

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

April 24, 2023

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, April 24, 2023, in Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:00 a.m. Angie Haws recorded the minutes. The invocation was given by Bryan Case. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Georg Behrens, Vice President Brent "Husk" Crowther, Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

Past President Dede Draper, Jeff Keay, Anna Lindstedt, Brent Robson, and Doug Schmier, Jay Hansen- remotely

DIRECTORS ABSENT

NONE

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, CFO Linden Barney, Member Services Manager Clint Washburn, Manager of Engineering Dave Peterson, GM of FR Enterprises David McKinnon, Amber Boyce, FR Propane Board Member, HR Manager John Henderson, Guest Louis Brandley with DeCoria & Company, PC, Guest Roger Gray PNGC President & CEO, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

**Director Robson made a motion to approve the minutes from the March 27, 2023, Board Meeting as amended. The motion was seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

ROGER GRAY – BPA PROVIDER OF CHOICE, PNGC AGREEMENT UPDATE & THE FUTURE OF POWER AND TRANSMISSION

Roger Gray President and CEO of PNGC outlined the direction of BPA and PNGC power and transmission contracts post 2028. He provided insights into the decision-making process, potential contract terms, areas of focus and potential flexibility, and the provider of choice timeline.

MEMBER COMMENTS

Director Lindstedt reported that a member reached out to her regarding net metering. The board discussed policy, resources, solar vendors, available grants, rebates, and member follow up.

## FINANCIAL & STATISTICAL REPORTS

### AUDITORS TO REPORT TO BOARD – LOUIS BRANDLEY

Louis Brandley with DeCoria & Company PC reviewed the audit findings and reported the opinion that the accompanying consolidated financial statements presented fairly, in all material respects, the consolidated financial position of Fall River Rural Electric Cooperative, Inc. and Subsidiary as of December 31, 2022 and 2021, and the consolidated results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States. Brandly noted that this is the best finding that can be given, and that Decoria & Company PC is happy to give it. Brandly also expressed his thanks to the staff for promptly providing the documents and information requested. Areas of focus for the audit included a new FASB accounting standard concerning lease agreements, and inventory items. CEO Case commended DeCoria on their audit process and the way that it has helped FR by systematically evaluating Fall River's financial practices and processes.

### AUDITED FINANCIAL REPORTS

Handed out at the board meeting and sent electronically.

### MARCH 31, 2023, FINANCIAL REPORTS

CFO Barney reported on the financials for March 2023. The Cooperative's YTD actual net margin is \$545K above budgeted net margins YTD. The growth rate of new services is just over 3%. Barney stated the growth in new services is slightly higher than budget but the biggest reason for the increase is kWh sales per service are significantly higher than forecasted.

For budget purposes we use a five-year average kWh use per meter for weather normalization and the first quarter of 2023 was the coldest first quarter in more than ten years. In addition to that we are also still seeing more winter usage in seasonal areas. The Cooperative's equity ratio remains strong at just over 48%. The Cooperative generated 3M from operations and invested \$1.4M in plant and materials. Approximately 24% of the total 2023 capital budget has been spent which includes carry overs from 2022.

## COOPERATIVE BUSINESS

### PROPANE QUARTERLY REPORT- AMBER BOYCE, FALL RIVER PROPANE BOARD MEMBER

Amber Boyce FR Propane board member reported on the first quarter financials. Boyce stated YTD actual gallons sold are 1,844,833 compared to the budgeted gallons sold 1,205,601. Gross margins YTD per gallon are eleven cents per gallon over budgeted expectations. YTD actual net income is \$862,940 compared to the budgeted net income of \$250,256. FR continues to see robust growth in new customers combined with colder than normal winter temperatures which contributed to the financial successes seen in the first quarter.

FR Propane GM David McKinnon reported on growth, the propane wholesale market outlook and storage needs and options. He anticipates the need for an additional delivery

truck in the near future. It was noted that the equity position has improved and is now at a 35% equity ratio. Boyce stated the Wyoming expansion is making money. The CAP program has been successful and will continue this year. Boyce reported on the upcoming strategic planning board meeting and possible agenda topics.

#### LINEMAN APPRECIATION RESOLUTION

CEO Case stated this resolution recognizes the contributions of linemen to Fall River Electric and electric cooperatives across this great nation. This resolution will be disbursed to the media and will be read at the all-employee meeting.

**Director Schmier made a motion to approve the resolution #652 Resolution of Appreciation as presented. Director Robson seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

#### NWPPA VOTING DELEGATE – WHO IS ATTENDING NWPPA ANNUAL MEETING MAY 15-17?

CEO Case reported he will attend the NWPPA Annual Meeting as will Secretary Stiehl and Director Schmier.

**Vice President Crowther made a motion to appoint Director Schmier as the NWPPA Voting Delegate and Secretary Stiehl as the Alternate Voting Delegate. Director Robson seconded.** THE MOTION CARRIED BY GENERAL CONSENT.

#### ANNUAL MEETING UPDATE

NOMINATION BY PETITION DEADLINE APRIL 21<sup>ST</sup>

#### MEMBER MESSAGE FROM BOARD PRESIDENT AND CEO

Included in the board packet.

#### NWPPA PAUL J RAVER COMMUNITY SERVICE AWARD TO FALL RIVER HELPING HANDS

NWPPA has named FR Helping Hands as the recipient of the 2023 Paul J. Raver Community Service Award. This award is given to an individual or organization that has shown superior leadership in the betterment of cities, locales, states, or regions. The award will be presented at the NWPPA Annual Meeting in May.

#### DISCOUNT RATE FOR EARLY RETIREMENT OF PATRONAGE CAPITOL

CEO Case reported that there is a small decrease in the Patronage Capital Discount Rate from 7.75% to 7.6%. The calculations were included in the board packet.

#### CEQ LISTENING SESSION – ONE SIDED & TED'S COMMENTS

Included in the board packet.

#### POWER AND TRANSMISSION INCLUDING PPC, PNGC, BPA, AND NEWLY PROPOSED SMALL NUCLEAR GENERATION

SUPPORT OF LOWER SNAKE RIVER DAMS

FALL RIVER RESOLUTION 651

CEO Case reviewed the resolution stating that in March of 2023 Fall River asked for help to join us by sending an email in support of the LSRD with strong oppositions to their removal to this email address [salmon@ceq.eop.gov](mailto:salmon@ceq.eop.gov) by March 30<sup>th</sup>. The resolution states the Fall River Rural Electric Cooperative board resolves and reconfirms our support of the Federal Columbia River Power System. The board discussed the importance of this issue.

ID LETTER ON COLUMBIA RIVER MITIGATION  
Included in the board packet.

#### PPC MOTION FOR COMPROMISE ON BPA POST 2028

CEO Case discussed a motion he made at the PPC meeting. The motion included a list of high-level points of agreement and specific items of interest to Fall River, PNGC and NRU pertaining to the BPA Provider of Choice Post 2028 agreements. The motion was voted on and received unanimous support. After the vote was taken two of the larger utilities expressed some concerns about a few of the points included in the motion pertaining to non-discriminatory treatment of transfer customers and access to non-Federal generation.

PNGC MEETING HIGHLIGHTS  
Included in the board packet.

PNGC NE CONTRACT ROADSHOW  
Upcoming Roadshow dates and locations were included in the board packet.

PNGC EDUCATION SESSION ON 5/3 FROM 9-11 AM MDT ON BPA POST 2028  
AND NEW PNGC CONTRACT, IF INTERESTED

BPA PROVIDER OF CHOICE ROADSHOW – BRYAN, LINDEN, CLINT  
ATTENDED

CEO Case stated that Fall River was represented in all the BPA Post 2028 roadshow meetings with FR staff attending three of them in person and PNGC attending all of the meetings. Topics of concern were addressed to provide consideration and input for the post 2028 contract such as System Augmentation, Tier 1 Cost and Tiered Rate Methodology, Cost Based BPA Tier 2 Options, Conservation Add Back, Load Growth, and Rollover Provisions to name a few.

ENERGY NW, BENTON PUD & OTHERS – PNGC WATCHING – SMALL  
NUCLEAR REACTOR PROJECT  
Included in the board packet.

DISCUSSION – CLIMATE CHANGE, WORLD TRENDS, ENERGY & PATH  
FORWARD – LONG BUT WORTH IT – PPC/SMR  
Included in the board packet.

ICUA SAVE THE DATE – JULY 19-20 RIVERSIDE HOTEL IN BOISE  
Included in the board packet.

STATE LEGISLATIVE UPDATES

#### ICUA LEGISLATIVE MATRIX

Included in the board packet.

#### WREA LEGISLATIVE MATRIX

Included in the board packet.

#### MONTANA LEGISLATIVE REPORT

The board discussed EV's and possible effects of changes regarding tax collection.

#### FALL RIVER GOAL ADJUSTMENT REQUEST

CEO Case stated FR set our 2023 goals knowing we had just transitioned to a new phone system. Early indicators were that the new phone system measured the number of seconds differently than the previous phone system. We also added the prompt that if the member would like to use the automated phone system to check account balances or make a payment, they can press 1. This adds a couple of seconds to the wait time until an actual live person answers the phone.

Fall River has a goal to answer phones as quickly as possible and strive for the average call wait times to be no more than **910** seconds average for the month for all incoming calls during 2023.

<u>Average monthly call wait times</u>	<u>% Accomplished</u>
<b>910</b> Seconds .....	100%
<del>1011</del> Seconds .....	75%
12 Seconds .....	50%

**Director Schmier made a motion to approve the 2023 Goal Adjustment Request as presented by staff. Director Keay seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

#### SCHOLARSHIP REPORT – KOBE WILLIAMS

Included in the board packet.

#### COOPERATIVE REPORTS

Director Lindstedt reported on the CFC webinar she attended.

Director Draper reported on the CFC webinar she attended.

Director Hanson reported on the ICUA board meeting he attended.

Director Schmier reported on NWPPA legislative discussions and the upcoming NWPPA Annual Meeting in May.

Secretary Stiehl reported on the MECA meeting she attended and stated she will be attending the upcoming NWPPA Annual Meeting.

President Behrens reported on the NRECA Legislative Conference he attended as well as the ICUA board meeting.

## CONSENT AGENDA

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

**Director Schmier made a motion to approve the consent agenda. Director Robson 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 1:193 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 1:35 p.m. Secretary Treasurer Stiehl seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

**Director Schmier made a motion to make a \$10,000 dollar contribution to the Cooperative Family Fund. Director Robson seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

There was an additional motion and discussion regarding an annual contribution to the Cooperative Family Fund Donation. The motion was not approved, and staff was encouraged to use their discretion under Fall River's donation process for future donations to the Cooperative Family Fund.

## MANAGEMENT DISCUSSION ITEMS

### DISCUSSION ON ISLAND PARK RUBBER DAM REPLACEMENT OR CONCRETE SOLUTION

Engineering Manager Dave Peterson reported the rubber dam on the bathtub spillway at Island Park was installed after the plant was constructed and was designed to hold 1 foot of water above the spillway which provides a means to keep the elevation of the reservoir at its historical elevation for a longer period of time. This allows for more water to go through the Island Park Hydro.

Fall River received a letter from Bridgestone (the manufacturer of the rubber dam) last summer informing Fall River that their rubber dams have a lifespan of 20 years. Island Park's rubber dam is nearly 30 years old. It is currently in fair working condition, but staff are seeing an increased need to add air as there is a slow leak.

We have begun looking at alternatives for the replacement of this rubber dam, one option being replacement with concrete. This option would allow filling the reservoir earlier each year as the routine now is to wait to fill until the ice is off so that the rising ice level does not damage the rubber dam and components.

We are currently working with the BOR and stakeholders on the option of replacing the rubber dam with concrete.



**DEREK HANKS RECEIVED THE NWPPA SAFETY HEROISM AWARD**  
CEO Case announced that NWPPA's Engineering & Operations Conference Committee has named Derek Hanks the recipient of the 2023 NWPPA Safety Heroism Award. This award recognizes an NWPPA member utility employee, or team, that displayed an act/s of unselfish and voluntary assistance in a situation where life, significant injury or significant property loss would have been incurred but for the efforts of the individual or team.

**FALL RIVER DEMAND SUMMARY**

Member Services Manager Clint Washburn reviewed reports to review demand by rate class. The board discussed current demand, controlling demand, tools for members, and the future of demand as we look at the Cost-of-Service Analysis.

**FALL RIVER FARM SAFETY VIDEO**

Link included in the board packet.

**DITCH BURNING INFORMATIONAL VIDEO**

Link included in the board packet.

**SUMMARY OF DISCONNECT PROCESS**

Included in the board packet.

**BILL STUFFER – CALL BEFORE YOU DIG REMINDER, LOCATING COSTS & NO OF DIG INS**

CEO Case stated FR has seen an increase in dig ins. A bill stuffer will be going out to the members to remind them to call in a locate prior to digging. The board discussed the volume, cost, and frequency of dig ins.

**HYDRO REVENUE AND COST ANALYSIS**

CEO Case reviewed the five-year hydro analysis.

**GRANTS – IDAHO FALLS & FALL RIVER GRIP GRANT APPLICATION**

Included in the board packet.

**TED – THANK YOU SCOTT SIMMS FMCS EMAIL**

Included in the board packet.

**HYDRO FACILITIES UPDATE**

Island Park, Chester, and Buffalo generated a total of 1,208,600 kWh in March. This amounts to 3.0% of all the kWh billed by PNGC in March and 3.1 % of all kWh sold and used by Fall River in March.

Felt Hydro produced 1,448,000 kWh in March. When this is included with Island Park, Chester, and Buffalo it amounts to 6.6% of all the kWh billed by PNGC in March and 6.8% of all kWh sold and used by Fall River in March.

#### ISLAND PARK

Island Park hydro produced 672,681 kWh during the month of March.

#### BUFFALO

Buffalo hydro produced 170,483kWh during the month of March.

#### FELT

Felt hydro produced 1,448,000 kWh during the month of March.

#### CHESTER

Chester Hydro produced 365,436 kWh in the month of March.

#### MECA RETAIL RATE SURVEY

##### RESIDENTIAL RETAIL RATES

Included in the board packet.

##### IRRIGATION RETAIL RATES

Included in the board packet.

##### COMMERCIAL RETAIL RATES

Included in the board packet.

#### DONATIONS

Included in the board packet.

#### FALL RIVER'S MANAGEMENT REPORT.

Included in the board packet.

#### REPORTS BOARD COMMITTEES, MEETINGS, AND MEMBER COMMENTS

##### POLICY COMMITTEE

Nothing to report.

##### ADMINISTRATIVE COMMITTEE

Chairman Keay stated the committee met this morning and would like to recommend scholarships to be awarded to the list of applicants as discussed. There were a number of qualified and deserving applicants this year and as a result the committee would like to request one additional scholarship be made available for this year only.

**Director Keay made a motion to approve the recommended names to award scholarships and also add one additional scholarship for this year only.**

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

##### FINANCE COMMITTEE



Nothing to report.

EXECUTIVE COMMITTEE

Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

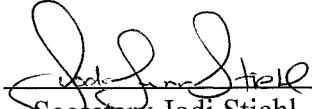
ATTORNEY RIGBY'S REPORT

Attorney Rigby reported on the Columbia Basin and current issues related to Hydro power.

ADJOURNMENT

There being no further business, **Director Hanson made a motion to adjourn. Director Schmier seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 2:19p.m.

DATE APPROVED: May 22, 2023

  
Secretary Jodi Stiehl