

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

December 22, 2025

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, December 22, 2025, at the Ashton, ID. district office. Having determined a quorum was present, President Crowther called the meeting to order at 10:00 a.m. Executive Assistant, Angie Haws recorded the minutes. The invocation was given by Angie Haws. The Pledge of Allegiance was recited.

ATTENDING OFFICERS

President Brent “Husk” Crowther, and Vice President Jodi Stiehl.
Secretary/Treasurer Jeff Keay attended virtually.

DIRECTORS PRESENT

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

DIRECTORS ABSENT

None

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, Russ Schneider GDS Associates, Inc., 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 NOVEMBER 17, 2025

**Director Robson made a motion to approve the minutes from the November 17, 2025,
Board Meeting as amended. Director Markegard seconded.** A voice vote was taken;
THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

The board reviewed member comments and communications.

MAILED-NO NAME OR ADDRESS LETTER AND RESPONSE

CEO Case reviewed questions from a member as well as the response that will be shared with members on FR social media as well as the FR “Flashes” member newsletter. Case noted his appreciation for the opportunity to provide an explanation on how FR operates for the benefit of all members. The following topics were included in the discussion, electric rates, scholarships, and employee housing.

REQUEST FOR LARGE SERVICES

CEO Case reported on a request for information on providing electricity for a large service that was received.

The board discussed other member comments noting net metering for solar questions and positive member comments regarding a potential substation location.

FINANCIAL & STATISTICAL REPORTS

NOVEMBER 30, 2025, FINANCIAL REPORTS

CFO Barney reported FR net margins YTD are \$3.3M ahead of budget primarily due to revenue net of power costs. Revenue is 3.8 % ahead of budget due to higher-than-expected growth resulting in more kwh sales. The cost of purchased power is still lower than expected but the variance is smaller than it was at the end of October, Barney noted it is still 14% higher than last year. Other operating expenses continue to be under budget YTD but are a little closer than last month. Fall River's equity ratio remains strong at just over 56% and the growth rate in new services is at 3.7% YTD. Cash generated from operations through November is \$8.2M and \$6.4M has been invested in plant and materials. FR has paid down \$3.1M of principal on long-term debt.

Barney noted there are some changes in the current financial reports due to the software conversion and staff are working with NISC to build budget to actual variance reporting for both operating expenses and capital budget items.

The board discussed new service installation timelines, transfer of service policy changes, new service growth, and investment in infrastructure.

COOPERATIVE BUSINESS

NISC CONVERSION PROGRESS UPDATE – SHANNON HILL

Shannon Hill, Information Technology manager, reported on the NISC software conversion providing department timelines, challenges, efficiencies, workload, and expectations.

Hill and CEO Case noted FR does more with fewer staff members and commented on the excellence of the FR team and the value they bring to the Cooperative. The board expressed appreciation to staff and management for their efforts throughout the software conversion process, noting the hard work and dedication to provide the highest level of reliability and service to the cooperative's owner/members.

COSA REVIEW, REVENUE NEUTRAL RESIDENTIAL RATE STRUCTURE SCENARIOS RUSS SCHNEIDER

Russ Schneider, Director of Distribution Services with GDS Associates, Inc. presented an overview of the Cost of Service Analysis (COSA) for FR. Schneider focused on power cost forecast comparisons, providing insights and recommendations for rate design noting FR's conservative nature. The board discussed the recommendations and determined this topic would be brought back for further discussion in the future.

FR's rate setting process is as follows:

1. Determine if revenues from rates are sufficient to meet costs and financial targets.
2. Cost of Service Analysis (COSA)

- Allocate expenses and investments in assets among the utility's member classes.
- Expenses and investments allocated to member classes based on their share of total energy consumption (kWh), peak demand (kW) and number of members.

3. Rate Design

- Compare COSA recommended rates (base, energy and demand) to current rates for each member class.
- Consider options to change rate structure.

Director Behrens made a motion to approve the recommended option #2 which included no rate increase and revenue neutral and included a rate design change for the residential rate. Director Draper seconded the motion. A voice vote was taken; THE MOTION FAILED.

Vice President Stiehl made a motion to bring this topic back for more discussion of options #1, #2, and #7 at the February 2026 board meeting as discussed. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED.

2026 WORK PLAN, GOALS AND BUDGETS

Handed out at the meeting.

PROPANE ASSIGNMENT OF SHARES

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

GENERAL POLICY RECOMMENDATIONS – POLICY COMMITTEE

Chairman Key stated the Policy Committee has reviewed the following policies and recommends them for approval by the board. The board discussed the policies included in the board packet noting some grammatical and verbiage changes for policy consistency and clarity.

GP# 301 FINANCIAL PRACTICES

Included in the board packet.

GP# 302 APPROVED DEPOSITORIES FOR COOPERATIVE FUNDS

Included in the board packet.

GP# 315 EQUITY MANAGEMENT

Included in the board packet.

GP# 319 FRAUD PREVENTION

RENUMBERED – GENERAL POLICY #508 IS PROPOSED TO BE RENUMBERED GENERAL POLICY #208

Included in the board packet.

Vice President Stiehl made a motion to approve GP# 301 Financial Practices, GP# 302 Approved Depositories for Cooperative Funds, GP# 315 Equity Management, GP# 319 Fraud Prevention, and GP# 508 to be renumbered as GP# 208 as recommended by the Policy Committee. Director Draper seconded the motion.

Director Schmier motioned to amend the original motion to approve GP# 301 Financial Practices, GP# 302 Approved Depositories for Cooperative Funds, GP# 319 Fraud Prevention, and GP# 508 to be renumbered as GP# 208 as recommended by the Policy Committee, omitting GP# 315 Equity Management for more discussion, Vice President Stiehl seconded the motion. A voice vote was taken; THE MOTION AS AMENDED CARRIED BY UNANIMOUS VOTE.

The board then discussed the minimum equity requirement within GP# 315 “Equity Management” and determined this would be a future topic of discussion possibly in April 2026.

Director Draper made a motion to approve GP# 315 Equity Management as discussed. Vice President Stiehl seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

PATRONAGE CAPITAL INSTANT OWNER REBATE

Staff recommends an Instant Owner Rebate of \$1,500,000 to be paid out in March of 2026. With this level of rebate along with the general patronage capital retirement to be paid in December 2025 and forecasted net margins for the year, staff anticipates an equity ratio at year end of approximately 55%. The anticipated equity ratio will still be strong. The recommended rebate will also allow the Cooperative to maintain debt service coverage and adequate TIER even with the unseasonably warm winter and the uncertainties in the economic outlook.

Vice President Stiehl made a motion to approve staff’s recommendation of \$1,500,000 Instant Owner Rebate to consumers who contributed to net margins in 2025 with the \$1,500,000 allocation based on the total revenue they paid the Cooperative for delivery of electrical energy services in 2025 and the rebate will be paid in the form of a bill credit to be applied to members accounts in early 2026. Director Behrens seconded the motion. A voice vote was taken; THE MOTION CARRIED.

IDAHO FALLS POWER PEAKING PLANT-RIBBON CUTTING REPORT
Included in the board packet.

2026 ENERGY EXPO AND ANNUAL MEETING PREPARATIONS

MEMBER NOMINATING COMMITTEE LIST FOR REIEW ADD OR SUBTRACT IN JANUARY

Included in the board packet.

Director Behrens noted in the interest of transparency, that a relative of his was listed on the potential nominating committee list.

FALL RIVER BOARD TERMS

Included in the board packet.

ANNUAL MEETING TIMELINE

Included in the board packet.

CBS FACILITIES REPORT AND UPDATE DISCUSSION

CEO Case noted the final facilities report will be sent. The board discussed proactive direction and next steps for FR facilities. This topic will be revisited at a future meeting in 2026.

PPC 2025 ANNUAL REPORT

CEO Case noted the PPC Annual report was included in the board packet and that a review of all organizational dues FR pays will be completed in the future to assess value.

BPA LITIGATION AND MOTIONS FOR A PRELIMINARY INJUNCTION

CEO Case reported that due to the agreement being negated, the Columbia River System Operations matter is back in litigation. NWPPA called for course correction and transparency from Oregon and Washington in a press release and PPC filed opposition to the motions for a preliminary injunction in long running federal litigation over operations of the Columbia River System.

NWPPA PRESS RELEASE ON BPA LITIGATION FCRPS

Included in the board packet.

PPC PRESS RELEASE ON BPA LITIGATION FCRPS

Included in the board packet.

NRECA VOTING DELEGATE AND ALTERNATE FOR 2026

Director Behrens made a motion to approve Travis Markegard as the NRECA voting delegate at the March 2026 Annual Meeting and Brent "Husk" Crowther as alternate voting delegate. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

2026 EXPENSE FORMS

The 2026 expense forms will be provided once the IRS has updated the 2026 mileage and per diem rates.

UPDATED ORGANIZATIONAL CALENDAR

Included in the board packet.

FALL RIVER LOGO CLOTHING ALLOWANCE -REMINDER

COOPERATIVE REPORTS

Director Schmier reported on NWPPA meetings he attended.

Director Behrens reported on community meetings he attended.

Vice President Stiehl reported on MECA meetings she attended.

Secretary Keay reported on the FR Propane board meeting he attended.

Director Markegard reported on industry articles and points of interest.

CEO Case reported on ICUA meetings he attended.

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.

Vice President 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

Director Behrens made a motion to go into Executive Session at 1:27 p.m. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

Vice President Stiehl made a motion to go out of Executive Session at 2:41 p.m. Director Markegard seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

MANAGEMENT DISCUSSION ITEMS

POWER SUPPLY MOSTLY SECURED THROUGH 2044-BPA POC AND PRESERVATION AGREEMENT
Included in the board packet.

PNGC FORECASTED POWER SUPPLY COSTS-40 YEAR
Included in the board packet.

BPA'S FALL RIVER REC 2026 FORECAST
Included in the board packet.

\$2.2M IN CFC LONG TERM DEBT TO BE SECURED IN DECEMBER-NRECA VCAP FUNDING -VERBAL UPDATE

SCADA PILOT TESTING

CEO Case reported FR staff successfully conducted multiple tests utilizing remote operations of substation equipment. These tests will lead to remote operations of devices in the field and will assist with outage restoration, wildfire mitigation, maintenance and more. Staff has developed the necessary procedures which have gone through FR's Safety Compliance Committee for review and approval. Case noted the importance of this milestone and thanked and congratulated staff for their accomplishment.

MATERIAL COSTS AND LEAD TIMES

Included in the board packet.

HYDRO FACILITIES UPDATE

Buffalo and Chester generated a total of 719,278 kWh in November. This amounts to 2.3% of all the kWh billed by PNGC in November and 2.3% of all kWh sold and used by Fall River in November.

Felt Hydro produced 1,711,013 kWh in November. When this is included with Buffalo and Chester, it amounts to 7.7% of all the kWh billed by PNGC in November and 7.8% of all kWh sold and used by Fall River in November.

ISLAND PARK

Island Park Hydro during the month of November. The flows out of Island Park Reservoir have been reduced below the minimum amount needed to run the plant. The flows were increased on December 1, and the plant was put back online.

BUFFALO

Buffalo Hydro generated 149,836 kWh during the month of November.

FELT

Felt Hydro produced 1,711,013 kWh during the month of November.

CHESTER

Chester Hydro produced 569,442 kWh in the month of November.

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

Nothing to report.

FINANCE COMMITTEE

The Pre-Audit conference call will take place January 15th.

POLICY COMMITTEE

Previously reported.

ATTORNEY REPORT

Attorney Rigby reported on the LSRD's lawsuit, NRECA Electric Bar Assoc. discussions, Big Beautiful Bill tax changes, patronage capital, and water rights.

2025/2026 CALENDAR

Included in the board packet.

ADJOURNMENT

Director Robson made a motion to adjourn the meeting at 2:50 p.m. Director Markegard seconded the motion. THE MOTION CARRIED BY UNANIMOUS CONSENT.

DATE APPROVED: January 20, 2026


Secretary Jeff Keay