounted patronage capital refunds report. A voice vote was taken; THE MOTION

CARRIED BY UNANIMOUS VOTE.

COOPERATIVE REPORTS

Director Hanson said he was grateful that the Board and membership approved the bylaw change last year giving him the ability to run for a 6th term. He then reported on discussions from the most recent CFC meeting and said there will be another virtual CFC Board Meeting in July.

Vice President Robson said he felt the annual meeting went very well. He appreciated the job that staff had done, and he acknowledged Fall River's positive reputation as a cooperative in our communities. Director Crowther agreed and said that he felt the virtual annual meeting was very well done.

Director Keay agreed with their sentiments and added that he was very impressed with the Annual Report video as well as the National Anthem. He also said he was interested in continuing with director training and mentioned that NRECA is offering a number of classes online.

CEO Case agreed that staff did a very good job in putting together the meeting. The Annual Report cost \$3,000 to produce. In contrast to a large cooperative in Colorado, ours was of comparable quality for a fraction of what they paid.

Director Draper said that she also echoed the sentiments on the meeting and was impressed with the high number of votes cast. She also reported attending Propane Board meeting and said that Propane is doing very well.

Director Lindstedt said that everyone experienced ease with the online voting process and she was impressed.

Director Behrens reported on the ICUA meeting. The Northwest Power and Conservation Council is looking for a new councilperson and anyone interested is to let him know. The ICUA annual meeting is on July 23 and 24th and will be held virtually. Only the ICUA board members and the alternate may attend in person if they wish. Discussion continued regarding legislative issues.

Director Stiehl congratulated the incumbents who were reelected. She also noted that she looks forward to touring the Fall River hydros and would like to showcase them at next year's annual meeting. She commented that they are our gems.

MEMBER COMMENTS

CEO Case reported that a propane customer wrote a letter saying she was very impressed with our staff and with how well she was treated recently.

Attorney Rigby asked if there were any comments or complaints on the bylaw change votes. Sheena Stricker reported that there was one member that was interested in dropping off a ballot and was unhappy when they were told that it wasn't possible. Mail-in and electronic voting had closed. They were given the opportunity to vote in person on Saturday but they declined.

The gifts were a good incentive to encourage voters to participate in the online and mail-in voting options.

President Schmier commented on how well it went and thought that in the future we could pre-record the reports again.

FINANCIAL REPORTS – MAY 2020

CFO Barney reported that margins are \$772K ahead of expectations. Labor and overhead are 6% lower than expected. Interest expenses are under budget. The growth rate in new services is holding steady at 2.6%. The equity ratio is 44%. Discussion on the variance report was held. CEO Case said that we have not seen the impacts from the COVID pandemic yet. We are expecting the financial impacts to be seen in August. He gave Member Services kudos for staying on top of delinquents and for sharing information about the Helping Hands program with members. Ms. Stricker said that they are seeing some who are legitimately impacted by the pandemic and there are also those who are habitually late.

The Cooperative has invested 35% of the Capital Budget year-to-date.

Discussion on growth was held and it was noted that a significant number of people are moving here from cities elsewhere. Contractors are all extremely busy and there has been no indication of a decline in construction activity.

COOPERATIVE BUSINESS

ANNUAL MEETING OVERVIEW

CEO Case said that feedback from the meeting was generally positive, and that people were impressed with Fall River. There was one member who said they were extremely disappointed in FR, but then went on to say how much they appreciated all that we do. He believes the wrong check box was marked.

A comment submitted by a member requested that voting occur only by district. If that were to be put into practice, they would only be able to vote once every 3 years. All directors represent the Cooperative as a whole; therefore, it makes sense that they should all have a say in who represents them. Attorney Rigby led a discussion on how members only voting for representatives from their own district would not work. He said that we are a united group, and we create policy and bylaws as a group. It is also favorable during litigation that we are united. All members get to vote on all directors. It keeps every director interested in representing the entire coop, instead of a small, special interest group. Everyone is fairly represented. It was noted that some cooperatives vote by district, but it is a small minority.

In looking at the vote on the SBS certified final report, it would not have made a difference, even if members did vote by district.

The Annual Meeting Executive Summary Report was reviewed, and the prizes given were noted. The next Annual Meeting of the Members will be on June 12, 2021 at the North Fremont High School.

THE CHANGES TO THE BYLAWS ARE EFFECTIVE AS OF ANNUAL MEETING, JUNE 13, 2020. THE PRESIDENT IS TO SIGN THE NEW BYLAWS.

CEO Case reported that thank you cards were sent to the candidates, election judges, and Sean Maupin for giving the invocation.

CEO Case also reported on the debriefing of the annual meeting with staff. Discussion was held on what went well and what could be improved. He hopes that the examples of things that went very well could be incorporated into planning the 2021 meeting.

- Having the candidates do their own video went extremely well.
- The scholarships recipients being introduced with a picture and being recognized was very good. We would like to do that again in the future.

- An RFP for balloting companies will be sent to ensure that the current process is the most economical one. There were numerous praises of SBS and the excellent job that they do for us. It is in no way a criticism of SBS, just part of doing our due diligence.
- Staff had planned on making the annual meeting available with a live feed and recording this year. With the number of members who watched the annual meeting online, we will continue to make this option available in the future. Suggestions on having the reports available online (via Facetime or other methods) were given.
- Staff discussed taking advantage of the lessons learned and perhaps expanding the ways we conduct future annual meetings with additional options.
- Offering prizes for voting helps increase voting participation. A hybrid meeting could be considered. Attorney Rigby expressed concerns about removing the ability to vote in person. It was discussed that while we have many people who use the electronic and mail-in balloting, it is important in member engagement to provide members options so they can choose the method they would like to use. Jerry provided an example of a neighboring cooperative where there is concern regarding limiting member engagement and being able to attend in person.
- The idea of a meet and greet room for candidates has not been effective in the past, but variations on that idea could be explored again if there is member interest. The online video statements from candidates have provided members with the ability to see them and hear their statements.
- The bylaw change on voting was close. The Cooperative will continue to select candidates by plurality voting, as currently defined in our bylaws.
- It was noted that, with such a limited amount of time to switch from the more traditional annual meeting to a virtual annual meeting, staff did a wonderful job.

STRATEGIC DISCUSSION PRIMER FOR 2020

Strategic vision and objectives were discussed. CEO Case asked the Board for input on items to add to the list.

Topics planned for discussion include:

- Post 2028 PNGC discussion – Roger Gray PNGC CEO
- Patronage capital retirement
- Community solar generation...is it time?
- Microgrid Study
- An electric vehicle is proposed for 2021
- Other:
 - Fall River's energy mix
 - New and upcoming technology
 - A visit and tour to the INL is still an interest
 - A Fall River hydro tour is also of interest
 - Beneficial electrification and power supply
 - How do we get power to the customers, specifically using transmission?
 - Do we need to add to our own generation resources?

POLICY COMMITTEE REVIEW – CHAIRPERSON DEDE DRAPER

Director Draper made a motion to approve the updates to General Policy #204 “Board and General Manager Relationships” as recommended by the Policy Committee. Director Crowther seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

AUDIT FIRM REQUEST FOR PROPOSAL DISCUSSION

Discussion was held on sending the review to the Finance Committee to develop a recommendation for the Board. It was noted that DeCoria has done an outstanding job and has been very reasonably priced in the past. The current contract with DeCoria will be finished after this year’s tax Form 990 is completed.

Director Behrens made a motion to send the Audit Firm RFP discussion to the Finance Committee for detailed review and to formulate a recommendation for the full Board. The motion was seconded by Director Crowther. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

ANNUAL REVIEW OF POLICIES - JERRY RIGBY

Attorney Rigby took the floor to present the Directors with training and a review of policies. He asked for the certification forms to be signed and sent in, acknowledging that they have received instruction and review from Counsel. The following policies were discussed:

- GP #102 “Duties, Responsibilities, Standards of Conduct & Professional Development” (Mr. Rigby presented the list of responsibilities of Board members and made sure that everyone knew the role of the Board vs. the role of the CEO. The flow of authority was made clear.)
- GP #314 “Retirement of Decedents Capital Credit”
- GP #502 “Member Data Privacy”
- GP #605 “Whistleblower Policy”
- GP #625 “Prohibitions on Discrimination, Harassment, and Retaliation”

JODI STIEHL WYOMING REA PUBLICATION WAS INCLUDED

JONI’S RETIREMENT PARTY INVITATION WAS INCLUDED

EXECUTIVE SESSION

Vice President Robson made a motion to go into Executive Session at 1:00 p.m. Director Hanson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Director Hanson made a motion to go out of Executive Session at 1:15 p.m. Vice President Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION

INFORMATION TECHNOLOGY: NEW FIREWALL AND STORAGE PRESENTATION-

IT Manager Shannon Hill presented a report on the new technology that was recently implemented. The benefits of the new Cisco firewall were discussed. Mr. Hill trusts it, and he said it is much easier to manage than the old system. The system security is very good, and he showed how they block unknown companies and countries. There are rules that can be set up to send alerts to Fall River personnel. Content filtering may be used through this system as well, which would save a lot of money. The security testing is ongoing, and we have a company that is checking to see how our systems are working. The Cooperative is doing very well on the phishing email tests.

FALL RIVER GENERATION MIX UPDATED – 95% CARBON FREE

BPA FUEL MIX WAS INCLUDED IN THE PACKET

LUNCHES TO MEDICAL FRONT LINE STAFF PICTURES WERE INCLUDED

PROPANE – LONG-TERM LOAN SUMMARY WAS INCLUDED

The Board expressed appreciation for the report.

PPP LOAN UPDATE

The Amortization Schedule was included in the packet. The requirements keep changing and now we have up to two years to apply for loan forgiveness. Forty percent of the loan can be used for non-payroll related expenses.

KONNOR SAUREY – LINEMAN SCHOLARSHIP CERTIFICATE OF COMPLETION

CEO Case said we wish Konnor well and hope he may become a Fall River Lineman someday.

HYDRO FACILITIES UPDATE, DAVE PETERSON

Island Park is running at about ¾ capacity. They have been up and down trying to maintain DO levels. The big blowers had to be turned on briefly to support DO levels.

Buffalo has been off due to extreme moss debris in the river. It is highly unusual to have a moss problem this time of year, and we have never had this volume historically. We will explore the intake and have consulted with Henrys Fork to see if they know why the moss levels are high.

Felt is running at 100%, and has been running well. Riverside did the work they needed to do on the old plant and new bearings. Batdorf is developing plans for the needed control panel and sensor upgrades. Hopefully, they will have it ready to go this fall for testing and in production next spring. Dave Peterson and staff are still counting and tagging fish, and will continue through September. It was noted that the flows have been up and down.

Chester Flows are down, so Chester is running on one turbine. Allstate installed the fish screen lift on Crosscut Canal to flush it and do maintenance work.

CEO Case reported the interconnection and power purchase agreement work is ongoing with PAC, and they need to upgrade to current FERC standards for controls and communication systems for the Felt interconnection. As discussed, PAC's interconnection upgrades are proposed at \$1.6M. Dave Peterson and CEO Case are working to reduce that number, but to move forward with interconnection the Cooperative will need to commit to the work. There is a runaround between PAC's

transmission and power organizations. They are, technically, separate entities, not being able to coordinate unless the client asks for that coordination. We have demanded a meeting with both organizations at the same time to address timing issues between power and transmission agreements.

FALL RIVER'S THANK YOU LETTER TO COBANK FOR THE HELPING HANDS GRANT WAS INCLUDED

COVID-19 NRECA MEDICAL SUMMARY NATIONWIDE

This information deals with how well employees in the industry have done in not spreading the disease.

DONATION REPORT INCLUDED

WYOMING PSC APPROVAL OF NET METERING AVOIDED COST TARIFF

A report on the acceptance of Fall River's avoided costs tariff was approved by the commission with very little conversation and was based on the Commission's staff recommendations.

REPORTS

BOARD COMMITTEE REPORTS.

Director Draper reported on the Policy Committee Meeting and said the next meeting will be on July 27th at 9 a.m.

ATTORNEY REPORT

Given by Attorney Rigby

MANAGEMENT REPORT WAS PROVIDED

OFFICER ELECTION

Past President Jay Hanson thanked the Board for sending nomination recommendations to him. Mr. Rigby then discussed the rules for voting. His assistant, Mandy Davis, will take votes by text and then she will send the tally to him via text or email. She was instructed not to tell how anyone votes (she doesn't know the directors' phone numbers, so she wouldn't be able to tell anyway).

Nominations opened for President. Director Hanson nominated Brent Robson, and Director Draper nominated herself for President. Nominations ceased. The Board texted their vote to Mandy. The results were Brent Robson with 4 votes and Dede Draper with 5 votes.

Nominations for Vice President opened. Director Hanson nominated Husk Crowther and Georg Behrens. The results were Husk Crowther with 4 votes and Georg Behrens with 5 votes.

Nominations for Secretary/Treasurer opened. Director Hanson nominated Jodi Stiehl, and Director Schmier nominated Husk Crowther. The results were Jodi Stiehl with 4 votes and Husk Crowther with 5 votes. Nominations ceased.

2020 Officers elected are:

President – Dede Draper

Vice President – Georg Behrens

Secretary/Treasurer – Husk Crowther

ADJOURNMENT

There being no further business, **Director Hanson 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 1:35 p.m.

DATE APPROVED: July 27, 2020


Secretary/Treasurer Brent "Husk" Crowther