

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

February 22, 2021

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday February 22, 2021, virtually and at the main office of Fall River Rural Electric in Ashton, Idaho. Having determined a quorum was present, President Draper called the meeting to order at 10:04 a.m. Executive Assistant Angie Haws recorded the minutes. The invocation was given by Anna Lindstedt. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Dede Draper, Vice President Georg Behrens, Secretary/Treasurer Husk Crowther, and Past President Doug Schmier

DIRECTORS PRESENT

Jeff Keay, Brent Robson, Jodi Stiehl, Jay Hanson, and Anna Lindstedt

DIRECTORS ABSENT

NONE

OTHERS

CEO/General Manager Bryan Case, Legal Counsel Attorney Jerry Rigby, CFO Linden Barney, IT Manager Shannon Hill, Engineer AJ Balls, Executive Assistant Angie Haws, and guests FR lineman Dustin Bowersox, and Trevor Ostberg

APPROVAL OF AGENDA

**Director Hanson made a motion to approve the agenda with changes as discussed. Director Robson seconded. President Draper asked if any were opposed. None opposed; THE MOTION CARRIED BY GENERAL CONSENT.**

APPROVAL OF MINUTES

**Director Robson made a motion to approve the January 25, 2021 Board Meeting Minutes as amended. Director Hanson seconded the motion. President Draper asked if any were opposed. None opposed; THE MOTION CARRIED BY GENERAL CONSENT.**

MEMBER COMMENTS

CEO Case reviewed the member comments. FR received a nice note from Jo Elg thanking Fall River staff and board of directors for the instant rebate credit on the February statement. Dennis Summers reached out to FR via e-mail with a question regarding rates and referenced an article for our review. CEO Case reached out to Mr. Summers responding to his inquiry. Chi Melville contacted President Draper via e-mail inquiring about Representative Simpson's proposal and potential impact on the cooperative. President Draper responded to Mr. Melville's comments reassuring him that we are very involved in the discussion and with our partner organizations and FR will continue to be involved in the conversation as it unfolds.

## FINANCIAL & STATISTICAL REPORT

### DECEMBER 31, 2020 FINANCIAL REPORTS

CFO Linden Barney reported the 2020 year-end net margins were \$48K higher than the preliminary financial statements showed. The primary differences were due to the following:

- Booking the \$81K investment income for Propane's net income.
- An accrual true-up of \$19K

### JANUARY 31, 2021 FINANCIAL REPORTS

CFO Linden Barney reported for January the net margins were \$672K which is \$386K higher than budget due primarily to more kWh being purchased and sold resulting in more revenue. Other large variances were timing related for example, more labor was charged to line patrol than budgeted and \$15K of budgeted consulting expense for Board training that did not occur in January as planned.

Equity is at 45.7% even after the payment of patronage and the accrual of the \$1M instant rebate. Barney said the annualized growth rate for new services is at 2.8% and \$486K was generated from operations in January, \$157K was invested in plant and \$814K of principal payments were made on long-term debt.

## COOPERATIVE BUSINESS

### DISCUSSION ON THE SIMPSON PROPOSAL

CEO Case stated that FR's perspective is that we have an opportunity to engage and shape this proposal by being involved if the dams are removed. Case is appreciative of Simpson's efforts to assign actual dollars to the changes being proposed and the acknowledgement of the effects that the removal of the dams would have on multiple industries, as well as future renewable, carbon free generation. The board discussed several details of the proposal and agree that it is important to stay engaged in this process to ensure the best possible outcome for the membership.

### REVIEW OF POTENTIAL PROPOSED BY-LAW CHANGES

There was a continued discussion from last month's board meeting on the potential need to change the by-laws verbiage to address virtual meetings.

**Director Hanson made a motion to table the proposed by-law changes as presented until next month to determine the outcome of the pending Idaho House Bill addressing the same topic. Vice-President Behrens seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

### 2020 YEAR OF ACCOMPLISHMENTS-HIGHLIGHTS

CEO Case reviewed the 2020 accomplishments stating that this was an exceptional year for FR despite the pandemic. Adjustments were quickly made, cutting expenses and transitioning staff to allow employees to be able to work from home. New guidelines were implemented for line crews to continue to work safely in the field, while still completing most of the work plan and goals for the year. Financially, the equity position of 45.7% is the best it has been in the history of the Cooperative. Smart grid investments have paid off, and FR's reliability has remained strong with little downtime as we have focused attention on tree trimming, snow loading, and animal guards installed to minimize outages. Case recognized the team effort required for such a successful outcome

especially during trying times. The board offered thanks and congratulations to the FR team on a job well done.

NOMINATIONS COMMITTEE MEETING MARCH 17, 2021 6P.M. (VIRTUAL)  
CEO Case stated the letters will go out to the nominating committee members at the beginning of March with the meeting to be held on March 17, 2021.

#### LEGISLATIVE UPDATES BY STATE

##### IDAHO-ICUA

- ICUA is tracking/working on the quorum bill similar to Montana's bill, allowing Cooperative's to hold meetings virtually. Idaho code was updated in both 2015 and 2019 to allow remote participation in meetings for both for profit corporation shareholders and directors, as well as for nonprofit corporation directors. This proposed legislation updates current law to also allow for members of a nonprofit corporation to participate in meetings by remote communication to the extent authorized by the board of directors.
- ICUA has written a letter supporting the \$162 million rental/utility assistance supplemental and actively lobbying for its support.
- ICUA is also working with the CVAC committee on vaccine priority for our mission essential employees.

##### MONTANA-MECA

- Successfully persuaded Rep. Jonathan Windy Boy, D-Box Elder, Monday night to withdraw his legislation, LC 1479, which would have sought to impose new tribal restrictions on co-ops' development of power and telecommunications services on Indian reservations.
- MECA's remote meetings bill, *HB 103*, has been assigned to the Senate energy committee. It is scheduled for a hearing at 3 p.m. on Feb. 11. Update – this bill was passed.

##### WYOMING-WREA

- Bill FS 16 passing the Senate was received for introduction in the House establishes a 10-year grandfather for net metering systems that are operational before July 1, 2022. Directs the Public Service Commission to hold hearings and establish rates, terms, and conditions for all new net metering systems. Is silent on applicability to non-rate regulated cooperatives. If this passes in its present form FR's net metering tariff could be changed to mimic the net metering tariff for Idaho and Montana.
- Now that EVs are ready for Wyoming, it is time to prepare the state's highway corridors for EVs. Comprehensive high-speed charging is needed to support anything more than local trips. Wyoming's participation in the Federal Highway Administration's Alternative Fuel Corridors Program and the 8-state Regional Electric Vehicle Plan for the West MOU sets the foundation for this undertaking. In support of the goals outlined by these efforts, the Wyoming Department of Transportation convened for this project team to explore what is necessary to enable convenient EV travel along major routes in the state.

#### CRC VOTING DELEGATE

**Director Hanson made a motion to continue with Bryan Case as the voting delegate for CRC and Georg Behrens as alternate. Director Keay seconded the motion. President Draper asked if any were opposed. None opposed; THE MOTION CARRIED BY GENERAL CONSENT.**

#### NRECA 2021 RESOLUTION BOOKLET

Included in the board packet.

#### DIRECTOR TRAINING QUESTIONS

Included in the board packet.

#### SCHOLARSHIP RECIPIENT REPORT – GUEST JAYSON BLOXHAM

President Draper welcomed guest Jayson Bloxham a FR scholarship recipient who joined us virtually to report on the field of study he is pursuing, nuclear engineering, as well as his career goals and aspirations. Jayson thanked FR for the opportunity to receive the scholarship and said the funds that he was awarded assisted him with the cost of books and rent.

#### ADMINISTRATIVE COMMITTEE RECOMMENDATION

Director Keay, committee chair, stated that the Administrative Committee met this morning and upon review of scholarship allocation reports recommend to the board FR increase the number of scholarships awarded. This increase would be due to the number of members residing in the district and to provide each district with a scholarship. The committee is bringing the recommendation to the full board to add one scholarship in the North Fremont district and to award one scholarship to the Ririe district and one to the Rigby district who had previously shared a scholarship between them. It is proposed that this change be implemented this year.

**Director Hanson made a motion to accept the Administrative Committee recommendation for two additional scholarships to be added this year as discussed. Director Robson seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

#### COOPERATIVE REPORTS

Director Robson reported he would be participating in the upcoming NRECA PowerXchange and TechAdvantage Experience.

Director Stiehl reported that she attended the Lindsay Slater discussion on the Simpson proposal. She is currently working toward completing her board leadership certification, is attending Director's Conference, and will be attending the NRECA PowerXchange this month.

Director Lindstedt reported she attended the Lindsay Slater meeting on the Simpson

proposal and thought it was informative. She will attend the NRECA PowerXchange this month.

Secretary/Treasurer Crowther reported that he attended a remote class working toward his Board Leadership certification and the topics discussed were interesting.

Director Hanson reported that he will participate in the NRECA PowerXchange this month. CFC will be selecting a new CEO and that will require additional meetings probably through March, as well as the CFC Strategic Planning meeting coming up next month.

Vice President Behrens reported that he attended the Lindsay Slater meeting on the Simpson proposal as well. He will be representing FR as the voting delegate at the upcoming NRECA annual meeting/PowerXchange.

Director Keay reported that he attended the Lindsay Slater meeting on the Simpson proposal, and he is also attending the NRECA PowerXchange sessions and will be attending the Director's Conference as well. He should be able to complete his Gold certification for training in 2021.

President Draper reported she attended the Lindsay Slater meeting on the Simpson proposal, and will attend the NRECA PowerXchange and TechAdvantage Experience as well as a Leadership Focus additional session.

#### CONSENT AGENDA.

**Director Hanson made a motion to approve the Consent Agenda. Secretary-Treasurer Crowther 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**

#### EXECUTIVE SESSION

**Director Hanson made a motion to go into Executive Session at 12:40 p.m. Vice-President Behrens 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 2:05 p.m. Director Keay seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.**

**Director Keay made a motion to accept the recommendation made in Executive Session. Secretary-Treasurer Crowther seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.**

#### MANAGEMENT DISCUSSION ITEMS

**YEAR END RECAP WORK PLANS AND GOALS**  
Included in the board packet.

#### MECA SCHOLARSHIP RECOMMENDATION

CEO Case stated that several applications were received for the Montana Electric Cooperative Association (MECA) scholarship. FR selected the top applicant to submit to MECA for consideration of the scholarship. MECA has not yet announced the recipient of the scholarship, but we hope to be able to report that at the next board meeting.

#### COOPERATIVE COMMUNITY SOLAR RFP MATRIX

Included in the board packet.

#### CREATIVE ENERGIES AGREEMENT

CEO Case reported that after reviewing the bids using the RFP matrix to compare options for the Cooperative Community Solar project a proposal was accepted, and a contract was signed with Creative Energies. The Cooperative Solar project is anticipated to be complete and offered to FR membership to participate by the fall of 2021. FR has applied for an additional grant for the project which will determine final numbers for the units or subscriptions available to members.

#### ELECTRIC VEHICLE

FR Engineer AJ Balls shared a PowerPoint presentation reviewing some of the pros and cons of the Tesla model 3. He highlighted some interesting facts and provided a brief overview of the operating instructions, as well as efficiency data that has been gathered by staff.

#### HYDRO FACILITIES UPDATE

Island Park and Buffalo Hydro generated a total of 1,263,078 kWh in January. This amounts to 3.3% of all the kWh billed by PNGC in January and 3.4% of all kWh sold and used by Fall River in January.

Felt Hydro produced 1,600,000 kWh in January. When this is included with Island Park and Buffalo Hydro, it amounts to 7.5% of all the kWh billed by PNGC in January and 7.8% of all kWh sold and used by Fall River in January.

#### ISLAND PARK

Island Park Hydro produced 1,094,628 kWh during the month of January.

#### BUFFALO

Buffalo Hydro produced 168,450 kWh during the month of January.

#### FELT

Felt Hydro produced 1,600,000 kWh during the month of January.

#### CHESTER

Chester Hydro did not produce any kWh again in January due to frazzle ice and the intake being iced over.

#### DONATIONS

Included in the board packet.

UPDATE ON SMALL NUCLEAR REACTOR VIDEO  
Video link included in the board packet.

## REPORTS

### EXECUTIVE COMMITTEE

Nothing to report.

### ADMINISTRATIVE COMMITTEE

Chairman Keay stated the committee met this morning and discussed scholarship offerings. The committee members were assigned to review applications by school district and will meet again in April to discuss.

### ENGINEERING & OPERATIONS COMMITTEE

Nothing to report.

### FINANCE COMMITTEE

Chairman Hanson stated that the auditor's final report should be done and received by FR in April.

### POLICY COMMITTEE

Chairman Schmier stated there is an upcoming Policy Committee meeting March 22, 2021.

## ATTORNEY REPORT

Attorney Rigby reported on the Columbia River Treaty and will keep us informed of any changes as a result of the new administration. He also reported on the Columbia River Partnership, and Water Rights in the Ririe Reservoir.

## FALL RIVER'S MANAGEMENT REPORT

Included in the board packet.

## ADJOURNMENT

There being no further business, **Director Stiehl made a motion to adjourn. Director Hanson seconded the motion.** A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE. The meeting was adjourned at 2:45 p.m.

DATE APPROVED: March 22, 2021



Secretary Brent Crowther