

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

January 22, 2024

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, January 22, 2024, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:13 a.m. 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, Anna Lindstedt, Jeff Keay, Brent Robson, and Doug Schmier

DIRECTORS ABSENT

Travis Markegard

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, Guest Speakers Bear Prairie and Jim Freeman Idaho Falls Power, Jerry Lemm MECA, Engineer Rafi Rahman, Work Order Clerk/Conservation Specialist Nina Eidinger, Member Service Manager Clint Washburn, Marketing Manager Ted Austin, 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. Vice President Crowther seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

APPROVAL OF MINUTES FOR DECEMBER 18, 2023

Vice President Crowther made a motion to approve the minutes from the December 22, 2023, Board Meeting as presented. Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

CEO Case reviewed the concerns and correspondence with members. The board discussed communications, tone, content, and outcome. It was determined the Cooperative is on course with the established Vision and Strategic Objectives currently in place.

RETAIL RATE INCREASE

Included in the board packet.

CHI MELVILLE-ACCESS FEE AND FR MINUTES

Included in the board packet.

LSRDS MEMBERS COMMENTS AND MEMBER SUPPORT
Included in the board packet.

MEMBER THANK YOU'S FOR PATRONAGE CAPITAL CHECKS
Included in the board packet.

FINANCIAL AND STATISTICAL REPORTS

PRELIMINARY-DECEMBER 31, 2023, FINANCIAL REPORTS

CFO Barney reported that the numbers are preliminary and will change noting that the biggest item that will be booked in February is the net income from FR Propane as investment income. Barney reported that the Cooperative's equity ratio is at 48.5%.

The cashflow YTD of \$8.5 M has been generated from operations, \$8.5 M has been invested in plant and materials, \$3.1 M of principal on long-term debt has been paid down and \$2.1 M was paid out in patronage capital Barney reported 61% of the capital budget has been spent which includes items carried over from last year. The annual growth rate of new services is still strong at 3.7%. EV chargers came in under budget at 24k net of grants. The board discussed EV charging stations and grants.

2023 APPROVED CAPITAL BUDGET ITEM NOT COMPLETED. ASKING FOR BOARD APPROVAL TO CARRY OVER INTO 2024

CEO Case stated a project to add bays to the existing Pole Barn in Driggs was approved in 2023. Due to contractor bid issues and scheduling, this project was not completed in 2023.

Director Robson made a motion to approve the 2023 Capital Budget item not completed as presented by staff to carry over into 2024. Vice President Crowther seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

POSSIBLE SUBSTATION TRANSFORMER FOR REXBURG SUBSTATION
CEO Case outlined the opportunity to purchase a substation transformer to meet future growth and load in the Rexburg area.

Director Schmier made a motion to approve the purchase of a transformer for Rexburg Substation up to \$450K. Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

COOPERATIVE BUSINESS

NRECA ONLINE DIRECTOR COURSES
Included in the board packet.

ANNUAL POLICY REVIEW

Attorney Rigby reviewed the policies required for annual board review providing clarification and an opportunity to ask any questions.

GP #102 DIRECTORS DUTIES

Included in the board packet.

GP #603 EQUAL EMPLOYMENT OPPORTUNITY

Included in the board packet.

GP #605 WHISTLE BLOWER

Included in the board packet.

GP #625 PROHIBITION ON DISCRIMINATION, HARASSMENT, AND RETALIATION

Included in the board packet.

LSRDS OPPOSITION TO THE SECRET SALMON AGREEMENT

CEO Case discussed the arguments on both sides, next steps, and potential costs of this issue.

PNGC LETTER TO BPA ON AGREEMENT

Included in the board packet.

PPC FILING AND COMMENTS OPPOSITION TO MOTION TO STAY

Included in the board packet.

IDAHO'S OPPOSITION TO MOTION TO STAY

Included in the board packet.

MONTANA'S OPPOSITION TO MOTION TO STAY

Included in the board packet.

PPC DISCUSSION AND HIGHLIGHTS

REGIONAL SETTLEMENT, LITIGATION, COLUMBIA RIVER OPERATIONS

PPC – SPECIAL ASSESSMENT FALL RIVER'S SHARE \$1,657

A motion was made by Director Robson to approve paying the PPC special assessment of \$1,657 for litigation costs. The motion was seconded by Vice President Crowther. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

ICUA LEGISLATIVE CONFERENCE REPORT

BPA RDC DETERMINATION & FALL RIVER BILLING CREDIT

RDC DECISION

BPA concluded its decision process on the application of the fiscal year 2023 Power Reserves Distribution Clause (RDC). Just under 58% of the total RDC amount of \$285.4 million will be applied as rate credits on the

remaining fiscal year 2024 power bills. The total amount of the credits to be received by Fall River is \$977,087 (spread over 10 months of power billings beginning with the December 2023 power bill).

FALL RIVER REVIEW AND RECOMMENDATION

CEO Case reported that given the uncertainty of future RDC credits, Staff's recommendation would be to defer the current RDC credit, as was done last year, and amortize it over the remaining life of the BPA contract. This would increase the monthly amortization amount (recognized monthly credit amount) to \$53,761, up from \$33,405.18. This amortization amount reduces power costs through September 2028.

Director Robson made a motion to approve RDC credit to be applied per staff recommendation. Vice President Crowther seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

AMERICA'S ELECTRIC COOPERATIVE PAC AKA ACRE CONTRIBUTIONS

PRE-AUDIT CONFERENCE CALL

CEO Case reviewed the on-site field audit dates and who will be conducting the FR 2024 audit.

FR EXPO ANNUAL MEETING JUNE 8, 2024, DRIGGS

NOMINATING COMMITTEE

A potential list of nominating committee members was presented to the board.

Director Schmier made a motion to approve the list of potential nominating committee members. Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NOMINATING COMMITTEE PROCESS

The process for potential board candidates to be nominated or to be added to the ballot using the nomination by petition is outlined in the by-laws which govern the process. The process for appointing a Member Nominating Committee begins with the creation of the timeline for Annual meeting which gets generated in December and details the activities and deadlines for each of those In Fall River's Bylaws ARTICLE IV: DIRECTORS the process is defined.

FALL RIVER'S LOW RATES COMPARED TO NATIONAL RESIDENTIAL RATE – RATE MAP

CEO Case noted that the new 2024 rate map shows that FR has some of the lowest rates in the nation.

BEAR PRAIRIE AND JIM FREEMAN – IDAHO FALLS POWER PROJECTS

Idaho Falls Power General Manager, Bear Prairie and Councilman, Jim Freeman provided a brief history of their careers and experience as well as updates on Idaho Falls Power projects. They discussed small modular nuclear reactors, the Carbon Free Power Project. Their proposal for a natural gas peaking power plant and their exploration into creating a geothermal power plant.

JERRY LEMM FIRST AID/CPR TRAINING

Jerry Lemm Safety Instructor for MECA provided hands on CPR training and the ABCs of first aid to board members.

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 Schmier 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 2:27 p.m. Secretary Stiehl 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 3:14 p.m. Vice President Crowther seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

STUFF THE TRAILER FOOD DRIVE – SENIOR CLASS PARTICIPATION

CEO Case reported on the outcome of the Stuff the Trailer Food Drive. Each December Fall River Electric invites cooperative members and the public to support local non-perishable food drives on behalf of food banks/pantries in the Co-op's service territory. Cash donations for 2023 total \$2,326 including \$2,000 donated by Fall River Electric Cooperative, \$500 to each food bank/pantry plus individual donations. This amount is down substantially from last year, likely due to the effects of inflation on our local economy. CEO Case noted Ted Austin FR Marketing Manager proposed a new idea in 2023 adding the High School Senior Class Food Drive Challenge.

Local high school senior classes were invited to compete for a cash prize of \$1,000 by raising non-perishable food. Their drives were conducted from November 28 through December 20. In order to provide equal footing, the classes were judged based upon the total weight of food collected divided by the number of students in their senior

class.

The results were as follows:

1st place – North Fremont 26.98 pounds per 43 students (1,160 pounds collected)

2nd place – West Yellowstone 10.71 pounds per 21 students (225 pounds collected)

3rd place – South Fremont 9.80 pounds per 98 students (960 pounds collected)

4th place – Teton 2.26 pounds per 137 students (310 pounds collected)

A total of 2,655 pounds of non-perishable food was collected from our local schools.

ALL EMPLOYEE MEETING – 2024 PLANNING

Included in the board packet.

NRECA COMMITTEE ASSIGNMENTS

Included in the board packet.

FR VEHICLE GPS TRACKING – SAFETY-EFFICIENCY-STATE MILEAGE TRACKING AUTOMATION

CEO Case reported GPS units have been installed in 44 of the company vehicles. Most moving equipment has been equipped with GPS tracking. The benefits of GPS tracking include:

1. Safety is the primary benefit. If we have an emergency, we can quickly locate assigned vehicles and have an exact location. If a crew has not reported in as expected, we can determine their location to send help or assistance.
2. Helping dispatch know where crew vehicles are located to quickly identify the closest crew to respond to an outage, fire, maintenance, or safety related event.
3. Members sometimes call in to question if a Fall River crew is in an area. We will be able to verify if they are or have been in an area.
4. The program tracks vehicle mileage by county and State which will streamline mileage reporting significantly over our manual process we use today. This is currently completed manually with each driver tracking and reporting mileage by state. At a cost of \$800 per month, the labor savings will more than cover the monthly administration cost.
5. We can confirm where vehicles are and have been with a time stamp.

INTERNAL AUDIT REPORT ON MUNICIPAL FRANCHISE AGREEMENTS AND STREET LIGHT BILLING

Included in the board packet.

PNGC PATRONAGE CAPITAL ALLOCATION

Included in the board packet.

WYOMING TARIFF SHEET SIGNED

Included in the board packet.

LEADERSHIP DEVELOPMENT EVALUATION FOR FINAL SESSION

Included in the board packet.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 1,915,781 kWh in December. This amounts to 4.6% of all the kWh billed by PNGC in December and 4.8% of all kWh sold and used by Fall River in December.

Felt Hydro produced 1,820,684 kWh in December. When this is included with Island Park, Chester, and Buffalo it amounts to 8.9% of all the kWh billed by PNGC in December and 9.4% of all kWh sold and used by Fall River in December.

ISLAND PARK

Island Park hydro produced 1,340,495 kWh during the month of December.

BUFFALO

Buffalo hydro produced 159,995 kWh during the month of December.

FELT

Felt hydro produced 1,820,684 kWh during the month of December.

CHESTER

Chester Hydro produced 415,291 kWh in the month of December.

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 will meet in February to begin the process of scholarships.

FINANCE COMMITTEE

Nothing to report.

EXECUTIVE COMMITTEE

Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

ATTORNEY RIGBY'S REPORT

Attorney Rigby reported previously in the meeting.

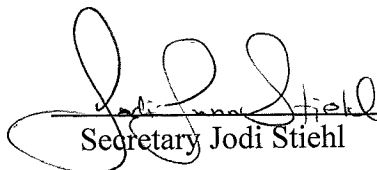
2023/2024 CALENDAR

Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Schmier to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 3:23 p.m.

DATE APPROVED: February 26, 2024



Secretary Jodi Stiehl