

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

August 22, 2022

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, August 22, 2022, at Springhill Suites in Island Park, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 9:05 a.m. Executive Assistant Angie Haws recorded the minutes. The invocation was given by Jeff Keay. 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, Jay Hanson, Anna Lindstedt, Brent Robson, Doug Schmier, and Jeff Keay

DIRECTORS ABSENT

None

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, CFO Linden Barney, Engineering Manager Dave Peterson, Operations Manager Brent Gamett, IT Manager Shannon Hill, Member Services Manager Sheena Lankford, Propane GM David McKinnon, FR Enterprises board member David Moore, Guest presenters from NRECA Henry Cano, Tolu Omotoso, Brian Sloboda, and Ryan Newlon, Gary Saleba from GDS/EES and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

Director Hanson made a motion to approve the agenda as amended. Director Schmier seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF MINUTES

Director Robson made a motion to approve the July 25, 2022, Board Meeting Minutes as amended. Director Hanson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

CEO Case stated the member comments were included in the packet for the board members to review.

LUCILLE BAN- OUTAGE RESTORATION THANK YOU

Included in the board packet.

FINANCIAL & STATISTICAL REPORT

JULY 31, 2022, FINANCIAL REPORTS

CFO Barney reported on the financials for July stating the net margins YTD were \$1.7M better than budgeted. The major driver for increased margins is revenue net of power cost. The biggest reason for the variance is growth in new services. The budget was based on 2% to 3% growth, and our annual growth rate is at 3.7%. Other budget variances are mainly due to timing of actual expenses versus when they were budgeted. We have received \$8.9M in new loan proceeds and we have paid \$2.1M on long-term debt. There has been \$4.7M generated from operations YTD and we have invested \$3.8M in plant including materials. We have spent 55% of the capital budget which includes items carried over from the previous year. The Cooperative's equity ratio is just under 48%.

COOPERATIVE BUSINESS

PROPANE REPORT TO ELECTRIC- DAVID MOORE

CEO Case noted that David Moore Fall River Enterprises board member will be presenting the quarterly report this month but has tendered his resignation to the board as he will be moving out of the area. Case expressed his appreciation for Moore's service to the board and stated he will be missed. A plaque recognizing Mr. Moore's service was presented by FR Propane GM David McKinnon and FR Electric CEO Bryan Case. Moore reported FR Propane YTD revenue through July was over budget by \$822K. Net income year to date is \$774K and is \$109K for the month of July. Mr. Moore reported that the CAP program which offers propane tank monitoring, automatic delivery, and price protection with a never run out guarantee was a very successful program, and it is being offered again this year. The summer fill special was also successful. YTD propane gallons sold 2,778,000.00 which is an increase from the past several years. The equity ratio is at 19.7%.

RECOGNIZE DEDE DRAPER'S SERVICE AS FALL RIVER'S BOARD PRESIDENT 2020-2022- GEORG BEHRENS & BRYAN CASE

Past President Dede Draper was presented with a plaque and gavel recognizing her dedicated and excellent service as Board President by recently elected Board President Georg Behrens and CEO Bryan Case.

JAY HANSON RECIPIENT OF THE NRECA REGIONAL AWARD FOR OUTSTANDING SERVICE TO BE PRESENTED AT NRECA REGION 7&9 MEETINGS

CEO Case stated the award Jay Hanson has been awarded is quite an honor, speaks to his years of service and that he received several letters of recommendation toward the nomination. The board offered their congratulations to Director Hanson. This award will be presented at the upcoming NRECA Region 7&9 meetings.

KRTA – FALL RIVER HIGHLIGHTS & RATIOS TO WATCH

CEO Case and CFO Linden Barney reviewed several key ratios for the Cooperative. Fall River when compared to industry ratios is doing very well in relation to its financial position, system reliability, power and transmission costs, and the Cooperative's controllable costs.

POLICY COMMITTEE RECOMMENDATION FOR APPROVAL

GP # 302 Approved Depositories for Cooperative Funds
(Included in packet)

GP # 303 Authorized Check Signatures
(Included in packet)

GP # 307 Special Consumer Charges
(Included in packet)

GP # 308 Collection of Unpaid Account and Bad Debt Reserve
(Included in packet)

GP # 317 Equal Payment Plan
(Included in packet)

GP # 409 Movement of Building and Equipment Under and Through Cooperative Lines
(Included in packet)

GP # 622 Cooperative Vehicle Policy
(Included in packet)

Vice President Crowther made a motion to approve the following General Policies as reviewed and recommended to the board. GP*GP # 302 Approved Depositories for Cooperative Funds (Included in packet) GP # 303 Authorized Check Signatures, GP # 307 Special Consumer Charges, GP # 308 Collection of Unpaid Account and Bad Debt Reserve, GP # 317 Equal Payment Plan, GP # 409 Movement of Building and Equipment Under and Through Cooperative Lines, GP # 622 Cooperative Vehicle Policy. Director Keay seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

POWER SUPPLY SURVEY RESULTS FROM BOARD AND MANAGEMENT TEAM

Included in the board packet.

BPA ITEMS INCLUDING

FALL RIVER'S BPA EXPECTATIONS FROM EARLY 2022 – DO WE NEED TO MAKE UPDATES OR ARE THESE STILL RELEVANT?

CEO Case stated that FR began discussing post 2028 BPA contract expectations and interests in August of 2020. The Cooperative has forwarded these ideas to BPA and PPC highlighting topics such as affordability, price certainty, environment, reliability, flexibility, term of contract, and risk management.

BPA – LITIGATION STAY CONTINUED WITH CONDITIONS

Included in the board packet.

BPA ASKED TO PARTICIPATE IN RTO MARKET DEVELOPMENT AND BPA CONFIRMS THEY ARE FINANCIALLY PARTICIPATING WITH SPP

Included in the board packet.

PNGC POST 2028 BPA PROVIDER OF CHOICE COMMENTS

Included in the board packet.

NORTHWEST RIVER PARTNERS PRO-LSRDS CAMPAIGN

Included in the board packet.

COOPERATIVE REPORTS

Director Schmier stated he will be attending NWPPA meetings next month.

Director Key reported he attended two FR Propane board meetings.

Past President Draper reported she attended FR Propane board meetings.

Secretary Treasurer Stiehl reported she will be attending NRECA and MECA meetings in the next few months.

CONSENT AGENDA

Director Hanson made a motion to approve the consent agenda. Director Robson seconded the motion which included expense vouchers, new memberships, purchase of power agreements, check register, safety report, and discounted patronage capital refunds report. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

MECA VOTING DELEGATE AND ALTERNATE

Director Draper made a motion to nominate Clint Washburn as the voting delegate and no alternate. Director Key seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

NRECA ALTERNATE VOTING DELEGATE CHANGE

Director Key made a motion to nominate Bryan Case as the NRECA Region 7 & 9 meeting alternate voting delegate. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

EXECUTIVE SESSION

Director Hanson made a motion to go into Executive Session at 11:29 a.m. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Director Hanson made a motion to go out of Executive Session at 11:50 a.m. and Director Stiehl seconded. A voice vote was taken; THE MOTION CARRIED BY

UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

IT TIPS AND TRICKS & SUGGESTIONS FOR FUTURE IT TRAINING

IT Manager Shannon Hill reviewed helpful it practices regarding managing email and common phishing scam attempts.

EMPLOYEE SURVEY ON FALL RIVER CULTURE ELECTRIC AND PROPANE

Included in the board packet.

NRECA SUMMARY OF INFLATION REDUCTION ACT (IRA)

Included in the board packet.

HYDRO FACILITIES UPDATE

Island Park and Buffalo and Chester hydros generated a total of 3,658,101 kWh in July. This amounts to 7.3.% of all the kWh billed by PNGC in July, and 7.8% of all kWh sold and used by Fall River in July.

Felt hydro produced 2,610,000 kWh in July. When this is included with Island Park, Buffalo, and Chester it amounts to 12.4% of all the kWh billed by PNGC in July, and 13.4% of all kWh sold and used by Fall River in July.

ISLAND PARK

Island Park hydro produced 2,759,295 kWh during the month of July.

BUFFALO

Buffalo hydro produced 144,958 kWh during the month of July.

FELT

Felt hydro produced 2,610,000 kWh during the month of July.

CHESTER

Chester hydro produced 753,848 kWh in July.

CHESTER ANNUAL CASHFLOW BY YEAR

Included in the board packet.

DONATIONS

Included in the board packet.

FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.

REPORTS

EXECUTIVE COMMITTEE

Nothing to report.

ADMINISTRATIVE COMMITTEE

Nothing to report.

ENGINEERING & OPERATIONS COMMITTEE

Nothing to report.

FINANCE COMMITTEE

Nothing to report.

POLICY COMMITTEE

Chairman Schmier reported that the Policy Committee will meet September 26.

ATTORNEY REPORT

Nothing to report.

NRECA INTEREST & INSIGHTS FOR EMERGING TECHNOLOGY- PRESENTED BY HENRY CANO, TOLU OMOTOSO, BRIAN SLOBODA, RYAN NEWLON

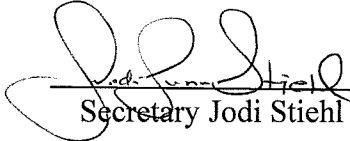
GARY SALEBA EES CONSULTING

Mr. Saleba presented his view of the utility industry discussing several pertinent topics, specifically post 2028 energy contracts.

ADJOURNMENT

There being no further business, **Director Hanson made a motion to adjourn. Director Robson seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 1:48: p.m.

DATE APPROVED: September 26, 2022


Secretary Jodi Stiehl