

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

August 25-26, 2025

The meeting of the Fall River Rural Electric Cooperative, Inc. Board of Directors was held on Monday, August 25th and Tuesday August 26th, 2025, at The Holiday Inn Conference Center in West Yellowstone, Montana. Having determined a quorum was present, President Crowther called the meeting to order at 9:04 a.m. Executive Assistant, Angie Haws recorded the minutes. The invocation was given by Bryan Case. 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

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, Randy Wakefield Operations Manager, David McKinnon FR Enterprises GM, Jessica Matlock PNGC CEO, Scott Simms PPC Executive Director and CEO, Jeff Fuller TEA Director of Client Services, and Executive Assistant Angie Haws.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES FOR JULY 28, 2025

Director Robson made a motion to approve the minutes from the July 28, 2025, Board Meeting Minutes as presented. Secretary Keay seconded. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

MEMBER COMMENTS

The board reviewed member comments and communications.

SCHOLARSHIP REPORTS

SIENNA STEVENS

JOCELYN JENKINS

ANNALEA BROWN

BROOKE REYNOLDS

FINANCIAL & STATISTICAL REPORTS

JULY 31, 2025, FINANCIAL REPORTS

CFO Linden Barney reported the net margins for July are \$2.7M ahead of budget and within 2% of last year's margins at this time. Main drivers of the variance are new services growth and higher usage per meter, both were higher 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 just under 4%. The cost of purchased power is slightly lower than budget, COSA projections for the budget and actual increases were not as high as projected. 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 at 55%. Fall River generated just over \$7.9M from operations, \$4.7M was invested in plant and materials and \$2.3M of principal on long-term-debt was paid down. FR has spent 64% of the capital budget YTD which includes carryover items from last year.

FALL RIVER ENTERPRISES "PROPANE" FINANCING REQUEST

CEO Case reviewed the FR Enterprises financing request for a seven-year loan to purchase vehicles that will last approximately fifteen years. The proposed agreement was included in the board packet.

Director Schmier made a motion to approve the FR Enterprises \$300k Long Term Debt Request as presented. Director Markegard seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

FALL RIVER 990 REVIEW

Management provided the Board with a copy of the Cooperative's annual IRS Form 990 filing. The Board reviewed the document which outlines the organization's financial information, governing practices, and compliance with IRS reporting requirements. As part of their fiduciary duty, Board members reviewed the filing to ensure accuracy, transparency, and alignment with the Cooperative's mission. Questions were invited and discussed.

Director Schmier made a motion to acknowledge FR Board Review and Acceptance of the IRS Form 990 as presented. Director Lindstedt seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

COOPERATIVE BUSINESS

FALL RIVER ENERGY EXPO WRAP UP AND 2026 PLANNING

2025 FALL RIVER ENERGY EXPO & ANNUAL MEMBER MEETING SURVEY

CEO Case reviewed the results of the 2025 Expo Member Meeting Survey noting the overall positive responses. Of the members surveyed 92% gave the event an overall rating of excellent or very good. The Board reviewed and discussed positive and negative member survey comments, considered member suggestions, and discussed possible changes for 2026. Case commented there were many compliments received about the FR staff, Case noted his and the Board's appreciation to staff for a job well done.

SAVE THE DATE FALL RIVER ENERGY EXPO DATE JUNE 13, 2026, TETON H.S.

FALL RIVER PROPOSED BYLAW CHANGE

BALLOT LANGUAGE WITH INFORMATION FOR REASONS AND BOARD SUPPORT

CEO Case presented the draft language for the proposed bylaw amendment to Article XI Section 1-Disposition of Property for Board review and discussion. The draft proposed amendment language will be further reviewed at the next board meeting.

PLAN TO ENCOURAGE VOTING

CEO Case reviewed the communications planned to prepare staff for the proposed bylaw change as well as the timeline to disseminate information to the membership to educate and encourage voting on the proposed bylaw change which will include; in person town hall meetings to be held at each of the Fall River Electric offices, emails, social media posts, and the meeting dates noted in the May Flashes Newsletter.

CFC EMERGENCY LINE OF CREDIT RESOLUTION

CEO Case noted the Resolution provides the availability of CFC line of credit funds up to \$3M that could be accessed quickly in the event of an emergency.

Vice President Stiehl made a motion to approve the CFC Emergency Line of Credit Resolution as discussed. Director Behrens seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

CFC VOTING DELEGATE FOR THE 2025 DISTRICT MEETING OCTOBER 7TH BELLEVUE, WA.

Vice President Stiehl made a motion to approve Georg Behrens as CFC Voting Delegate and Bryan Case as Alternate Voting Delegate. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

BOARD COMMITTEE ASSIGNMENTS

Included in the board packet.

ICUA RESOLUTION - DIRECTOR REPRESENTATIVE GEORG BEHRENS AND ALTERNATE BRENT HUSK CROWTHER/BRYAN CASE

Vice President Stiehl made a motion to approve the ICUA Resolution naming Georg Behrens as the ICUA Primary Director Representative and Brent Crowther as the Alternate Director Representative. Director Robson seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

NW RIVERPARTNERS 2025 OUR POWER IS WATER CAMPAIGN

CEO Case noted the Northwest RiverPartners "Our Power Is Water" campaign link was included in the board packet for review. Case stated FR may use some of the campaign to highlight and educate members on hydroelectric power as the most abundant clean energy

source in the Northwest benefitting families, farms, and businesses.

FALL RIVER CFC KEY RATIO TREND ANALYSIS (KRTA) ERIC ANDERSON OF CFC WILL PROVIDE AN OVERVIEW IN SEPTEMBER; HOWEVER, WE WANTED YOU TO HAVE THE FULL REPORT SINCE IT IS AVAILABLE

CEO Case noted the KRTA information was included in the board packet this month and will be reviewed with Eric Anderson with CFC in September. The Board discussed some additional detail to review at the upcoming meeting to provide historical comparisons or clarity on particular ratios.

PNGC EXPANDING HORIZONS/TEAM PRESS RELEASE

PNGC's announcement welcoming new team members CFO Michael Peterson and Staff Attorney Kristina Fugate was included in the board packet.

UPCOMING MEETINGS

WREA CONFERENCE SEPTEMBER 10-11 LANDER, WY

PNGC ANNUAL MEETING SEPT 29-30 BOISE, ID

MECA ANNUAL MEETING SEPT 29-OCT 1 GREAT FALLS, MT.

NRECA REGION 7&9 OCTOBER 6-8 BELLEBUE, WA.

CYBER SECURITY TRAINING – ONGOING – DUO AS AN EXAMPLE

IT Manager Shannon Hill reviewed recent staff cyber security training highlighting the good results. Hill noted good practices to maintain safety and security.

COOPERATIVE REPORTS

Vice President Stiehl reported on the PPC meeting she virtually attended.

President Crowther reported on AI.

Secretary Keay reported Fall River Propane is doing well.

Director Behrens reported on ICUA meetings he attended and invited suggestions for ICUA strategic planning topics.

Director Markegard reported on an industry relevant article.

Director Schmier reported on NWPPA updates and upcoming meetings.

PRESENTATION

President Crowther and CEO Case recognized Director Georg Behrens for his service, leadership, and many contributions as FR Board President. Behrens served as President from 2023-2025.

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 Schmier made a motion to approve the consent agenda as discussed. Vice President Stiehl 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 10:49 a.m. Director Markegard 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 11:46 a.m. Vice President Stiehl seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE

MANAGEMENT DISCUSSION ITEMS

NRECA 401K RESOLUTION

Director Behrens made a motion to approve the authorization of the Resolution 401K Payment Plan as suggested by staff. Director Schmier seconded the motion. A voice vote was taken; THE MOTION CARRIED BY UNANIMOUS VOTE.

JOURNEYMAN RECOGNITION BRAYDEN SHAFFER AND JACE ARNOLD
CEO Case noted the accomplishment of Brayden Shaffer and Jace Arnold completing their lineman apprenticeship program and becoming journeyman lineman. Case stated that this is a significant professional achievement typically taking four years to complete with both classroom and on the job training as well as passing all required testing and evaluations.

ORGANIZATIONAL CHART

Included in the board packet.

HYDRO FACILITIES UPDATE

Island Park, Chester, and Buffalo generated a total of 3,186,227 kWh in July. This amounts to 6.3% of all the kWh billed by PNGC in July and 6.7% of all kWh sold and used by Fall River in July.

Felt Hydro produced 2,307,588 kWh in July. When this is included with Island Park, Chester, and Buffalo, it amounts to 10.9% of all the kWh billed by PNGC in July and 11.6% of all kWh sold and used by Fall River in July.

ISLAND PARK

Island Park hydro produced 2,287,920 kWh during the month of July.

BUFFALO

Buffalo hydro generated 143,360 kWh during the month of July.

FELT

Felt hydro produced 2,307,588 kWh during the month of July.

CHESTER

Chester Hydro produced 754,947 kWh in the month of July.

DONATIONS

Included in the board packet.

FALL RIVER'S MANAGEMENT REPORT

CEO Case highlighted FR has provided meetings in August held at each district office for members and invited guests to attend a discussion on the Cooperative's wildfire mitigation plan. The invited guests included County Commissioners, County Emergency Managers, and Fire Chiefs. Interactions at the meetings were good with great discussion. The public comment period for the plan was open for 30 days in August.

Case also reviewed slides from the presentation reviewing wildfire mitigation processes currently in place.

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 next meeting will be held in October.

FINANCE COMMITTEE

Nothing to report.

POLICY COMMITTEE

Nothing to report.

ATTORNEY REPORT

Attorney Rigby reported on irrigation rights, and developing cases around artificial intelligence, as well as other industry related items.

SCOTT SIMMS, PPC EXECUTIVE DIRECTOR AND CEO

Scott Simms, PPC Executive Director and CEO provided an overview of the Public Power Council noting PPC represents more than 100 public power entities across six states. Affordability, reliability and preservation of value are core to their mission. Simms also highlighted the accelerating regional load growth, fuel mix, high load events and resource responses.

FALL RIVER STRATEGIC VISION AND OBJECTIVE REVIEW AND UPDATE

FALL RIVER ENTERPRISES, INC. PROPANE SHAREHOLDERS EXPECTATIONS AND EQUITY DISCUSSION

CEO Case reviewed the various tools, considerations, and resources available that were used by staff to determine the recommended target equity level of 35% noting equity provides flexibility. The FR Electric Board reviewed the propane financials and discussed the shareholder expectations and proposed direction for Fall River Enterprises, Inc.

The following items were discussed:

Track and increase the market share of propane customers, and gallons sold.

Increased level of competitive efforts.

Timeline for progress achieving desired rate of return.

- Defined process for rate of return calculation.
- Possible survey to gather market data.
- Marketing plan and strategy.
- Plans and promotions, staff requirements processes, and training, and customer acquisition, follow up, and services provided.
- Develop plans for specific areas.

If additional funding required prepare plan.

FALL RIVER PROPANE EQUITY DISCUSSION AND DECISION

Included in the board packet.

PROPANE JULY FINANCIALS

Included in the board packet.

FALL RIVER ELECTRIC SHAREHOLDERS EXPECTATIONS

The Board reviewed the draft shareholder expectations and determined they will review the document with the proposed changes as discussed at the next board meeting.

PROPANE METRICS COMPARISON

CEO Case noted the metrics were compared against six entities and that FR propane is doing well providing both deliveries and service.

FALL RIVER ELECTRIC VISION AND STRATEGIC OBJECTIVES

CEO Case reviewed the Vision and Strategic Objectives for FR Electric inquiring if any changes were needed. The board and staff discussed if FR is achieving the vision as presented, all agreed FR has an excellent reputation as an innovative leader, delivering top tier performance in reliability and service and as the members' Trusted Energy Partner providing value, tools and resources. Areas to explore for improvement were discussed. CEO Case noted some important strategic objectives currently being focused on are wildfire mitigation, upcoming power supply decisions, and the software conversion.

FALL RIVER HISTORY WALKING TOUR-SHORT WALK

CEO Case stated there is a bit of Fall River history in the log building that houses the diesel generation Fall River purchased in 1942 as the Cooperative purchased the electric distribution in West Yellowstone. FR operated the diesel generator during the daytime to power West Yellowstone and would shut off power each evening. Shortly after the purchase Fall River installed additional generators to power the town of West Yellowstone on a 24-hour basis. FR operated the generators for about 5 years while we built a transmission line from Ashton to serve the community. In 1948, West Yellowstone was connected by power lines to the Fall River distribution system. The generator in the museum was used as back up generation for the railroad but was retired from use in the 1950s. It has been preserved well and still has instructions on the control panel which states the Cooperative or REA needs to be contacted before starting the generator. The generator is not currently tied to FR's system.

MEETING RECESSED FOR THE DAY at 4:15 PM

MEETING RESUMED TUESDAY, AUGUST 26th AT 8:30 AM

JESSICA MATLOCK, CEO OF PNGC, RESOURCE DEVELOPMENT PLAN RESOURCES & MEMBER OPTIONS AND COSTS

Matlock provided an overview of PNGC's mission, and an overview of their resource development plan. Key topics covered included identifying the energy resource needs by reviewing load and resource studies, as well as regional forecasts. Matlock reviewed the Western Resource Adequacy Program (WRAP) noting that it is an important step forward for reliability in the region. The available PNGC resource products and requirements were reviewed for consideration by the board.

JEFF FULLER, DIRECTOR OF CLIENT SERVICES FOR TEA, BIG PICTURE POWER LANDSCAPE IN THE NORTHWEST

Jeff Fuller Director of Client Services for The Energy Authority (TEA), presented a Provider of Choice analysis to the Board. Fuller highlighted available resources, considerations for load growth scenarios and capacity, large load challenges, northwest resource additions, impacts on prices, comparative product analysis with three main options, recommendations for optimization, WRAP program compliance, and a markets update.

BPA's current 20-year firm power contracts expire in September 2028 and the new

contracts must be signed by December 2025. The Board noted the presentations given during the strategic planning portion of the meeting were insightful and they appreciated the opportunity to ask questions and discuss to determine the best path forward preparing FR for the future.

FOLLOWUP DISCUSSION OR FUTURE STRATEGIC ITEMS TO DISCUSS

2025 CALENDAR

Included on the board agenda.

ADJOURNMENT

Vice President Stiehl made a motion to adjourn the meeting at 12:19 p.m. Director Robson seconded the motion. THE MOTION CARRIED BY UNANIMOUS CONSENT.

DATE APPROVED: September 22, 2025


Secretary Jeff Keay