

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

February 26, 2024

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, February 26, 2024, at Ashton, Idaho. Having determined a quorum was present, Vice President Crowther called the meeting to order at 10:00 a.m. Angie Haws recorded the minutes. The invocation was given by Anna Lindstedt. 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, Anna Lindstedt, Jeff Keay, Travis Markegard, Brent Robson, and Doug Schmier

DIRECTORS ABSENT

NONE

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, Guest Speaker Will Hart ICUA, Engineer Chase Johns, Line Foreman Tuc Atchley, Member Service Manager Clint Washburn, Engineering Manager Dave Peterson, CFO Linden Barney, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR JANUARY 22, 2024 **Director Crowther made a motion to approve the minutes from the January 22, 2024, Board Meeting as presented. Director Markegard seconded.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

WILL HART – ICUA AND LEGISLATIVE UPDATE

ICUA AND WILDFIRE PLANNING AND POTENTIAL LEGISLATION IN 2025

Will Hart, ICUA Executive Director spoke to the board about the role ICUA plays in current legislation affecting the utility industry. Hart highlighted ICUA as an organization, Idaho representation on issues, status and concern on particular pieces of legislation, important fire mitigation recommendations and legislation seeking additional protections for utilities, Lower Snake River Dams and Columbia River Treaty, and technology in the utility industry.

MEMBER COMMENTS

The board reviewed member comments and communications.

MIKE STEINMAN CONCERNS

Director Draper reported on Mr. Steinman's communications. CEO Case followed up with the member.

SCHOLARSHIP REPORT – JOHN LEWIS

Included in board packet.

FINANCIAL AND STATISTICAL REPORTS

DECEMBER 31, 2023, FINANCIAL REPORTS

CFO Linden Barney reported on final reports for December 21, 2023, after FR Propane numbers were booked. The net margins are \$1.6M higher than reported in the preliminary reports last month. The main reason for the increase is the consolidation of Propane net income (\$1.6 million). There were additional cost accruals for vendor invoices that came in late relating to maintenance projects, these costs were offset by additional investment income that needed to be booked along with the patronage allocation from PNGC. With the above adjustments Fall River's equity ratio at the end of 2023 was 49%.

JANUARY 31, 2024, FINANCIAL REPORTS

CFO Barney reported the net margins for January were \$619k, which is \$283k higher than the budget. The biggest reason for the increased margins is the timing of the stater rewind at Chester. The budget anticipated \$300k of costs for the stater rewind in January and so far, the only billing we have received on this is the up-front charge that was previously paid in December. Revenue was higher than anticipated due to kWh sales being 8% higher than budget. Purchased power costs were significantly higher than budget. The budget was based on the PNGC power cost model. We will continue to monitor power costs. Other significant variances are noted in the variance analysis. Fall River's equity ratio at the end of January was 49.4% and the growth rate in new services is still at 3.7%. Barney stated \$1.1 million of cash was generated from operations and just under \$1.2 million was invested in plant and materials and \$600k of principal on long-term debt was also paid out in January. He noted that 10% of the capital budget has been spent, which includes carry-over items from last year.

Barney provided an update of the annual field audit stating the audit went well. He noted the final audit report will be presented to the board this spring and auditors will also report to the membership at the annual business meeting June 8, 2024.

COOPERATIVE BUSINESS

STRATEGIC THINKING

NRECA ALONG THOSE LINES – WHAT THE AI REVOLUTION MEANS FOR ELECTRIC CO-OPS

Link included in the board packet.

FERVO ENERGY BREAKS GROUND ON WORLD'S LARGEST NEXT-GEN
GEOTHERMAL PROJECTS
Link included in the board packet.

SEVERAL EV ARTICLES-FORD CLOSING EV SEGMENT, CHINA
MANUFACTURER OVERTAKING TESLA IN SALES & TESLA PREDICTS
SLOWER SALES IN 2024

Are Electric Vehicles Good for Rural Areas? [Are Electric Vehicles Good
for Rural Areas? | U.S. News \(usnews.com\)](#)

- EV Lose Momentum in the US
- Ford EV Segments
- Will China Manufacturing Overtaking Tesla in Sales
- Tesla Predicts Slower Sales in 2024

NW POWER AND CONSERVATION COUNCIL CHAIR, JEFF ALLEN MET WITH FALL
RIVER – REPORT ANNA LINDSTEDT, TRAVIS MARKEGARD, LINDEN BARNEY
FR ANSWERS TO COUNCIL QUESTIONS

Board members and staff that attended the meeting with Jeff Allen NW Power and
Conservation Chair reported on the meeting and were appreciative of the time spent
discussing important issues affecting utilities and our membership. It was noted that Mr.
Allen may have additional meetings as a result of this discussion.

FR ENERGY EXPO & ANNUAL MEETING

MEMBER NOMINATING COMMITTEE – MARCH 20TH AT 6:00
CEO Case stated the Nominating Committee meeting will be held at the Ashton Office.
Case discussed the topics and procedures (referencing the bylaws) that will be reviewed
with the committee at the meeting.

BOARD INCUMBENTS HAVE ALL CONFIRMED THEY WILL RUN

MEMBER NOMINATING COMMITTEE FAQs
Included in the board packet.

TETON HIGH SCHOOL MAP LAYOUT
Included in the board packet.

PNGC NEW CEO AND FINAL RESOURCE DEVELOPMENT PLAN
ANNOUNCEMENT FOR PNGC NEW CEO – JESSICA MATLOCK
CEO Case reported the announcement has recently gone out that PNGC has hired a new
CEO. Case provided some background on the new PNGC CEO Jessica Matlock and stated
that she is a great addition to PNGC.

TIER 2 OPTIONS, DATES AND ULTIMATE CHOICE
CEO Case reviewed deadline dates of the contract. The board discussed contract options
going forward and the timeline to make decisions. The board discussed costs, generation,

equity, member load distribution, trends, wholesale market, load shaping, renewables, load forecasting, future projects, and grants.

POSSIBLE IMPACTS TO FALL RIVER RATES

The board discussed investments in generation and the costs versus the long-term value of potential investments.

CEO Case stated once we make the decision on the short term 2026 through 2028, we will need to be prepared to make a decision for our post 2028 resource mix. The BPA mandated contract election dates are:

- Rate Period Generation Elections Oct 31st, 2024, for rate period 2026 through 2028.
- Post 2028 contract election September 30, 2025.

The balance of these resources will take into account our members directive to be cost conscience, develop a reliable mix of available energy and be mindful of a long-term strategy to reduce risk from volatile price changes with an increasingly diverse energy mix over time.

Director Robson made a motion to approve staff recommendation for generation options. Secretary Stiehl seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NRECA LEGISLATIVE CONFERENCE – ICUA, MECA, WREA VISITS TO FEDERAL OFFICES – APRIL 22-24 WASHINGTON D.C.

CEO Case stated these items were included for review prior to the upcoming Legislative Conference.

STATE & FEDERAL LEGISLATIVE ITEMS ICUA REPORT – WILL HART VERBAL

WREA LEGISLATIVE ITEMS

CEO Case provided a WREA legislative update on bills HB-94 Net Metering which died on the introductory vote and HB-200 Electricity generation-equity and consumer protection bill that wasn't considered for introduction. Other items of note were included in the board packet.

PPC LEGISLATIVE TALKING POINTS Included in the board packet.

BPA DISCUSSION TOPICS

RESIDENTIAL EXCHANGE PROGRAM

CEO Case reviewed the Residential Exchange Program (REP). The board discussed capacity, and the potential impact of REP outcomes.

PPC FILES PETITION FOR REVIEW OF BPA ACTIONS IN NINTH CIRCUIT
CEO Case reviewed the current dynamics regarding this petition, noting that there is currently an eight-year stay. The board discussed possible next steps regarding this topic.

ISLAND PARK NEWS – CITY COUNCIL JODI STIEHL
The board congratulated Secretary Stiehl on her position as a City Council member. The Island Park news article was included in the board packet.

LOWER SNAKE RIVER DAMS TO THE RESCUE
JIM MATHESON OF NRECA AND PPC TESTIMONY AT HEARING

JIM MATHESON SHORT VIDEO
Link included in the board packet.

ENTIRE HEARING
Link included in the board packet.

HYDRO FLEXES IN POLAR VORTEX
Previously emailed to board members.

NORTHWEST HYDRO COMES TO THE RESCUE PPC
Included in the board packet.

PPC'S LSRD VALUE AND FACTS
Included in the board packet.

BOARD COMPENSATION SUMMARY – INFORMATION ONLY
Included in the board packet.

COOPERATIVE REPORTS

Secretary Stiehl reported she will attend the upcoming NRECA Meeting.

Past President Draper reported on PPC meetings she attended online and stated she will attend the Legislative Conference in April.

Director Markegard stated he is tentatively planning on attending the Legislative Conference in April.

Director Schmier reported on highlights from NWPPA meetings and highlights from committee meetings. He noted the dates for the NWPPA Annual Mtg will be May 12-14.

Director Keay reported that he will attend the upcoming Director's Conference online.

President Behrens reported on ICUA meetings attended.

CONSENT AGENDA

Board and CEO expense reports, New Memberships, Purchase of Power Agreements, Check

Board Minutes of February 26, 2024

Report, Safety Report, Early Retirement of Patronage of Patronage Capital was reviewed by all Board Members in Board Package prior to meeting.

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

EXECUTIVE SESSION

Secretary Stiehl made a motion to go into Executive Session at 1:35 p.m. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Secretary Stiehl made a motion to go out of Executive Session at 2:27 p.m. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Secretary Stiehl made a motion to adopt Board Resolution# 653. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Director Schmier made a motion to approve CEO Compensation as discussed in executive session. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

2023 WORK PLAN AND GOAL ACCOMPLISHMENTS

CEO Case commented on the success of the FR team in accomplishing so many of the 2023 Work Plan items and Goals. Case stated 81.5% of the 2023 goals were completed noting the high new service volume and a lengthy list of big projects.

INSTANT OWNER REBATE - \$1.5M CREDITS TO MEMBERS STATEMENTS IN FEBRUARY

CEO Case reported the Instant Owner Rebate was made possible primarily by the FR Propane business which is FR Electric's subsidiary. FR Propane had a record year and impressive margins which made this Instant Owner Rebate possible. The rebate credits are reflected in the members' February 2024 statement.

PNGC 2023 PATRONAGE CAPITAL ALLOCATION

Included in the board packet.

INSURANCE COMPARISON

CEO Case stated the insurance costs are going up in some areas. The board discussed changes in costs and possible options.

STAFF CROSS TRAINING COMMENTS

CEO Case shared FR staff comments and feedback regarding one of the 2023 goals which was to complete four hours of cross training in another department. Case noted that the goal was worthwhile and had value and it will also be a goal in 2024.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,568,546 kWh in January. This amounts to 3.5% of all the kWh billed by PNGC in January and 3.6% of all kWh sold and used by Fall River in January.

Felt Hydro produced 1,767,368 kWh in January. When this is included with Island Park, Chester, and Buffalo it amounts to 7.4% of all the kWh billed by PNGC in January and 7.7% of all kWh sold and used by Fall River in January.

ISLAND PARK

Island Park hydro produced 1,355,237 kWh during the month of January.

BUFFALO

Buffalo hydro produced 126,575 kWh during the month of January.

FELT

Felt hydro produced 1,767,368 kWh during the month of January.

CHESTER

Chester Hydro produced 86,734 kWh in the month of January.

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 have their next meeting in March of 2024.

ADMINISTRATIVE COMMITTEE

Chair Keay reported that the Committee met prior to the board meeting and scholarship assignments were made to the committee members. Kay stated after reviewing a recent scholarship application the committee would like to recommend Leland Dexter to receive the Lineman Scholarship.

Director Keay made a motion to approve the recommendation from the

Administrative Committee to award a FR Lineman Scholarship to Leland Dexter. Secretary Stiehl 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 pertinent legal updates affecting the industry.

2023/2024 CALENDAR
Included on the board agenda.

ADJOURNMENT
A motion was made by Secretary Stiehl and seconded by Director Robson to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 2:43 p.m.

DATE APPROVED: March 25, 2024


Secretary Jodi Stiehl