

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

April 29, 2024

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, April 29, 2024, at 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, and Secretary/Treasurer Jodi Stiehl

DIRECTORS PRESENT

Jeff Keay, Travis Markegard, Brent Robson, and Doug Schmier

DIRECTORS ABSENT

Past President Dede Draper, and Anna Lindstedt

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, Guest Speaker Wyoming REA Executive Director Shawn Taylor, FR Propane Director Merrick Young, IT Technician Slade Orme, HR Manager John Henderson, Member Service Manager Clint Washburn, Engineering Manager Dave Peterson, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR MARCH 25, 2024

Director Keay made a motion to approve the minutes from the March 25, 2024, Board Meeting as amended. Vice President Crowther seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

SHAWN TAYLOR, WYOMING REA- IN PERSON

Shawn Taylor Executive Director of Wyoming Rural Electric Association (WREA) reported on current legislative issues affecting cooperatives in Wyoming. WREA represents fourteen electric power distribution cooperatives and three generation and transmission cooperatives that provide electricity to over 104,000 homes, businesses, ranches, and farms. On both state and federal levels, the WREA promotes the interests of Wyoming cooperatives in regulatory matters and legislative issues.

QUARTERLY PROPANE REPORT – MERRICK YOUNG

Merrick Young Director for FR Propane reported YTD gallons sold are 1,459,326 which is just shy of the 1.5M budgeted. Even with the lower expected gallons sold FR Propane is doing well financially with a net return of 468k which is \$78k higher than budgeted margins. CEO Case

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noted the equity ratio for the Propane Subsidiary is just over 40%. Young reviewed the market outlook, as well as upcoming strategic planning topics and GM McKinnon provided detail on margins and labor costs. The board discussed taxes, expansion areas, and natural gas potential impact.

MEMBER COMMENTS

The board reviewed member comments and communications.

SCHOLARSHIP REPORTS

Included in the board packet.

SAWYER BARTON
KENADEE BOHN
MAKAY BURROWS
ALEXANDER HILL
ANDREW HILL
KATERINA LINDSTROM
HAYDEN MAUPIN
BLAKE OBERHANSLEY
PAYTON POTTER
JOSE VELAZQUEZ
TYLER LENNING
CHARITY WILSON
LELAND DEXTER LINEMAN SCHOLARSHIP THANK YOU

HELPING HANDS - MARY CURREN – GIVING BACK
Included in the board packet.

THANK YOU – JUSTIN BARNARD
Included in the board packet.

FINANCIAL AND STATISTICAL REPORTS

MARCH 31, 2024, FINANCIAL REPORTS

CEO Case reported the net margins for March were \$635k ahead of budget. The biggest reason for the increased margins is the timing on expense items that were budgeted at the beginning of the year but have yet to be incurred. The biggest of these items is the stator rewind at Chester. The cash flow generated \$2.5M from operations, and \$3.1 M has been invested in plant and materials YTD. CEO Case reported that just under \$1M has been paid down on principal on long-term debt.

FALL RIVER 2023 AUDITED FINANCIAL STATEMENTS – LOUIS BRANDLEY OR DAVE DECORIA – VIRTUAL

Louis Brandley reported that the audit went well, and stated in the auditor's opinion the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Cooperative as of December 31, 2023, and 2022, 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. Brandley noted that there were two additional areas of focus where the auditors do a deeper dive and this year that focus was on cash payment controls and payroll related liabilities. Brandley complimented FR staff on their cooperation and swift response to documentation requested, as well as accuracy of material inventory counts.

COOPERATIVE BUSINESS SCHOLARSHIP RECOMMENDATIONS FROM THE ADMINISTRATIVE COMMITTEE

Chairman Key reported that the Committee met today and would like to recommend 32 High School scholarships to the full board for approval. In addition, the Committee would ask the board to award two additional lineman scholarships this year to the recommended, qualified applicants.

Director Key made a motion to approve the scholarship recommendations as presented by the Administrative Committee including two additional Lineman Scholarships to be awarded in 2024. Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Chairman Key noted that there was a recent member inquiry. The question was to consider expanding the eligibility of scholarships to grandchildren of FR members. The Committee discussed the request and the committee determined that the purpose of the scholarship program is to support the communities within our service territory. Cooperative Principle #7 Concern for Community.

GENERAL POLICIES FOR BOARD APPROVAL

GP#102 DIRECTOR DUTIES, RESPONSIBILITIES, ETC.

Chairman Schmier reported that the Committee discussed the definition of specific verbiage in General Policy #102 Director Duties, Responsibilities, Etc. Schmier stated that the other policies presented had minor grammatical and word choice corrections for clarity. The board continued the discussion to clarify the definition of said verbiage in GP# 102 to ensure the policy and bylaws are congruent.

Secretary Stiehl made a motion to pull out General Policy#102 “Director Duties, Responsibilities, Etc.” for further review. Director Schmier seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

GP# 609 REIMBURSEMENT OF BUSINESS EXPENSE

Included in the board packet.

GP# 610 EMPLOYEE AND DIRECTOR PURCHASING

Included in the board packet.

GP# 311 DISPOSITION OF PROPERTY AND SALE OF MATERIALS AND EQUIPMENT

Included in the board packet.

GP# 313 PURCHASING PRACTICES AND PROCEDURES
Included in the board packet.

Director Schmier made a motion to approve General Policy# 609 “Reimbursement of Business Expense”, GP# 610 “Employee and Director Purchasing”, GP# 311 “Disposition of Property and Sale of Materials and Equipment”, and GP# 313 “Purchasing Practices and Procedures” as recommended by the Policy Committee. Vice President Crowther seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PNGC BOARD HIGHLIGHTS AND RESOURCE DEVELOPMENT PLAN
CEO Case provided a summary of PNGC’s proposed resource development plan with PNGC’s recommended generation types. CEO Case and the board discussed the desire to diversify our generation mix while focusing on providing reliable, affordable generation for our members. It was the consensus of the board that the proposed PNGC resource development plan generally met the expectations of Fall River.

PNGC RESOURCE DEVELOPMENT PLAN (RDP)
Included in the board packet.

UPDATED LONG RANGE RESOURCE DEVELOPMENT PLAN
Included in the board packet.

SUMMARY OF MEMBER RESPONSES
Included in the board packet.

BPA PROVIDER OF CHOICE RELEASE
Included in the board packet.

EARLY RETIREMENT OF PATRONAGE CAPITAL DISCOUNT RATE
Included in the board packet.

CFC VOTING DELEGATE AND ALTERNATE
Director Robson made a motion to name CFO Linden Barney as CFC Voting Delegate and CEO/GM Brian Case as Alternate Voting Delegate. Director Keyay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

BOARD STRATEGIC PLANNING SAVE THE DATE
Included in the board packet.

NRECA LEGISLATIVE RALLY
CEO Case, Vice President Crowther, Director Draper, and Director Markegard represented FR at the NRECA Legislative Rally to discuss issues affecting cooperatives with Representatives in Washington, D.C.

NRECA TALKING POINTS
Included in the board packet.

ICUA TALKING POINTS
Included in the board packet.

EXPO/ANNUAL MEETING CANDIDATES – SATURDAY JUNE 8TH
CEO Case stated the following candidates are on the ballot for the upcoming Annual Meeting of the members to be held Saturday, June 8th at Teton High School in Driggs, ID:

District #1 Rexburg/Rigby
Brent “Husk” Crowther – Incumbent

District #5 West Driggs/Tetonia
Brent Robson – Incumbent
Robert Foster
Ray Suitter

District#6 Ashton
Dede Draper – Incumbent
Marshall Merrell

FALL RIVER FACTS AND FIGURES
Handed out at the board meeting.

COOPERATIVE REPORTS

Director Schmier reported on NWPPA meetings and legislative meetings.

Secretary Stiehl reported on MECA meetings attended and upcoming opportunity to speak to the Governor of Montana.

Vice President Crowther reported on the Legislative Conference he attended.

Director Markegard reported on the Legislative Conference he attended.

Director Key reported on FR Propane board meeting and Crisis Communication he attended.

President Behrens reported on ICUA meetings attended and legislative discussions.

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 Robson made a motion to approve the consent agenda as discussed.

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

EXECUTIVE SESSION

Director Keay made a motion to go into Executive Session at 2:32p.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 3:15p.m. Director Keay seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

AVOIDED POWER COST RATE

Included in the board packet.

QUARTERLY WORK PLAN AND GOAL UPDATE

Included in the board packet.

NRECA POD CAST WITH LOUIS FINKEL AND BRYAN CASE ON THE VALUE OF THE LSRDS “ALONG THOSE LINES: LOWER SNAKE RIVER DAMS DEAL THREATENS RELIABILITY IN NORTHWEST – AMERICA’S ELECTRIC COOPERATIVES

Link included in the board packet.

GRANT UPDATES

Included in the board packet.

NWPPA 2023 SAFETY CONTEST AWARD

CEO Case reported the Northwest Public Power Association (NWPPA) awarded FR the second place Safety Contest Award at its Engineering and Operations Conference. The safety awards are based upon a review of each utility’s safety form, the number of recordable injury/illness cases in 2023 and their lost workdays. FR was the only Idaho-based electric cooperative to receive an award.

FALL RIVER AND BPA TRANSMISSION PROJECTS

Included in the board packet.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 2,276,363 kWh in March. This amounts to 6.2% of all the kWh billed by PNGC in March and 6.6% of all kWh sold and used by Fall River in March.

Felt Hydro produced 1,757,039 kWh in March. When this is included with Island Park, Chester, and Buffalo it amounts to 10.9% of all the kWh billed by PNGC in March and 11.6% of all kWh sold and used by Fall River in March.

ISLAND PARK

Island Park hydro produced 1,426,370 kWh during the month of March.

BUFFALO

Buffalo hydro produced 166,413 kWh during the month of March.

FELT

Felt hydro produced 1,757,039 kWh during the month of March.

CHESTER

Chester Hydro produced 683,580 kWh in the month of March.

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

Director Schmier reported the Committee will meet in May.

ADMINISTRATIVE COMMITTEE

Chairman Key reported the Administrative Committee met prior to board meeting this morning. He stated the Committee will meet again prior to November to review scholarship allocation.

FINANCE COMMITTEE

Nothing to report.

EXECUTIVE COMMITTEE

President Behrens reported that the Executive Committee met last month to discuss strategic planning topics, bylaws, and policy.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

ATTORNEY REPORT

Attorney Rigby reported on updates with irrigation and water rights.

2024 CALENDAR


Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Markegard to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

The meeting was adjourned at 3:35 p.m.

DATE APPROVED: May 20, 2024



Secretary Jodi Stiehl