

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

October 28, 2024

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, October 28, 2024, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:00 a.m. Executive Assistant, Angie Haws recorded the minutes. The invocation was given by Dede Draper. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Georg Behrens Vice President Brent "Husk" Crowther, and Jodi Stiehl

DIRECTORS PRESENT

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

DIRECTORS ABSENT

None

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, CFO Linden Barney, PR Manager Ted Austin, Operations Manager Randy Wakefield, Line Foreman Trevor Ostberg, Payroll Accountant Roz Preston, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR SEPTEMBER 23, 2024

Director Robson made a motion to approve the minutes from the September 23, 2024, Board Meeting as presented. Director Markegard seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

The board reviewed member comments and communications.

PROPANE ADVERTISING – MEMBER CONCERNS

TOM GOUGH – PRAISE FOR PROPANE SERVICE
Included in packet.

PORTER BROUGHTON NET METERING REQUEST
Included in packet.

FINANCIAL & STATISTICAL REPORTS

SEPTEMBER 30, 2024, FINANCIAL REPORTS

CFO Barney reported the net margins YTD are \$2.9 million ahead of budget through September and revenue net of power costs accounts for \$1.6 million of the variances. Revenue is within 3% of budget due to higher than anticipated kWh sales. The higher costs of purchased power have been offset by higher-than-expected revenues from Fall River's share of Grant PUD hydroelectric generation and additional RTC credits. Power production expenses are also lower than budget due to lower resource support services on FR hydros and lower out-of-pocket maintenance expenses. Other significant variances include building maintenance items, computer expenditures, and labor and overhead, all of which we anticipate getting closer to budget as the year progresses.

The Cooperative has YTD generated an increase in cash flows of \$7.9 million from operations, \$8.7 million has been invested in plant and materials and \$2.6 million of long-term debt has been paid. The Cooperative's equity ratio is just under 53% and the annualized growth in services is still strong at 3%, which is down slightly from last year. YTD 38.6% of the capital budget has been spent which includes carryover items. CEO Case noted the slowdown in new construction and the possibility of a recession. CEO Case also discussed the financial tools Fall River is using to smooth out the 2025 general rate increase in the importance of the Cooperatives strong financial position. The Board discussed growth, equity ratio, and power costs.

COOPERATIVE BUSINESS

RETAIL RATE INCREASE- APPROVAL OF RETAIL RATE TARIFFS

CEO Case stated the Board approved retail rate increase will be implemented with the May 2025 billing statements. The overall average general increase is 3.9%. Staff has prepared retail rate tariffs which will be filed with the state of Idaho, Montana, and Wyoming. Member rate meetings will be organized and held in Ashton, Driggs, and West Yellowstone district offices. CEO Case requested if members contact the Board with questions about the rate increase to please direct them to FR's Member Services department.

PNGC RESOURCE SELECTION UPDATE

CEO Case noted that there are three market purchase resource options available through PNGC. A resolution allowing flexibility to select the best overall market purchase option for FR between the three market options available was reviewed and discussed.

MEMBERSHIP UPDATE, WIND, SOLAR, AND MARKET PURCHASE UPDATE

Included in the board packet.

PNGC MARKET PURCHASE DETAIL – BP OPTION

Included in the board packet.

MARKET PURCHASE RESOLUTION

Director Robson made a motion to approve Resolution #659 PNGC Amended

Market Power Purchase Agreement, allowing CEO Bryan Case authorization to negotiate a 3-year agreement with a parameter that pricing can change up to a 5% increase with any of the three resource options as discussed. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PNGC ANNUAL MEETING

PNGC OVERVIEW AND YEAR IN REVIEW

PNGC's annual meeting report was included in the board packet providing information and an overview of the past year. CEO Case noted PNGC has recently added seven new members bringing the total to 25.

PNGC ANNUAL MEETING PRESIDENT'S REPORT

Included in the board packet.

MECA ANNUAL MEETING

MECA OFFICER ELECTIONS – CONGRATULATIONS TO JODI STIEHL ELECTED SECRETARY/TREASURER

The Board congratulated Secretary Stiehl on being elected as the MECA Secretary Treasurer.

NO LOST TIME ACCIDENT CERTIFICATE 5 YEARS 2019-2024

CEO Case, Secretary Treasurer Stiehl, and President Behrens presented the MECA certificate recognizing FR for having no lost time accidents in the past five years, to Operations Manager Randy Wakefield and Line Foreman Trevor Ostberg with congratulations and a nod to the excellent safety culture at FR.

COLUMBIA AND SNAKE RIVE FISH RETURNS...AMAZING...NOT DIRE

CEO Case reported the data collected on counts for fish returns since the first Federal Hydroelectric dam was installed showed significant progress with increasing adult salmon returns as reported by the University of Washington using the actual fish counts from the Federal dams along the Columbia River system. Sockeye Salmon returns were record-breaking in 2024. The 2024 return was the largest on record, totaling 75,909 adults at Bonneville Dam, 229% of the recent 10-year average. This breaks the record set in 2022 and is the greatest number of Sockeye Salmon to pass Bonneville Dam since counting began in 1938. Returns counted at Ice Harbor in 2024 were 428% better than the 10-year average. Counts at the Lower Granite, the last dam on the Snake River, were 305% better the 10-year average. Information from several sources are indicating good fish returns in 2024. The Board discussed ocean conditions, fish cycles and trends, and improvements in dams.

PNGC COMMENTS ON BPA'S PUBLIC RATE DESIGN METHODOLOGY (PRDM) FOR THE UPCOMING 2026-2028 RATE CASE

CEO Case stated this information was included in the board packet for review and noted that residential exchange is a large portion of the discussion.

PPC LETTER TO GOVERNOR KOTEK'S EXECUTIVE ORDER WITH CONCERNS ON RELIABILITY

PPC's letter states that Oregon Governor Kotek issued an Executive Order impacting the energy sector without utility input, raising risk for electricity rate increases and rolling blackouts under the Columbia Basin Restoration Initiative. The order advocates for the breaching of the Lower Snake River Dams.

The Board discussed resources, reliability, increased demand, utility input, and political impacts.

MFA TRAINING

CEO Case stated that IT Manager Shannon Hill will meet individually with Board members to conduct MFA training.

NWPPA AWARD RECOGNITION

CEO Case, President Behrens, and Director Schmier presented the NWPPA awards to Marketing Manager Ted Austin congratulating him for receiving first place for the video "What Is a Cooperative?" as well as a third-place finish for FR's Annual Report.

FALL RIVER GRANT UPDATES

LONG DURATION 2MW BATTERY INSTALLATIONS WITH HYDROS – IN NEGOTIATIONS

CEO Case and CFO Linden Barney reported that FR was notified that we were awarded the Energy Storage grant however the project is not economically viable with the grant funding alone. Staff has identified additional grants the Cooperative qualifies for and can be stacked with the grant to potentially make the projects viable. Staff is confirming the feasibility analysis and checking with PNGC, BPA and others to verify the potential value in additional potential revenue streams. Staff will present a business plan to the Board for review, discussion, and possible approval. Initially the project included the ability to dark start Fall River's hydroelectric fleet and create a microgrid scenario. In addition, staff is exploring peak shaving and other demand side management capabilities. The Board and staff discussed capacity, costs, grant requirements, benefits, timeline and battery life and functionality.

YALE CREEK UNDERGROUNDING PROJECTS – PASSED OVER

CEO Case reported that FR was notified we were not awarded the grant for the Yale Creek project.

FRANSEN MILL UNDERGROUNDING AND TRANSMISSION POLE HARDENING

CEO Case stated this grant application has been selected by the State of Idaho and the Cooperative is currently providing additional information to DOE and is awaiting instruction on the next steps and a possible approval from the DOE.

PNGC CONSORTIUM – SMART GRID INVESTMENT

Fall River participated in a smart grid grant application with PNGC. The grant application has been submitted.

GRANT PROJECTS SUMMARY

Included in the board packet.

FALL RIVER TAKE SAFETY HOME

Distributed to the Board at the meeting.

- OCTOBER-TRAVEL SAFETY
- NOVEMBER-STRESS MANAGEMENT
- DECEMBER-IDENTITY PROTECTION

COOPERATIVE REPORTS

Director Lindstedt reported on the budget meeting in October.

Director Keay reported that he attended an EV class and propane board meeting.

Past President Draper reported on the PPC FUEL meeting, PNGC education session, and the board budget meeting she attended.

Vice President Crowther reported on meetings attended.

Secretary Stiehl reported on region 7 and 9 meetings attended, a class attended, MECA meetings and highlights of the election process for the Secretary/Treasurer position on MECA's Board.

Director Schmier reported on region 7&9 meetings attended, NWPPA meetings attended and that he was elected Chair of the Officer Nominating Committee.

President Behrens reported on ICUA meetings attended and announced upcoming calendar dates for the Legislative Conference in January as well as NRECA Director training in December.

CONSENT AGENDA

Board and CEO expense reports, New Memberships, Purchase of Power Agreements, Check Report, Safety Report, Early Retirement of Patronage Capital were reviewed by all Board Members in Board Package prior to meeting.

Secretary Stiehl made a motion to approve the consent agenda as discussed. Vice President Crowther 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 12:45 p.m. Director Keay 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 2:01 p.m. Director Key seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

ALTERNATE WORK SCHEDULE SUMMARY

CEO Case reported that Fall River began an alternative work schedule beginning on June 10, 2024, and will go back to normal hours on November 4, 2024. Departments coordinated with staff to establish alternate work schedules which ensured Fall River had coverage for each department and district office to take care of members and the ongoing daily operations of the Cooperative. Office hours in the Ashton and Driggs offices were extended to 7:30 a.m.-5 p.m. and employees began working modified schedules (mostly nine-hour days) to cover longer office hours and then able to take an extra day off every other week. Office hours will go back to normal on November 4th. Case reviewed the challenges and benefits of an alternate work schedule, noting that staff survey results and other feedback indicated it was well-received by staff and added value to FR's recruiting and retention tool kit.

QUARTERLY REVIEW GOALS AND WORK PLAN PROGRESS

CEO Case stated that staff are making good progress on the 2024 work plan and goals. He noted that most are on track to be completed this year.

WEBSITE ADDITIONS AND CHANGES

CEO Case stated there have been several changes and updates recently made to the FR website and additional changes are coming soon. A board member reported that a member requested the addition of a QR code to access the wind and solar information on the website which will be followed up on.

- A new solar/wind chart has been added to <https://fallriverelectric.com/solarwind> as well as a new rooftop solar calculator (see new blue box under SOLAR)
- A new video has been added to this page <https://fallriverelectric.com/battery-backup> showing how a home battery Powerwall is constructed
- The business meeting video from our annual Expo has been added to this page <https://fallriverelectric.com/energy-expo-annual-business-meeting>
- Our wildfire mitigation efforts now found under the tab My Safety as seen here <https://fallriverelectric.com/wildfire-plan>
- An update on our homepage about Patronage Capital <https://fallriverelectric.com/> replacing the previous post about the Energy Expo
- A montage of scholarship winner photos has been added to the scholarship page <https://fallriverelectric.com/scholarships>
- A new page was created with information on Standby Generators which is now a dropdown menu option <https://www.fallriverelectric.com/standby-generators> added to the My Renewable Energy tab

WYOMING COOPERATIVE MUTUAL AID AGREEMENT

Included in the board packet.

BPA POWER FORECAST 10 YEAR

CEO Case stated the forecast (which tracks historical, current, and forecasted data on peak load and growth) was included in the board packet and noted that we are in a growth period.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,701,921 kWh in September. This amounts to 6.9% of all the kWh billed by PNGC in September and 7.4% of all kWh sold and used by Fall River in September.

Felt Hydro produced 2,042,491 kWh in September. When this is included with Island Park, Chester, and Buffalo it amounts to 15.2% of all the kWh billed by PNGC in September and 16.3% of all kWh sold and used by Fall River in September.

ISLAND PARK

Island Park hydro produced 986,919 kWh during the month of September.

BUFFALO

Buffalo hydro produced 120,038 kWh during the month of September.

FELT

Felt hydro produced 2,042,491 kWh during the month of September.

CHESTER

Chester Hydro produced 594,964 kWh in the month of September.

DONATIONS

Administrative Committee Chairman Jodi Stiehl stated the Committee met this morning and would like to recommend a donation to the Disaster Recovery Fund.

The donated funds will go to cooperatives and employees of cooperatives that have been impacted by Hurricane Helene. The Board discussed Helene's impact and the fund's distribution.

Director Schmier made a motion to approve the recommended donation to the Disaster Recovery Fund in the amount of \$5,000.00 as presented. Director Key seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.

REPORTS BOARD COMMITTEES, MEETINGS, AND MEMBER COMMENTS

EXECUTIVE COMMITTEE

Nothing to report.

ADMINISTRATIVE COMMITTEE

Chairman Stiehl reported the Committee met this morning and the next meeting is set for February 2025.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Chairman Lindstedt reported the Budget Board meeting was held on October 21, 2024.

POLICY COMMITTEE

Chairman Crowther reported the next meeting will be held in November prior to the regular board meeting.

ATTORNEY REPORT

Attorney Rigby reported on water rights issues and litigation.

2024 CALENDAR

Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Key to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 2:06 p.m.

DATE APPROVED: November 18, 2024


Secretary Jodi Stiehl