

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

March 24, 2025

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, March 24, 2025, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 9:59 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, and Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

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

DIRECTORS ABSENT

NONE

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, CFO Linden Barney, Member Service Manager Clint Washburn, Engineer Kyler Yancey, Guests FR Lineman Braidan Martindale, Staking Engineer Tim Jenkins, PPC Director of Market Policy & Grid Strategy Lauren Tenney Denison, Penumbra Consulting Bruce Smithhammer and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR FEBRUARY 24, 2025

Director Robson made a motion to approve the minutes from the February 24, 2025, Board Meeting as presented. Director Keay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

LAUREN TENNEY DENISON-PPC MARKETS DISCUSSION

PPC (Public Power Council) has helped consumer-owned NW utilities have a unified voice on key energy issues since 1966. They represent more than 100 public power entities across six states. PPC’s core mission is Affordability, Reliability and Preservation of Value.

Lauren Tenney Denison PPC’s Director of Market Policy & Grid Strategy presented the following topics: Organized Market Overview, BPA Draft Decision and Implications, PPC Evaluation of Day-Ahead Market Options, and Next Steps.

BRUCE SMITHAMMER-NET METERING ANALYSIS SMITHAMMER ANALYSIS AND REPORT

Mr. Smithhammer a third-party consultant with Penumbra Consulting, outlined the net metering questions and concerns presented to FR by the member, reviewed the process and steps taken to investigate those concerns, and provided a report with recommendations for the member. The recommendations to the member did not include any further investigation by the Cooperative.

Having gone above and beyond what was required, the Cooperative has investigated the member's concerns which have been thoroughly examined by multiple staff and an independent consultant and it is the consensus of the Board that the Cooperative has followed procedures and is accurately metering the member's energy activity.

MEMBER COMMENTS

The board reviewed member comments and communications.

CHARLES WRIGHT-MEMBER THANK YOU/JOB WELL DONE

Included in the board packet.

SCHOLARSHIP REPORTS

Reports from the following Fall River scholarship recipients were included in the board packet.

AMAYA WEBSTER NEWMAN
AMELIA SPERBER
CHANDRA KAY
GABRIELLE DEMARCO
TREVOR PETTIT
WHITNEY BRADSHAW
CASSIDY MARTIN
SHEYLACI GUNNELL PETERSON

CEO Case passed on to the board concerns that one member had communicated to him regarding his concern on the rate increase specifically related to the residential demand charge. Case addressed the member's questions.

FINANCIAL & STATISTICAL REPORTS

FEBRUARY 28, 2025, FINANCIAL REPORTS

CFO Barney reported the net margins for February are almost \$1m ahead of budget. Revenue net of power costs make up most of that variance. The higher growth in new services than what was anticipated and slightly higher usage per meter along with higher than anticipated production at the Felt hydro were other factors of the variance. Labor and overhead are also under budget through February, but we anticipate these costs will get closer to budget as the year progresses. The Cooperative's equity ratio is strong, just under

53% and the growth rate in new services slightly increased to 3.8%. Fall River generated just under \$1M from operations, \$1.7M was invested in plant and materials and \$1M of principal on long-term-debt was paid down. We borrowed \$1M on our line of credit with CFC as discussed at the last board meeting. Just over 42% of the capital budget has been spent as of February which includes carryover items from last year. Refunds of overpaid aid on closed out work orders showed higher than what was collected through February. The board discussed new services, areas of growth, and large projects.

COOPERATIVE BUSINESS

FALL RIVER ENERGY EXPO & ANNUAL MEETING

NOMINATING COMMITTEE MEETING MINUTES AND RECOMMENDATIONS

President Behrens reported the Nominating Committee met March 17, 2025.

CEO Case stated the names of the individuals nominated in the following board district seats that are up for election in 2025:

District # 4 East Driggs

Anna Lindstedt (Incumbent)

Chanse Calderwood

Delwyn Jensen

District #7 South Island Park

Jodi Stiehl (Incumbent)

District #9 West Yellowstone

Doug Schmier (Incumbent)

Those nominated will be contacted by the attorney to continue the process of ensuring each potential nominee meets the requirements to serve on the Fall River Board and are willing to be candidates. The Nominating Committee acknowledged that after due diligence they were unable to find more than one candidate willing to be nominated to run for Director for District #7 and #9. Nomination by Petition is open to the membership per the bylaws.

BALLOT LANGUAGE FOR MEMBER BOARD COMPENSATION COMMITTEE

Included in the board packet and included language for the membership to approve a Member Board Compensation Committee.

NWPPA ANNUAL MEETING MAY VOTING DELEGATE

Secretary Stiehl made a motion. Director Keay seconded the motion.

The Board had some discussion.

Secretary Stiehl amended the original motion to name Doug Schmier as the NWPPA Voting Delegate and Bryan Case as the Alternate, with Doug Schmier serving as the NWPPA Board Representative. Vice President Crowther seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER RATE MEETING RECAP

CEO Case reported the Member Rate Meetings took place in March at each of the district offices. Case thanked Board members for their attendance and participation at the meetings and noted the meetings were provided to answer any questions and to provide the following information to the Cooperative membership:

Fall River Highlights & Background, Strategic Objectives, Cost of Service Analysis, Rate Increase and Timing, and Energy & Demand Tools.

STATE LEGISLATIVE UPDATES

ICUA & WILDFIRE STANDARD OF CARE ACT

President Behrens and CEO Case reported on bill (SB1183) Wildfire Standard of Care Act which is ongoing with continued meetings and discussion with legislators to address concerns and outcomes utilities could face without this important legislation. Additional Idaho legislation being tracked by ICUA was also included in the packet.

MECA

Director Stiehl provided a summary of the Montana legislation being monitored and promoted by MECA which is included in the board packet.

WREA

Wyoming legislative activities of interest to electric cooperatives included in a matrix provided by WREA. Included in the board packet.

BPA AREAS OF INTEREST

ANNOUNCEMENT TO JOIN SPP+ MARKETS+ FOR DAY AHEAD POWER

PPC news release announcing its support of BPA's preliminary decision to join SPP Markets + was included in the board packet. PPC noted BPA's final decision is expected in May of this year. BPA's selection of Markets+ aligns with key public power priorities.

WORK FORCE CONCERNS AND RESPONSE BY DOE

BPA's health and safety concerns regarding the impacts from federal staff reductions to BPA. Document included in the board packet.

POWER SETTLEMENT AGREEMENT AND TRANSMISSION RATE CASE

Provider of choice products and public rate design methodology charges were outlined to provide more information and context for decision making.

LONG TERM DEBT DISCUSSION

CEO Case discussed the recent repricing of two long term loans locking in interest rates for a five-year period and discussed the future need to draw down on CFC's power vision loan and will report to the board when and how much will be drawn down. The Cooperative's loan portfolio was also reviewed.

COOPERATIVE REPORTS

Director Lindstedt reported on CFC meeting she virtually attended.

Director Keay reported on the Propane Board meeting he attended.

Director Robson reported on the Member Rate Meeting he attended.

Director Draper reported on PPC meetings she virtually attended.

Vice President Crowther reported on the Lincoln Banquet and Member Rate meeting he attended.

Secretary Stiehl reported on MECA meetings attended and upcoming meeting dates.

Director Markegard reported on Lincoln banquet and Member Rate meeting attended.

Director Schmier reported on NRECA meeting attended.

President Behrens reported on ICUA meetings attended.

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 Keay 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 1:10 p.m. Director Keay seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

A motion was made and seconded to go out of Executive Session at 1:35 p.m. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

PATRONAGE CAPITAL SAMPLE LETTER AND STATEMENT

Included in the board packet.

FALL RIVER LINE EXTENSION COST TO INCLUDE TRANSFORMER COST

CEO Case reported that the members cost of new construction services currently does not include the cost of the meter or transformer. Costs for transformers have nearly doubled in recent years. Beginning April 15, 2025, FR will begin charging members putting in new services or upgrading electrical services for transformers.

Single Phase services will be charged by requested service size converted to Kva.

- o 100 A – 7.5 Kva
- o 200 A – 15 Kva
- o 320 A – 25 Kva
- o 400 A – 30 Kva
- o 600 A – 45 Kva
- o 800 A – 60 Kva
- o 1000 A (When approved) – 75 Kva

Transformer costs in terms of \$/Kva will be updated yearly using costs quoted from manufacturers and/or vendors and a historical look back at the number of transformers installed for each transformer size in the past 5 years.

For single phase services the service size (in Kva) will be multiplied by the \$/Kva to determine the charged transformer cost.

Three Phase services will be charged actual cost of transformer. Transformer size will be determined by requested service size in amps converted to Kva. If connecting to an existing transformer or transformer bank that is large enough to serve the additional load there will not be a charge for the transformer(s). If the transformer or transformer bank needs to be upgraded, the new service member will be charged the difference between the new, larger bank and the existing bank.

ALTERNATE WORK SCHEDULES 2025

CEO Case noted the alternate work schedules will begin May 1st and go through October 31st allowing flexibility for staff as approved by managers and as discussed. During this time the Ashton and Driggs office hours will be extended, opening at 7:30 a.m. and closing at 5 p.m. Monday through Friday.

RECOGNIZED TWO NEW JOURNEYMAN LINEMEN ADVANCEMENTS-JACE ARNOLD & BRAYDEN SHAFFER-HIRED AS FALL RIVER APPRENTICES

SMART GRID INVESTMENT SAVINGS

CEO Case noted the significant cost savings with the investment of Fiber Optics and AMI technologies. The Board discussed life cycles of equipment, costs, and other technologies staff are considering. The report was included in the board packet.

ISLAND PARK DO CHANGE SAVINGS

The blower analysis was included in the board packet for review. CEO Case discussed rubber dams versus permanent concrete barrier and noted once FERC has reviewed the

proposed change, the project specifics and costs will be brought back to the Board.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,044,919 kWh in February. This amounts to 2.5% of all the kWh billed by PNGC in February and 2.6% of all kWh sold and used by Fall River in February.

Felt Hydro produced 1,626,848 kWh in February. When this is included with Island Park, Chester, and Buffalo it amounts to 6.4% of all the kWh billed by PNGC in February and 6.6% of all kWh sold and used by Fall River in February.

ISLAND PARK

Island Park hydro produced 781,476 kWh during the month of February.

BUFFALO

Buffalo hydro was offline waiting on repairs to its PLC during the month of February.

FELT

Felt hydro produced 1,626,848 kWh during the month of February.

CHESTER

Chester Hydro produced 263,443 kWh in the month of February.

VALUE OF FR SCADA INVESTMENT

CEO Case reported the SCADA (Supervisory Control and Data Acquisition) system is helping FR identify issues before they become an outage. SCADA is used for monitoring and controlling processes gathering data from equipment allowing operators to supervise and control processes remotely. This system is expected to generate savings and improve reliability.

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

President Behrens noted the Committee last met in February.

ADMINISTRATIVE COMMITTEE

Chairman Stiehl reported the Administrative Committee will meet in April to recommend scholarships.

ENGINEERING AND OPERATIONS COMMITTEE

Chairman Robson reported the Committee will meet following the April Board meeting.

FINANCE COMMITTEE

Nothing to report.

POLICY COMMITTEE

Nothing to report.

ATTORNEY REPORT

Attorney Rigby reported on changes resulting from the new Administration, water rights and supply rules, and legal happenings pertaining to the utility industry.

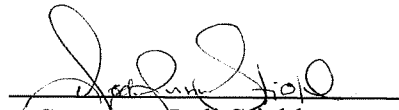
2025 CALENDAR

Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Markegard to adjourn the meeting at 2:09p.m. THE MOTION CARRIED BY UNANIMOUS CONSENT.

DATE APPROVED: April 21, 2025


Secretary Jodi Stiehl