

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

November 18, 2024

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, November 18, 2024, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:13 a.m. Executive Assistant, Angie Haws recorded the minutes. The invocation was given by Travis Markegard. 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, Member Services Manager Clint Washburn, IT Manager Shannon Hill, Guests Fremont County Emergency Management Director Keith Richey, Lineman Riley Stone, Hydro Manager Chad Johnson, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR OCTOBER 21, 2024

Director Robson made a motion to approve the minutes from the October 21, 2024, Board Meeting as presented. Vice President Crowther seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF MINUTES FOR OCTOBER 28, 2024

Director Robson made a motion to approve the minutes from the October 28, 2024, Board Meeting as presented. Director Markegard seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

FREMONT COUNTY EMERGENCY MANAGEMENT-KEITH RICHEY

Guest Keith Richey Emergency Management Director for Fremont County spoke on Emergency Operations Plans, Fire Mitigation, disaster protocols, preparedness, FEMA, and various agencies roles.

MEMBER COMMENTS

The board reviewed member comments and communications.

FINANCIAL & STATISTICAL REPORTS

OCTOBER 31, 2024, FINANCIAL REPORTS

CFO Barney reported the net margins YTD are ahead of budget through October. Revenue is within 2% 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 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 \$8.9 million from operations, \$9.4 million has been invested in plant and materials and \$3.2 million of long-term debt has been paid. The Cooperative's equity ratio remains strong at just under 53%. The annualized growth in services is still strong at 3% but is down slightly from last year's 3.6% growth. YTD 41% of the capital budget has been spent which includes carryover items. The board discussed economic and energy resource forecasts.

COOPERATIVE BUSINESS

2025 FALL RIVER ELECTRIC WORK PLAN AND GOALS

CEO Case stated the Cooperative is dedicated to passionately serving our owners/member's needs. This year, Fall River's vision and strategic objectives were reviewed and modified but essentially reconfirmed that the direction we have set is still relevant and pertinent. The 2025 work plan is based on the Cooperative's vision and strategic objectives and outlines specific actions and ambitious goals which position Fall River for the future. Case highlighted some areas of focus within the 2025 work plan: selection of an enterprise software package and potential impacts as well as SCADA communications and the continued progress of the eight-year transmission line upgrade project. The board discussed industry terms and processes regarding fusing and OCRs, the Energy Expo, hazard assessment, safety, and young member engagement.

Vice President Crowther made a motion to approve the 2025 Work Plan and Goals as presented. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

PNGC WORK AND HIGHLIGHTS

SUMMARY OF FINAL PPAS AND MARKET PURCHASES AT PNGC

CEO Case stated the executed Board approved purchase of wholesale power agreements were included in the board packet for review. Case provided a high-level summary of the agreements.

SIGNED PPAS

STATELINE WIND-10 YR
Included in the board packet.

PONDEROSA SOLAR-20 YR.
Included in the board packet.

BP MARKET PURCHASE-3 YR.
Included in the board packet.

NW DELEGATION SUPPORT FOR PNGC JOE

A letter from legislators supporting concerns regarding BPA's recent policy developments that threaten the Joint Operating Entity (JOE) status that serves the needs of its members was addressed to Bonneville Power Administration. The letter notes the electric demand growth and the need for utilities to procure additional supply resources to support reliability while maintaining affordability, urging BPA to carefully consider the congressional authorization for the JOE structure found in P.L. 106-273 when developing policies, rates, rulemakings to enable electric cooperatives functioning as a JOE to efficiently incorporate new energy resources to meet their growing needs.

YEAR END PATRONAGE CAPITAL AND RDDR REFUND

Included in the board packet.

PNGC BOARD VOTED TO SUPPORT BPA AND SUPPORT THE SPP+ MARKETS POSITION

ELECTION OF BOARD OFFICERS-CEO CASE ELECTED BOARD PRESIDENT

CEO Case reported that he was elected PNGC's board president at the last meeting.

PNGC PASSED OVER ON THE SMART GRID COALITION GRANT

CEO Case reported PNGC was not awarded the Smart Grid Coalition Grant however, they may apply again for the next round.

PPC HIGHLIGHTS

PPC LETTER TO DAVID TURK SECRETARY OF DOE
Included in the board packet.

PPC MARKETS TALKING POINTS

CEO Case noted the PPC summary of key market issues regarding the CAISO's EDAM and SPP's Market + options.

ELLIOT MANZER-CAISO PRESENTATION ON MARKETS

Included in the board packet.

CEO CASE ELECTED TO PPC FOR TWO YEAR TERM

CEO Case reported that he was elected as a director to PPC for a two-year term.

PROPOSED 2025 CAPITAL BUDGET PROJECT-GRANT FOR FRANSEN MILL OH TO UG AND TRANSMISSION POLE MESH

CEO Case stated while this project was not part of Fall River's four-year construction work plan and is not in the approved capital budget, staff believes it is a worthwhile project for fire mitigation and the amount of the project that would be eligible for reimbursement through the grant (75%) is substantial. The original estimated costs of the project submitted in December of 2023 totaled \$586,500 of which the federal share is \$439,100. Staff is seeking Board approval to add the project to the approved capital budget for 2025. The costs of the project will likely be higher than the amount originally budgeted due to the time that has lapsed since the original budget was submitted. Therefore, Staff is asking for an approval of \$176,000, which represents the anticipated non-federal share of the original budget with a contingency. **Vice President Crowther made a motion to approve the 2025 Capital Budget increase of \$176,000.00 with a 20% contingency to proceed with a grant award project for Fransen Mill OH lines to UG and pole mesh as discussed. Director Lindstedt seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

PROPOSED 2025 BOARD MEETING CALENDAR

Vice President Crowther made a motion to approve the 2025 Board Meeting Calendar as presented. Director Lindstedt seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

2025 FALL RIVER INDUSTRY & ASSOCIATION CALENDAR OF EVENTS

Included in the board packet.

CRC VOTING DELEGATE & ALTERNATE AND BOARD ELECTION NOMINATION PROCESS

CRC (Cooperative Response Center, Inc.) board election and delegate registration process was reviewed and discussed.

Director Robson made a motion to approve Bryan Case as the CRC voting delegate and Georg Behrens as the alternate voting delegate. Director Markegard seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

ELECTION NIGHT RECAP

CEO Case provided an election recap on national and local election results highlighting the initiatives and outcomes that may impact the utility industry as well as FR specifically. The National Rural Electric Cooperative Association (NRECA) represents nearly 900 electric cooperatives nationwide. NRECA's press release stated the cooperatives' policy priorities consist of safeguarding electric reliability, reforming federal permitting, enhancing wildfire protection, protecting the Lower Snake River Dams, defending direct pay, maintaining New ERA funding, promoting infrastructure modernization, and deploying rural broadband. Fall River's objectives are in alignment with NRECA's objectives. Regardless of election outcomes, Fall River continues to press for solutions to benefit our members interest of providing safe, reliable and competitively priced energy.

BPA WHOLESALE POWER AND TRANSMISSION INCREASE-LIKELY DOUBLE DIGITS % INCREASE FOR BOTH~11% FOR BPA POWER INCREASE

COOPERATIVE REPORTS

Director Markegard reported on the ICUA INL tour he attended.

Director Key reported on the upcoming propane board meeting.

Secretary Stiehl reported on the MECA budget meeting attended as well as the ICUA INL tour.

Past President Draper reported on a leadership town hall meeting attended.

President Behrens reported on the ICUA board meeting he attended and invited FR board members to attend the upcoming ICUA Legislative Conference in January.

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.

Director Robson 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 1:14 p.m. Director Markegard 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 1:27 p.m. Vice President Crowther seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

FALL RIVER RETAIL RATE INCREASE MARKETING PLAN

CEO Case reported that the marketing plan to disseminate the 3.9% overall general retail rate increase information to our members includes the following:

- Full explanation in the February FLASHES newsletter which goes to all members. This newsletter will be posted on the FRE website on February 3 and included in both billing cycles mailed 2/5 & 2/20.
- News story posted on the FRE website beginning February 3.
- The message will be reinforced in the March FLASHES newsletter and a reminder in the April FLASHES.
- A media press release will be distributed in March.
- A billing insert noting the upcoming changes will be included in the April & May billing statements with a reference to the website for more details.
- Social media posts on Facebook, Instagram & X will occur in March mentioning the member meetings and again in April to reference the website.

Ongoing support and information will be provided as members call in with questions and Member Services will be prepared for additional call volume in May and June to quickly answer incoming calls. Talking points will be provided in addition to tools and information available on the FR website. The retail rate increase will go into effect with the May billing statements.

In-person town hall meetings will be held at Fall River Electric offices in the evenings at the following locations & dates:

Driggs: March 18, 2025

Ashton: March 19, 2025

West Yellowstone: March 20, 2025

PATRONAGE CAPITAL DECEMBER 6TH ISSUE AND MEMBER LETTER

CEO Case stated the patronage capital letter and check payment of allocated patronage capital from 2006 and a portion of 2007 will be mailed out on December 6th.

The ability to pay cash back is based upon the financial stability and strength of the Cooperative.

This year over 10,200 owner-members are receiving a share of over \$2.2 million dollars in cash back payments. Over the course of FR's 86 years in business, we have paid back to our members over \$34,700,000.

HIGHLIGHTS FROM PHASE 2 NRECA SAFETY SURVEY

CEO Case stated FR participated in an NRECA Phase 2 Safety survey. Case noted the positive feedback and that those who participated felt it was a valuable process. Ken Macken with NRECA who conducted the survey will report to the board at next month's meeting.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,041,949 kWh in October. This amounts to 4.1% of all the kWh billed by PNGC in October and 4.3% of all kWh sold and used by Fall River in October.

Felt Hydro produced 1,908,556 kWh in October. When this is included with Island Park, Chester, and Buffalo it amounts to 11.6%% of all the kWh billed by PNGC in October and 12.1% of all kWh sold and used by Fall River in October.

ISLAND PARK

Island Park hydro produced 341,681 kWh during the month of October.

BUFFALO

Buffalo hydro produced 120,916 kWh during the month of October.

FELT

Felt hydro produced 1,908,556 kWh during the month of October.

CHESTER

Chester Hydro produced 579,352 kWh in the month of October.

DONATIONS

Included in the board packet.

FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.

REPORTS BOARD COMMITTEES, MEETINGS, AND MEMBER COMMENTS

EXECUTIVE COMMITTEE

Nothing to report.

ADMINISTRATIVE COMMITTEE

Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Nothing to report.

POLICY COMMITTEE

Chairman Crowther reported the Committee met this morning prior to the regular board meeting and will bring the recommended policies to the full board at the next board meeting.

ATTORNEY REPORT

Attorney Rigby reported on updates with water rights agreements and a new report on the LSRD's.


2024 / 2025 CALENDAR

Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Markegard to adjourn the meeting. The meeting was adjourned by general consent at 1:44 p.m.

DATE APPROVED: December 16, 2024



Secretary Jodi Stiehl