

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

October 28, 2025

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Tuesday, October 28, 2025, at the Ashton, ID. district office. Having determined a quorum was present, President Crowther called the meeting to order at 10:08 a.m. Executive Assistant, Angie Haws recorded the minutes. The invocation was given by Georg Behrens. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Brent "Husk" Crowther, Vice President Jodi Stiehl, and Secretary/Treasurer Jeff Keay

DIRECTORS PRESENT

Georg Behrens, Dede Draper, Brent Robson, Travis Markegard and Doug Schmier

DIRECTORS ABSENT

Anna Lindstedt

OTHERS

CEO/General Manager Bryan Case, Attorney Jerry Rigby, Guests, Linden Barney CFO, Shannon Hill IT Manager, Clint Washburn Member Service Manager, Dave Peterson Engineering Manager, Randy Wakefield Operations Manager, Amber Boyce Propane Director, David McKinnon Propane GM, Derek Hanks Lineman, Ben Bollinger Engineering Service Representative, Russ Schneider GDS Consultant, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR SEPTEMBER 22, 2025

Director Robson made a motion to approve the minutes from the September 22, 2025, Board Meeting as amended. Director Markegard seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

COST OF SERVICE ANALYSIS REVIEW AND PROPOSED RECOMMENDATION
FALL RIVER TEN YEAR FINANCIAL FORECAST

Included in the board packet.

COSA REPORT REVIEW – RUSS SCHNEIDER GDS CONSULTANT

Russ Schneider consultant with GDS & Associates, Inc. a third-party consultant, provided a Cost of Service Analysis (COSA) review. The step-by-step review approach focused on

the following:

- Allocate Assets and Expenses to Each Class on the Basis of Cost Causation,
- Determine Revenue Excess or Shortfall by Class.
- Calculate Unbundled Cost by Class of Service.
- Calculate Unit Costs by Class of Service.

The analysis allows the board to use the data to plan for the Cooperative's future and help to assess if there is a need for rate changes or a rebalancing between rate classes, production transmission and distribution cost calculations, and cost unit calculations for demand, energy – kwh's, and customer infrastructure costs.

Schneider noted the change and volatility factors to consider that may impact the projections presented in the analysis such as extreme weather events, energy and gas price volatility, regulatory issues, inflation, supply chain disruptions, technology changes, and legislation. CEO Case thanked Schneider for his presentation noting the value his experience in the industry provides to FR.

SUMMARY AND RECOMMENDATION

Case stated Fall River's current equity position and continued growth gives the Cooperative flexibility in how to meet future revenue requirements. With equity above target levels, Staff recommends no rate increase for 2026. The Cooperative's equity level will provide time to react and implement changes in rates if there are significant swings in the variables used in the COSA and 10-year financial forecast.

The Board discussed the data and tools available to minimize impacts on rates. The Board engaged in a robust discussion on the following topics: target equity ranges, expectations, reliability, and rate stability and rate structures.

Director Behrens made a motion for staff to present a revenue neutral rate structure option at the next board meeting for further COSA recommendation discussion.

Director Draper seconded the motion. A voice vote was taken; THE MOTION CARRIED.

QUARTERLY PROPANE UPDATE

FR Enterprises Director Amber Boyce presented the quarterly update. Boyce reported on shareholder expectations that were discussed at the strategic planning meeting and noted that those suggestions have been implemented. The FR Enterprises actual gallons sold YTD were reported as 71,366k more than budgeted. Gross margins per gallon are \$0.14 more than budgeted and Boyce also reported on net income and loss after taxes. Shared services were accounted for. The analysis of market value, supply/inventory, equity ratio, growth/sales by area, and promotions were also discussed.

CEO Case, Attorney Rigby, and the FR Board expressed appreciation to the FR Enterprises Board and GM for their diligence, knowledge and expertise successfully growing the propane business.

MEMBER COMMENTS

The board reviewed member comments and communications.

Marilyn Renger -Appreciation for Crews at 3:00 a.m. Restoring Power

Other Member Comments

Director Draper noted positive comments received regarding the Felt employee housing and commended staff for their work on that project.

FINANCIAL & STATISTICAL REPORTS

SEPTEMBER 30, 2025, FINANCIAL REPORTS

CFO Linden Barney reported the net margins for September are \$4.8M which is significantly ahead of budget (\$300k ahead of last year). The main drivers of the budget variances continue to be more new services growth than planned and higher usage per meter than budgeted. The calculation used to forecast new services was based on a 2.5% growth factor. The actual growth rate for new services is 3.8%. The cost of purchased power is lower than budget, COSA projections for the budget and actual increases were not as high as projected. The cost of purchased power is almost 18% below budget although it is 8% higher than actual costs last year. Labor and overhead are also under budget YTD, but we anticipate these costs will get closer to budget as the year progresses. The Cooperative's equity ratio is just over 55%. Fall River generated \$10M from operations, just under \$6M was invested in plant and materials and 2.5M of principal was paid down on long-term-debt. FR has spent 56% of the capital budget YTD which includes carryover items from last year.

COOPERATIVE BUSINESS

E&O COMMITTEE RECOMMENDATIONS

E&O Committee materials provided to the board for review.

Director Robson made a motion to approve the 4-Year Construction Work Plan as proposed by staff and recommended by the Engineering and Operations Committee. Director Markegard seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PROPOSED PATRONAGE CAPITAL GENERAL RETIREMENT 2026

The Board discussed the patronage capital analysis with options for retirement to the owner members. Topics addressed were equity targets, fairness/consistency, value, revenue, and tools providing flexibility. CEO Case noted future conversations are planned for additional board direction regarding the topic of equity.

Vice President Stiehl made a motion to approve the standard 20-year Patronage Capital General Retirement payout of \$1.784 M as discussed. Director Draper seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PPC STRATEGIC PLANNING SUMMARY

The Board discussed the summary included in the board packet and expectations.

PNGC POST 2028 CONTRACT PURCHASE DISCUSSION

CEO Case provided an overview of generation options and PNGC updates. The Board discussed generation projects, anticipated energy demand, technologies, and reliability.

PGP E3 POWER SUPPLY STUDY

Included in the board packet.

NERC JIM ROBB, PRESIDENT AND CEO PRESENTATION – PPC AND REGION 7&9

Included in the board packet.

BPA SEEKING COMMITMENT TO PRESERVATION AGREEMENT

Included in the board packet.

PNGC IN NOVEMBER WILL COMMENCE 45 DAY NOTICE FOR FR AND OTHER PNGC MEMBERS TO INDICATE POWER SELECTION – FR WILL SELECT CCCT AT 20MWS

FEDERATED SAFETY & LOSS PREVENTION ASSESSMENT

CEO Case noted the assessment was included in the board packet for review and that it provided confirmation in the assessment that FR's established programs for safety and loss prevention do address the areas that Federated would consider when evaluating safety and loss prevention areas of concern.

NRECA VCAP BOARD RATIFICATION

CEO Case stated the NRECA VCAP program allows participating cooperatives to make an optional prepayment toward their future pension obligations under the R&S Program. This prepayment is intended to strengthen Fall River's long-term financial position by reducing future contribution volatility, improving funding ratios, and potentially lowering future contribution requirements.

Based on analysis of projected cash flow impacts and program terms Staff recommends proceeding with a prepayment not to exceed \$2.2 million.

Director Behrens made a motion to authorize the CEO to execute all necessary agreements and documents associated with participation in the NRECA Voluntary Contribution Acceleration Program (VCAP), including a prepayment of up to \$2.2 million toward Fall River Rural Electric Cooperative and Fall River Enterprise "Propane" Retirement and Security (R&S) Program obligations. Secretary Keay seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PUC WILDFIRE APPLICATION FOR RECONSIDERATION/CLARIFICATION
CEO Case reported that in 2025, Idaho enacted the Wildfire Standard of Care Act (WSCA) (S.B. 1183). The Idaho Public Utilities Commission (PUC) subsequently issued Order No. 36774 (Sept. 30, 2025) establishing the filing and review process for Wildfire Mitigation Plans. A coalition of Idaho consumer-owned utilities—including FRREC—has petitioned for reconsideration/clarification of portions of that order.

PUC disposition of the reconsideration/clarification petition filed Oct. 21, 2025 (timing per PUC rules on reconsideration). Outcome will determine whether FRREC must include a formal cost-benefit analysis or may use an alternative, clarified approach. If FRREC chooses to file, target a filing date that aligns with operational readiness and allows for the statutory six-month decision prior to the 2026 fire season. The Board discussed oversight and possible next steps.

NORTHWEST RIVERPARTNERS URGE REGIONAL LEADERS REJECT LITIGATION

Northwest RiverPartners urges regional leaders to reject renewed litigation and work together to protect salmon and maintain affordable, reliable hydropower. A coalition of public utilities, advocacy organizations, and ports is urging Washington Governor Bob Ferguson and Oregon Governor Tina Kotek to meet with regional leaders in an inclusive process that incorporates the expertise and perspectives of all stakeholders. The coalition says this approach offers the best path to protect salmon, maintain grid reliability, and secure the Northwest's long-term energy future.

PPC FILING – NEWS RELEASE

Included in the board packet.

FALL RIVER MEMBER SURVEY UPDATE AND DISCUSSION

CEO Case reviewed Fall River's 2025 Cooperative Difference Survey which shows strong performance and high member satisfaction, with results significantly outperforming investor-owned utilities (IOUs) and industry averages. Cooperative ACSI scores remain well above the 2025 IOU benchmark, reflecting members' strong trust and loyalty. Members rated Fall River highest for reliable service, outage response, and effective communication, and they most value capital credits and the co-op's local, member-focused decision-making. While overall results are very positive, the survey identifies opportunities to strengthen younger member awareness of cooperative benefits and to expand education around energy-management and cost-saving programs. Members continue to prioritize affordability and reliability, with growing interest in off-peak rate options, renewable energy, and home backup power resources.

COOPERATIVE REPORTS

Director Schmier reported on NWPPA and PNGC meetings he attended.

Director Draper reported on PPC meetings virtually attended noting she will attend the upcoming PPC Annual Meeting.

Director Behrens reported on MECA meetings he attended as well as NRECA Region 7&9 meetings, and ICUA meetings. Behrens extended an invitation to FR board members to attend the ICUA Legislative Conference in January. He also shared industry articles.

Vice President Stiehl reported on MECA meetings she attended, NRECA Region 7&9 meetings and AI class she attended.

President Crowther reported on the ICUA meeting he attended as well as an article on a transmission project.

CONSENT AGENDA

Board and CEO expense reports, New Memberships, Purchase of Power Agreements, Check Report, and Safety Report, Early Retirement of Patronage Capital were reviewed by all Board Members in Board Package prior to meeting.

Director Behrens noted the 2025 change in the meal per diem.

Director Robson made a motion to approve the consent agenda as discussed. Secretary Keay 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 1:55 p.m. Director Behrens 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 2:03 p.m. Secretary Keay seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

MANAGEMENT DISCUSSION ITEMS

QUARTERLY REVIEW 2025 GOALS AND WORKPLAN PROGRESS

CEO Case stated the progress for the 2025 goals and workplan were included in the board packet for review and nearly all are on track to be completed.

ENERGY EFFICIENCY – LOW INCOME WASHER AND DRYER PROGRAM

CEO Case reported that through FR's Conservation program a new energy efficient washer and dryer program will provide some low-income members the opportunity for additional energy savings. This program will be limited, and by invitation to assist low-income qualified member/owners. The program has partnered with Fall River Helping Hands to further assist those qualified members with upfront program costs and additional delivery costs.

MIDWAY SUBSTATION PROGRESS

CEO Case reported key FR staff members met with the County to discuss the needs for the proposed Midway substation. Further discussion will take place at a future meeting with the County to facilitate the collection of additional information. The needed Midway substation is unlikely to be constructed this fall, FR staff is looking into alternatives to ensure reliability in the event of extreme weather conditions until the project is completed.

NISC CONVERSION

CEO Case reported on the NISC software conversion timeline, training, and processes. Case complimented staff efforts and anticipates great results from this implementation.

SURPLUS EQUIPMENT SALE UPDATE

CEO Case reported the surplus equipment sale went well, noting that all but two items listed were sold. Staff was pleased with the sold items and details of the sale were provided in the management report.

FALL RIVER TAKE SAFETY HOME

Handed out at board meeting.

OCTOBER-FIRE PREVENTION & FIRE ESCAPE PLAN

NOVEMBER-CIRCUIT BREAKER SAFETY

DECEMBER-DANGERS OF DISTRACTION

HYDRO FACILITIES UPDATE

Buffalo and Chester generated a total of 666,937kWh in September. This amounts to 2.6% of all the kWh billed by PNGC in September and 2.7% of all kWh sold and used by Fall River in September.

Felt Hydro produced 1,578,378 kWh in September. When this is included with Buffalo and Chester, it amounts to 8.8% of all the kWh billed by PNGC in September and 9.1% of all kWh sold and used by Fall River in September.

ISLAND PARK

Island Park Hydro was offline during the month of September.

BUFFALO

Buffalo Hydro generated 149,306 kWh during the month of September.

FELT

Felt Hydro produced 1,578,378 kWh during the month of September.

CHESTER

Chester Hydro produced 517,631 kWh in the month of September.

DONATIONS

Included in the board packet.

FALL RIVER'S MANAGEMENT REPORT
Included in the board packet.

REPORTS BOARD COMMITTEES, MEETINGS, AND MEMBER COMMENTS
EXECUTIVE COMMITTEE
Nothing to report.

ADMINISTRATIVE COMMITTEE
Nothing to report.

ENGINEERING AND OPERATIONS COMMITTEE
Chairman Robson reported the committee met this morning.

FINANCE COMMITTEE
CEO Case noted the Pre-Audit meeting will take place in January.

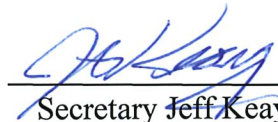
POLICY COMMITTEE
Chairman Keay noted the Committee will meet next year.

ATTORNEY REPORT
Attorney Rigby reported on ongoing water rights litigation, renewed interest in dams due to administration changes, and other pertinent topics.

2025 CALENDAR
Included in the board packet.

ADJOURNMENT
Vice President Stiehl made a motion to adjourn the meeting at 2:25 p.m. Secretary Keay seconded the motion. THE MOTION CARRIED BY UNANIMOUS CONSENT.

DATE APPROVED: November 17, 2025


Secretary Jeff Keay