

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

May 20, 2024

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, May 20, 2024, at Ashton, Idaho. Having determined a quorum was present, President Behrens called the meeting to order at 10:10 a.m. Angie Haws recorded the minutes. The invocation was given by Jerry Rigby. 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 Speakers from NRECA's Insurance Branch Peter Baxter and Krista Britton, Member Service Representative Hailey Beard, Meter Technician John Grube, Engineering Manager Dave Peterson, HR Manager John Henderson, Accounting Payroll Roz Preston, IT Manager Shannon Hill, 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 APRIL 29, 2024

Director Vice President Crowther made a motion to approve the minutes from the April 29, 2024, Board Meeting as presented. Director Robson seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NRECA INSURANCE AND FINANCIAL SERVICES-PETER BAXTER AND KRISTA BRITTON

Peter Baxter Sr. Vice President of NRECA's Insurance and Financial Services and Krista Britton Vice President NRECA's Member Benefit Services reported on financial services they provide and their mission. NRECA's primary goals are the health and productivity of the cooperative's greatest asset: the employees. NRECA helps cooperatives develop comprehensive benefits packages through their Retirement Security Plan, 401(k) Pension Plan, Group Benefits Program and associated resources. Beyond offering plans, NRECA helps cooperatives select the right products to suit their needs, gives benefits administrators the tools they need to manage these programs and empowers employees with the information they need to make the most of their benefits.

MEMBER COMMENTS

The board reviewed member comments and communications.

FINANCIAL & STATISTICAL REPORTS

APRIL 30, 2024, FINANCIAL REPORTS

CFO Linden Barney reported the YTD margins are \$1.6M ahead of budget. The biggest portion of the variance is in revenue net of power costs. Revenue is \$400k higher due to higher kWh sales. The kWh sales are lower than last year but still almost 4% above budget. The power production expense is \$695k lower than budgeted due mainly to \$400k which was budgeted for the stator repair at Chester that has not been incurred yet as well as almost \$200k less in resource support services due to better-than-expected generation at our hydros. Other significant variances include being under budget due to the timing of building maintenance projects and labor and overhead, both of which should get closer to budget as the year progresses. In addition, FR has received \$50k more from investment income than budgeted YTD. The Cooperative has generated \$4.3M from operations YTD, invested \$4.6M in plant and materials, and paid down \$1.6M of principal on long-term debt. Nearly one third of the capital budget has been spent YTD.

The cooperative's equity ratio is at 51% as of the end of April and the annual growth rate in new services is at 3.5%.

ENERGY EXPO AND MEMBER ANNUAL MEETING

CEO Case reviewed the schedule and important items of note for the upcoming Energy Expo June 8, 2024, to be held at Teton High School 555 E Ross Ave Driggs, ID. Breakfast will be served in the cafeteria between 8AM and 10AM. The Business Meeting will begin at 10AM in the auditorium and will be available to watch live on Fall River Electric's Facebook page for those who are unable to attend in person. The Energy Expo will be held from 8AM to 11AM in the High School gymnasium. In addition to various vendor booths, there will be five Fall River booths (conservation, engineering, operations, member services, & propane). There will be STEM activities for kids to participate in. As an addition, this year the youth will be given a punch card and when they've visited all five Fall River booths, they will receive a Fall River logo backpack. Safety demonstrations, Tesla test drives, and an outdoor area with fun activities for kids will also be available. Alternate activities are planned if there is inclement weather. Door prizes will be drawn at the business meeting for those attending in person. There will also be a drawing to win a chainsaw for safety demo attendees and a drawing for a gift card for members signing up to participate in the Round Up program, which members will not have to be present to win.

OVERALL AGENDA AND SCHEDULE

Included in the board packet.

BUSINESS MEETING AGENDA

Included in the board packet.

BOARD ASSIGNMENTS AND REMINDERS

Included in the board packet,

TETON HIGH SCHOOL MAP

Included in the board packet.

FALL RIVER ANNUAL REPORT

Included in the board packet.

ENERGY EXPO GRAPHS

Included in the board packet.

PNGC DISCUSSION ITEMS

RESOURCE DEVELOPMENT PLAN, TIMELINE AND FALL RIVER DECISIONS

CEO Case reviewed the resource development plan PNGC presented. Case reviewed the suite of projects being considered noting potential options for participants and board decision timelines. The board discussed projects, potential costs, FR direction, and other potential projects.

PNGC JOHN HAIRSTON LETTER

Included in the board packet.

NWPCC 9TH POWER PLAN ISSUE PAPER AND COMMENTS

CEO Case provided historical context concerning load forecasting and an overview of the plan provided in the letter. CEO Case noted the likelihood of continued growth in the area and the challenges growth brings, as well as technological advancements requiring more power, and challenges with our energy resource availability.

PNGC MEMBERS MAP

Included in the board packet.

PPC HIGHLIGHTS OF BPA TOPICS AND ISSUES

CEO Case reviewed the BPA rate case and changes to the rate design that are likely. The board discussed forecasting, flexibility, other organizational involvement, and legislation.

BPA RATE CASE FOR 26-28

Included in the board packet.

BPA PROVIDER OF CHOICE

PPC's approach will center on the following:

- Changes to rate design should reflect the changing energy landscape (including appropriate price signals).
- Simplifying and streamlining where possible.

- Consideration and specific mechanisms to manage customer impacts from rate design changes.
- Overall rate package that provides equitable value across customers and product types based on the services provided by BPA and its system capabilities.
- Promote unified BPA-led modeling of rate impacts to maximize transparency and minimize confusion from “dueling models” based on different inputs or assumptions.
- PPC staff to serve as a neutral conveyor and provider of information/analysis to support members and partners.
- Advocate for areas of common interest, such as ensuring customers receive the full value of BPA’s firm and secondary power.

RESIDENTIAL EXCHANGE UPDATE

BPA released updated scenarios for what REP benefits levels could be under a variety of inputs and rate test implementations. PPC staff has analyzed these results and presented in-depth analysis.

WESTERN MARKETS AND RTO/ISO UPDATES

Included in the board packet.

BPA COST CAP FOR US GOVERNMENT AGREEMENT WITH PLAINTIFFS

Included in the board packet.

NRECA - EPA'S UNLAWFUL RULES JEOPARDIZE RELIABLE ENERGY

Included in the board packet.

NCSC VOTING DELEGATE AND ALTERNATE

Director Schmier made a motion naming Vice President Crowther as NCSC voting delegate, and no alternate. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

ICUA ANNUAL MEETING INFORMATION

Included in the board packet.

COOPERATIVE REPORTS

Director Lindstedt reported on an NRECA Board Leadership Certificate course attended.

Director Keay reported on the NWPPA Annual Meeting attended.

Director Schmier reported on the NWPPA Annual Meeting attended and other NWPPA items of note.

Past President Draper reported on an NRECA board course she attended.

Director Robson noted a work project in the interest of full disclosure.

Secretary Stiehl reported on the NWPPA Annual Meeting attended, MECA items of note, and an upcoming scholarship certificate presentation.

Vice President Crowther reported on presenting certificates to scholarship recipients.

President Behrens reported on ICUA meetings attended.

CONSENT AGENDA

Board and CEO expense reports, New Memberships, Purchase of Power Agreements, Check Report, Safety Report, Early Retirement 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 Vice President Crowther 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 1:47 p.m. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Director Keay made a motion to go out of Executive Session at 2:48p.m. Secretary Stiehl seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MANAGEMENT DISCUSSION ITEMS

FEDERATED CLAIMS REVIEW AND LETTER

CEO Case stated the claims review letter provided a safety and loss prevention assessment of FR operations and system. The review gave Federated's loss analysis of the Cooperative and noted their observation was that FR has established programs for safety and loss prevention and that these programs address issues that are of concern to Federated. In addition, they thanked staff for their cooperation and assistance during the review,

DECORIA AUDIT OF NRECA BENEFITS ADMINISTRATION BY FALL RIVER

Included in the board packet. The report noted in DeCoria's review, they found no exceptions while auditing. Their audit was to test that Fall River was complying with eligibility requirements and that the supporting records and documentation met the requirements for Fall River employees participation in retirement and benefits programs.

CONSERVATION ACTIVITY

Included in the board packet.

GRANT COUNTY RECAP AND EXECUTIVE SUMMARY

Included in the board packet.

EMPLOYEE ELECTRICAL AND PROPANE SAFETY DEMONSTRATION

CEO Case reported Fall River Electric and Propane held Safety Demonstrations for its employees and their families in three office locations in April 2024. Each demonstration was held after business hours. A total of 52 employees (70% of the total # of employees) attended at least one of the demonstrations.

WEST YELLOWSTONE CONDO REBUILD UPDATE

CEO Case reported that the West Yellowstone condo refurbish has commenced with the gutting of the downstairs apartment. This was the old West Yellowstone radio station. The construction crew and the work are moving along in a timely manner, and work is expected to be completed by this Fall.

DRIGGS EMPLOYEE HOUSING UPDATE

Included in the board packet.

DRIGGS LAND PURCHASE UPDATE

Included in the board packet.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 2,878,892 kWh in April. This amounts to 10.6% of all the kWh billed by PNGC in April and 11.9% of all kWh sold and used by Fall River in April.

Felt Hydro produced 3,138,264 kWh in April. When this is included with Island Park, Chester, and Buffalo it amounts to 22.2% of all the kWh billed by PNGC in April and 24.9% of all kWh sold and used by Fall River in April.

ISLAND PARK

Island Park hydro produced 2,024,783 kWh during the month of April.

BUFFALO

Buffalo hydro produced 163,942 kWh during the month of April.

FELT

Felt hydro produced 3,138,264 kWh during the month of April.

CHESTER

Chester Hydro produced 690,580 kWh in the month of April.

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 Policy Committee met this morning and will submit recommended policies to the full board at the next board meeting.

ADMINISTRATIVE COMMITTEE

Chairman Key and CEO Case reported the assigned Committee members will present scholarship certificates to high school students at their respective award banquets over the next few weeks.

FINANCE COMMITTEE

Nothing to report.

EXECUTIVE COMMITTEE

President Behrens reported new committee assignments will be made in the near future.

ENGINEERING AND OPERATIONS COMMITTEE

Nothing to report.

ATTORNEY REPORT

Attorney Rigby reported on legal items of note regarding irrigation and water rights,

2024 CALENDAR

Included on the board agenda.

ADJOURNMENT

A motion was made by Director Robson and seconded by Director Key to adjourn the meeting. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 2:58 p.m.

DATE APPROVED: June 8, 2024


Secretary Jodi Stiehl