

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

January 27, 2025

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, January 27, 2025, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:01 a.m. Executive Assistant, Angie Haws recorded the minutes. The invocation was given by Georg Behrens. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Georg Behrens, Vice President Brent “Husk” Crowther

DIRECTORS PRESENT

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

DIRECTORS ABSENT

Secretary/Treasurer Jodi Stiehl

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, CFO Linden Barney, IT Manager Shannon Hill, Engineering Manager Dave Peterson, Executive Assistant Angie Haws, and Virtual Guest CFC Regional Vice President Eric Anderson.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR DECEMBER 16, 2024

Director Robson made a motion to approve the minutes from the December 16, 2024, Board Meeting as presented. Director Markegard seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

ERIC ANDERSON-CFC FORM 7 & KRTA OVERVIEW & TRAINING

CFC Regional Vice President Eric Anderson provided insight and overviews of several commonly used RUS Form 7 financial reports. Mr. Anderson discussed growth, power costs, infrastructure, equity management, patronage capital retirement, and margin requirements to preserve equity. Fall River’s excellent financial condition was discussed, and Mr. Anderson compared Fall River to over 900 other electric cooperatives using CFC’s Key Ratio Trend Analysis (KRTA) and highlighted several ratios where Fall River performs well when compared to its peers.

MEMBER COMMENTS

The board reviewed member comments and communications.

FINANCIAL & STATISTICAL REPORTS

DECEMBER 31, 2024, FINANCIAL REPORTS

CFO Linden Barney prefaced the financial review stating that the financials are preliminary and will be updated at the next meeting after some of the outstanding items such as the profit from the Propane subsidiary and PNGC's patronage allocation for 2024 entries are added. Barney noted preliminary net margins are \$1.9M above budget, of which \$1.7M is in revenue net of power costs. Revenue is within 2% of budget, and attributes to \$972k of the net margin variance. This is due to more kWh sales than anticipated in the budget (4% above budget) due in part to more new services than anticipated. Higher than expected credits from secondary sales at higher rates than budgeted and higher RTC credits offset increases in purchased power costs. Additionally, lower resource support services charged to our hydro's also contributed to the increase in margins.

The growth rate in new services increased to 3.6% which is close to the 2023 growth rate. Fall River finished the year with an equity ratio of just over 52%. Barney noted that \$10M of cash flow was generated from operations and \$12M was invested in plant and materials. There was \$3.2M of principal payments made on long-term debt and \$2.3M of patronage capital was retired. The capital budget report was provided at the meeting and was discussed. The total capital budget spent through December was 65% of the budgeted amount which includes \$2.6M carried over from 2023.

The Board discussed aid to construction, distribution, tax liabilities, new services, and types of growth.

COOPERATIVE BUSINESS

ENERGY EXPO AND ANNUAL MEETING PREPARATIONS

MEMBER NOMINATING COMMITTEE-ADD & REMOVE

CEO Case noted there were a few members on the potential nominating committee list that have served on the nominating committee for more than two decades. FR would like to acknowledge their contribution to both the membership and the Cooperative.

The Board discussed members on the list who were no longer living in the area and members to add to the list that have expressed interest in serving on the Committee.

Director Schmier made a motion to approve the Potential Nominating Committee List as discussed. Director Key seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

TIMELINE FOR ANNUAL MEETING PREPARATIONS

Included in the board packet.

ENTERPRISE SOLUTION PROCESS REVIEW AND RECOMMENDATION

IT Manager Shannon Hill presented FR's approach, summary of the due diligence

and a recommendation from staff which included moving the Cooperative's enterprise software solution to NISC. The Board discussed timelines, impact, functionality, and efficiencies.

Vice President Crowther made a motion to approve management's recommendation for an Enterprise Solution and give CEO Case approval to execute the contracts as discussed. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NRTC VOTING DELEGATE

Vice President Crowther made a motion to approve Doug Schmier as NRTC Voting Delegate and Bryan Case as Alternate Voting Delegate. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

ADDITIONAL EMPLOYEE HOUSING FELT ON EXISTING PROPERTY

CEO Case presented estimated costs for an additional home to be built and used as employee housing for on call staff required to live within a 15-mile radius of the Driggs office. The home would be placed on property already owned by FR. The Board discussed costs, economic impacts, rents, future housing needs.

Director Schmier made a motion to approve the staff's recommendation for additional employee housing in Felt as recommended by staff and to give CEO Case approval to execute the necessary contracts. Director Key seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

FALL RIVER AUDIT DATES-WEEK OF FEBRUARY 3RD

Director Lindstedt reported that the Pre-Audit Conference Call with DeCoria & Company PC went well and took place January 16, 2025.

PPC OVERVIEW ON GOVERNANCE MAKEUP FOR MARKETS CAISO AND SPP+ LAUREN TENNEY DENISON, PPC, WILL PRESENT TO THE BOARD IN MARCH

CEO Case briefly discussed each market approach and recent updates. CEO Case noted Lauren Tenney Dennison will present to the Board in March to provide additional information and insight.

ICUA LEGISLATIVE CONFERENCE

WILDFIRE MITIGATION TALKING POINTS

CEO Case stated he and several Fall River Board members, IT Manager Shannon Hill attended the ICUA legislative conference. The agenda and content were relevant and timely. The most significant item discussed was the proposed wildfire

legislation for the State of Idaho. The proposed legislation has been developed using language that has passed in Utah and has been developed in cooperation with Idaho Power, PacifiCorp and Avista. The Board discussed next steps. CEO Case stated that he will keep the Board informed on any legislative updates.

FALL RIVER WILDFIRE MITIGATION WYOMING PUC REVIEW?

The Board discussed government and organizational oversight and legislation regarding wildfire mitigation.

BOARD COMPENSATION AMOUNTS AND LANGUAGE

POTENTIAL BOARD MOTION TO USE IRS DAILY ALLOWANCE FOR DAILY MEALS GOING FORWARD. PILOT MEAL PER DIEM TEST CHECK IN

In an effort to standardize meal per diems, the Board discussed using the IRS recommended average daily allowance for meal per diems rather than a set dollar amount, similar to the gas mileage rates that are updated annually with the IRS recommended mileage rate.

President Behrens inquired if the Board was in agreement to have an Ad Hoc Compensation Committee review Board Compensation, as this is typically done every three years. The Board agreed. CEO Case reviewed the process to present the proposed Ad Hoc Committee to the FR membership at the Annual Member Meeting for approval prior to the review.

Vice President Crowther made a motion to follow the IRS Avg Daily Allowance for Meal Per Diems as of this date, going forward. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

2025 BOARD EXPENSE FORM

Included in the board packet.

PNGC MEMBER MAP

Included in the board packet.

DATA ON CORRELATION BETWEEN OCEAN CONDITIONS “HEAT MAPS” AND ADULT SALMON RETURNS

Northwest Power and Conservation Council updates on ocean conditions for Salmon and Steelhead were included in the management report. Data and analysis supporting when ocean and other conditions allow, the hydro system is capable of supporting robust salmon runs.

FALL RIVER TAKE SAFETY HOME

Handed out at meeting.

JANUARY -SLEEP AND SAFETY / FATIGUE MANAGEMENT

FEBRUARY -AMERICAN HEART MONTH / EFFECTS OF STRESS ON

THE HEART
MARCH – ERGONOMICS / SLIPS, TRIPS, AND FALLS

ENERGY NORTHWEST SMR UPDATE

CEO Case reported on Energy NW discussions regarding the ongoing efforts and analysis of their SMR project. Fall River contributed to this project and has access to the information. Energy NW provided a great update that is included in the board material.

STATE LEGISLATIVE UPDATES:

CEO Case noted the legislative updates were included in the board packet and that the common topic for all three states is wildfire mitigation. Other topics include possible tax updates and smart metering.

WYOMING

Included in the board packet.

MONTANA

Included in the board packet.

IDAHO

Included in the board packet.

COOPERATIVE REPORTS

Director Keay reported the Propane subsidiary elected new Board Officers President Merrick Young, Vice President Don Betts, and Secretary/Treasurer Amber Boyce.

Director Markegard reported he will attend the WREA board and annual meeting this month. Noted NRECA Town Hall meeting with Jim Matheson will be on January 29th.

Vice President Crowther reported that he attended the Legislative Conference in Boise.

Director Schmier reported on the ICUA Legislative Conference attended in Boise.

Director Lindstedt reported on the CFC Economic Outlook she attended.

President Behrens reported on the ICUA Legislative Conference he attended and NRECA Director classes.

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.
Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

EXECUTIVE SESSION

Director Schmier made a motion to go into Executive Session at 2:24 p.m. Director Robson 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 2:30 p.m. Vice President Crowther seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

RETAIL RATE INCREASE PREPARATIONS

CEO Case stated FR's rates are significantly lower than many other utilities and the Cooperative has done a good job managing costs. We will continue to educate members on how they can reduce their demand and review the tools and resources available as we meet with them in March.

FREQUENTLY ASKED QUESTIONS – RETAIL RATE INCREASE MAY 2025
Included in the board packet.

DEMAND GRAPHIC – FALL RIVER COSTS VS REVENUES COLLECTED
Included in the board packet.

FINANCIAL TALKING POINTS – FALL RIVER COMPARED TO BENCHMARKS
Included in the board packet.

GRANT UPDATES

CEO Case reported grant opportunities available for solar and batteries, noting grant details and the next steps to determine if pursuing funds makes overall financial sense for the Cooperative.

LOAD FORECAST UPDATED BPA

Included in the board packet.

FALL RIVER FOOD DRIVE SUMMARY

December 6th at Dave's in Ashton to benefit the North Fremont Food Pantry 460lbs.

December 13th at Broulim's in Rexburg to support the Rexburg Food Pantry operated by the Eastern Idaho Community Action Partnership (EICAP) – 739lbs.

December 19th in West Yellowstone at both the Food Roundup Supermarket & the Market Place to benefit the West Yellowstone Food Bank under the direction of the Montana Food Bank Network – 500lbs.

December 20th at Broulim's in Driggs to benefit the Teton Valley Food Pantry – 880lbs.

2024 Senior Class Food Drive Challenge

As part of Fall River's young member engagement, local high school senior classes were invited to compete for a cash prize of \$1,000 by raising non-perishable food too. Their drives were conducted from December 2-19. In order to provide equal footing, the classes were judged based upon the total weight of food collected divided by the number of students in their senior class. The results were as follows:

1st place – Teton High School 48.73 pounds per 146 students (7,115 pounds collected)

2nd place - North Fremont 45.26 pounds per 38 students (1,720 pounds collected)

3rd place – West Yellowstone 13 pounds per 18 students (234 pounds collected)

4th place – South Fremont 4.10 pounds per 93 students (381 pounds collected)

A total of 9,450 pounds of non-perishable food was collected from our local schools which is an increase of 260% from 2023. The grand total of food delivered to our local food banks/pantries totaled 12,029 pounds.

YOUNG MEMBER ENGAGEMENT

“DO YOU WANNA BUILD A SNOW MAN” COMPETITION

In an effort to engage our younger membership, FR members were asked to build a snowman and submit a photo of their snowman January 3rd through January 26th to compete in one of five categories for prizes including gift certificates for a bicycle or scooter, ski passes, and various gift cards.

FALL RIVER/ICUA YOUTH RALLY & SCHOLARSHIP OPPORTUNITY

Video link included on the agenda.

INTERNAL AUDIT REPORTS FOR 2024

CEO Case stated internal audits are selected in different areas of the Cooperative each year. In 2024 the areas selected to review were patronage capital retirements and scholarship authorization and disbursement of funds. The audits were completed and there were no concerns.

PATRONAGE CAPITAL RETIREMENT REVIEW

SCHOLARSHIP AUTHORIZATION AND DISBURSEMENT REVIEW

NEWEST FALL RIVER VIDEOS

Video links included on board agenda.

“UNDERSTANDING YOUR ELECTRIC METER” ON FR’S YOUTUBE CHANNEL

“UNDERSTANDING YOUR ELECTRIC BILL” VIDEO

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,535,094 kWh in December. This amounts to 3.6% of all the kWh billed by PNGC in December and 3.8% of all kWh sold and used by Fall River in December.

Felt Hydro produced 1,770,864 kWh in December. When this is included with Island Park, Chester, and Buffalo it amounts to 7.8% of all the kWh billed by PNGC in December and 8.1% of all kWh sold and used by Fall River in December.

ISLAND PARK

Island Park hydro produced 823,652 kWh during the month of December.

BUFFALO

Buffalo hydro produced 75,180 kWh during the month of December.

FELT

Felt hydro produced 1,770,864 kWh during the month of December.

CHESTER

Chester Hydro produced 636,262 kWh in the month of December.

DONATIONS

Included in the board packet.

FALL RIVER AI POLICY PRESENTATION AT NRECA CEO CONFERENCE

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

It was noted that the Administrative Committee will meet in February.

ENGINEERING AND OPERATIONS COMMITTEE

Chairman Robson stated the Engineering Committee will meet next in March. The meeting that was originally scheduled for July will be rescheduled to October 27, 2025.

FINANCE COMMITTEE

Chairman Lindstedt previously reported.

POLICY COMMITTEE

Chairman Crowther reported the Committee will meet in May.

ATTORNEY REPORT

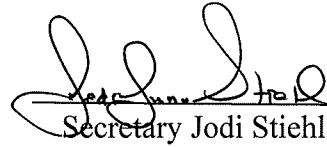
Attorney Rigby reported on ongoing streamflow negotiations and legislation.

2025 CALENDAR
Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Schmier to adjourn the meeting at 2:52p.m. THE MOTION CARRIED BY UNANIMOUS VOTE.

DATE APPROVED: February 24, 2025



Secretary Jodi Stiehl