

89th ANNUAL MEETING REPORT

March 27, 2026
Registration - 11:00 am
Lunch - Noon
Meeting - 1:00 pm

TRANSFORMING THE FUTURE



*Our Communities
Our Cooperative
Our Youth*



 Touchstone Energy® Cooperatives
The power of human connections®

GUEST SPEAKERS

Mark Lambrecht
CEO of Montana Electric
Cooperatives' Association



Jim Sands
CEO of Central Montana Electric
Power Cooperative

Notice of Annual Meeting

March 27, 2026

Dear Members,

Notice is hereby given that the regular annual meeting of the members of Sun River Electric Cooperative, Inc. will be held as provided for in the Bylaws, at the Fairfield Community Hall in the town of Fairfield, Montana, on Friday, March 27th, 2026, at 1:00 p.m. The membership will elect two candidates to serve on the Board of Trustees. One trustee will be elected for:

District #2

Upper Sun River-Augusta-Simms

Candidate: Russ Bloom

District #7

Highwood-Armington-Stockett

Candidate: Robert "Bob" Pasha

The auditors will present the annual statistical report. The manager will give a report on the 2025 business operations. Other business will be transacted as it comes before the meeting.

Chris Music, Secretary



President's Report

By Bob Pasha

As we look back on 2025, we certainly can say it was a trying year. Water availability for irrigation was a constant concern, grain prices were low while cattle prices were historically high. Electric prices were pressured upward as the result of new industry growth and increasing demand. As I noted last year, the changes in our industry are happening almost as fast as the seasons change. Electric Vehicle mandates were getting closer, base load generation was under pressure from coal plant and nuclear plant closures and some large-scale hydro projects were scheduled for removal. In one year, the landscape has dramatically changed. EV sales have declined for the first time in a decade. Mandates are seldom talked about and the thought of actually removing hydro projects seems to be in the rear-view mirror, at least for now. Old nuclear

plants are being brought out of mothballs and put back online. Just a few weeks ago our president ordered the department of war to begin buying power from coal fired generation. As the co-op world catches its breath, the new concerns are the amount of power it will take to run new data centers. How to fund them and who pays for the electric build out in the next 25 years is front and center. We will closely monitor this and whatever other issues are on the horizon. In the meantime, our job remains the same, to continue to provide you with the most affordable, and most reliable service we can. This year we will retire the remaining balance of 2007 and all of 2008 capital credits which is a total of \$511,709.20. From all of us here at Sun River Electric, we want to thank you for all your support and encouragement. Please join us for the 89th annual meeting of Sun River Electric Cooperative.

Agenda

Invocation: Board Trustee - *Bryce Johns*

Pledge of Allegiance: President *Bob Pasha*

Welcome & Call to Order: President *Bob Pasha*

Quorum Report/Notice of Annual Meeting/

2025 Minutes: Secretary *Chris Music*

Introduction of Special Guests/President's Report

Employee Service Awards: President *Bob Pasha*

Auditor's Report: *Melissa Soldano* -

Douglas Wilson & Co.

Manager's Report: *Brad Bauman* -

General Manager/CEO

Election of Trustees:

Max Davis - *Davis, Hatley, Haffeman & Tighe*

Guest Speaker: *Mark Lambrecht* -

CEO Montana Electric Cooperatives' Association

Door Prize Drawing: *Round #1* - *Office Staff*

Guest Speaker: *Jim Sands* - *CEO of Central Montana Electric Power Cooperative*

Door Prize Drawings: *Round #2* - *Office Staff*

Unfinished Business/ New Business:

President Bob Pasha

Door Prize Drawing: *Grand Prize* - *Office Staff*

Meeting Adjournment: President *Bob Pasha*

Meal Prepared by: *Tumbleweed Bar & Grill*

Meal Served by: *Local youth group*
and *SREC Linemen*

Clean-Up: *Local youth group*

Meet the Candidates



Robert "Bob" Pasha

Incumbent Candidate for District #7

I have been a Sun River Electric member for 48 years and I have served on the board for 19 years. My wife and I raised our three children on our family farm in Highwood

and now have our two sons and their families operating the farm. I am also a county commissioner for Chouteau County. I enjoy the work of being a board member for this co-op. Challenges in the electric business are evolving constantly and I look forward to continuing to work for our co-op to stay abreast of the issues. We are very fortunate at Sun River Electric to have the quality of employees that we do. Thanks to all of you for allowing me the privilege of serving you.



Russ Bloom

Incumbent Candidate for District #2

I was raised in Simms where my family farmed and ranched. After graduating from Simms High School, I studied veterinary medicine and was a large animal veterinarian for

14 years. I have been ranching full time in the Simms-Augusta area since 2000. My wife is an ICU nurse at Benefis Hospital. We have 3 grown children and 1 grandson.

In addition to serving on the SREC board, I am board president of the Central Montana Electric board and I am a director on the Mid-West Electric Consumers Association board.

I believe the biggest challenge facing SREC is keeping our rates as low as possible while continuing to invest in our poles and wire infrastructure to ensure reliable service. The price of our materials has in many cases doubled and tripled over the last 5 years. In addition, the cost of our wholesale power has been increasing 10% per year and is likely to continue doing so for at least the next few years. The SRE staff and board of directors have diligently strived to become ever more efficient and incorporate new technology to cut costs while continuing to serve our members at the highest possible level.

Employees

Brad Bauman	CEO/General Manager
Shelley Batson	Manager of Finance & Administration
Leanne Hall	AP/Payroll/CC Clerk/Communications
Christy Kovatch	General Ledger/Senior Billing
Brandi Converse	Cashier/Billing/Collections Clerk
Taylor DeBruycker	Work Order/Purchasing/Contracts Clerk
Chris Christensen	Manager of Engineering & Member Services
John Schwenke	Staking Engineer
Mike Faith	Meterman/Account Specialist
Randy Gaa	GIS Staking/Mapping/IT
Robert Anderson	Operations Manager
Scott Steyee	Asst. Operations Manager
Trey Caffyn	Fairfield Foreman
Scott Schlosser	Fairfield Lineman
David Kelleher	Fairfield Lineman
Chad Hitchcock	Fairfield Apprentice Lineman
Owen Stong	Highwood Foreman
Sean Donlan	Highwood Lineman
Robbie Dockter	Conrad Foreman
Jay Pogreba	Conrad Lineman
Joseph Waldner	Conrad Apprentice Lineman

Sun River Electric Cooperative, Inc.
1-800-452-7516 or 1-406-467-2526
www.sunriverelectric.coop

Petitions and Elections of Trustees

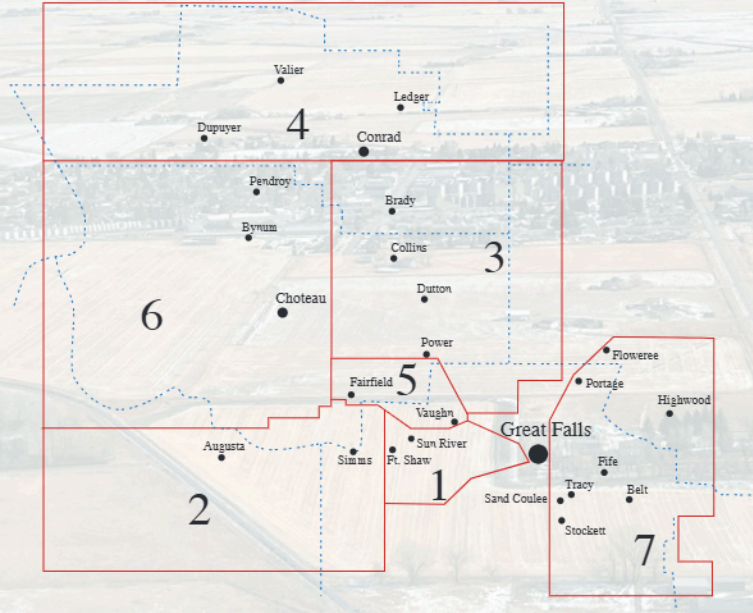
Any member wanting to be put on the ballot must be a paying member of the Coop for five years and a resident of the district they wish to represent. That person must obtain 10 valid signatures from that district. The valid signatures must be returned to the Sun River Electric Office no less than 30 days prior to the annual meeting to be placed on the election ballot.

Capital Credit Retirement

This year SREC will retire \$511,709.20 in capital credits. We will retire the remaining portion of 2007 and all of 2008.

Service Area Map

District Boundary ———
County Line - - - - -



Guest Speakers



Mark Lambrecht is Chief Executive Officer of the Montana Electric Cooperatives' Association, overseeing the organization's government advocacy and communications programs and safety and education training services provided to its 25-member electric cooperatives. He has more than 25 years of experience in senior-level organizational leadership, government and public affairs, and energy and natural policy. Lambrecht earned a master's degree in resource conservation from the University of Montana College of Forestry and a bachelor's degree in political science from Gonzaga University.

General Manager & Board of Trustees

- 1 Chris Music, Secretary
District #5
- 2 Russ Bloom
District #2

- 3 Bryce Johns
District #4
- 4 Bob Pasha, President
District #7



1

2

3

4



Jim Sands has been named the new CEO of Central Montana Electric Power Cooperative, a generation and transmission co-op based in Great Falls, following the retirement of longtime manager Doug Hardy.

After graduating from Simms High School and then Montana State University with a degree in electrical and electronics engineering technology, Sands began his career as a consulting engineer in 1994 with Heberly & Associates in Havre. At the time, the firm dealt largely with electric and telephone companies.

In 1998, Sands went to work for the Western Area Power Administration in Fort Peck, as a maintenance engineer and interim operations manager before rejoining

Heberly & Associates in 2000. He became a partner in the company in 2002, the year he passed the professional engineering exam. He ascended to vice president before starting his cooperative career as the operations manager for Hill County Electric Cooperative in Havre in 2012.

Throughout his career Sands was involved with design work, field work, material procurement and construction oversight of more than 200 miles of high-voltage transmission lines. At Hill County Electric Cooperative, Sands led and supervised all personnel activities of the Electric Operations Department. He developed, planned, budgeted and administered logistics of system construction projects.

Jim is excited for the opportunity to work with many of the co-ops that he has worked with in the past and excited to lead Central in its goal for long-term low rates.

5 Emelia Leonardson
District #1

6 Mitch Johnson, Vice President
District #6

7 John Burgmaier
District #3

8 Brad Bauman
General Manager



5



6



7



8

Sun River Electric Coopertive, Inc.

Balance Sheets As Of December 31, 2025 and 2024

ASSETS

Utility Plant:

Electric plant in service
Construction work in progress

2025

\$ 61,210,903
1,421,015
62,631,918
(28,847,458)
33,784,460

2024

\$ 58,903,161
1,931,546
60,834,707
(27,687,203)
33,147,504

Less: Accumulated depreciation

Net Utility Plant

Other Assets and Investments:

Investment in associated organizations
Capital term certificates
Restricted investment
Total Other Assets and Investments

5,033,424
443,943
20,725
5,498,092

4,874,172
445,233
19,103
5,338,508

Current Assets:

Cash
Temporary investments
Accounts receivable (net of current expected
credit loss of \$2,117 in 2025 and 2024)
Interest receivable
Materials and supplies
Prepaid expenses
Total Current Assets

573,814
664,874
1,630,260
4,578
1,171,373
37,809
4,082,708

657,693
588,498
1,453,267
4,578
1,087,043
45,242
3,836,321

Deferred Charges

Total Assets

165,742

\$ 43,531,002

159,058

\$ 42,481,391

LIABILITIES AND EQUITIES

Equities and Margins:

Memberships
Patronage capital
Other equities
Total Equities and Margins

\$ 10
21,512,956
2,741,909
24,254,875

\$ 10
21,618,969
2,613,613
24,232,592

Long-Term Debt (less current portion)

15,646,096

14,643,807

Current Liabilities:

Current portion of long-term debt
Accounts payable
Accrued property taxes
Accrued interest
Accrued vacation and sick pay
Accrued expenses and unclaimed property
Consumers' deposits
Total Current Liabilities

985,317
565,114
279,656
120,786
414,952
476,388
75,975
2,918,188

1,404,760
561,600
262,131
107,117
376,681
529,803
81,185
3,323,277

Other Liabilities and Deferred Credits:

Consumer energy prepayments
Other regulatory liabilities
Employee insurance reserve
Total Other Liabilities and Deferred Credits

191,118
500,000
20,725
711,843

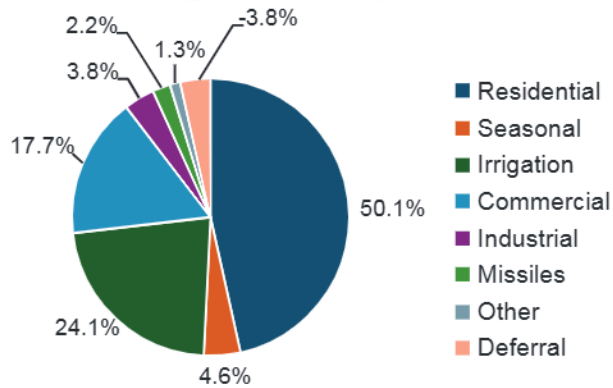
262,812
-
18,903
281,715

Total Liabilities and Equities

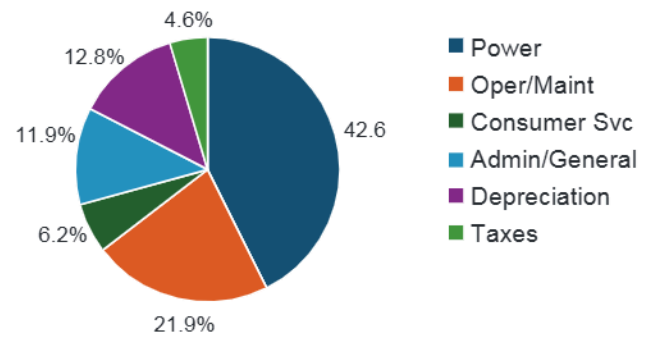
\$ 43,531,002

\$ 42,481,391

2025 Operating Revenue



2025 Operating Expenses



OPERATING REVENUE		Percentage
Residential	\$ 6,599,324	50.1%
Seasonal	\$ 604,575	4.6%
Irrigation	\$ 3,172,206	24.1%
Commercial	\$ 2,332,875	17.7%
Industrial	\$ 507,488	3.8%
Missiles	\$ 293,407	2.2%
Other	\$ 173,479	1.3%
Deferral	\$ (500,000)	-3.8%
TOTAL	\$ 13,183,354	100%

OPERATING EXPENSES		Percentage
Power	\$ 5,213,867	42.6%
Oper/Maint	\$ 2,675,938	21.9%
Consumer Svc	\$ 752,772	6.2%
Admin/General	\$ 1,447,608	11.9%
Depreciation	\$ 1,560,216	12.8%
Taxes	\$ 561,021	4.6%
TOTAL	\$ 12,211,422	100%

Statements of Revenue and Patronage Capital

Balance Sheets As Of December 31, 2025 and 2024

	2025	2024
Operating Revenue	\$ 13,183,354	\$ 13,144,743
Operating Expenses:		
Cost of power	5,213,867	4,873,684
Transmission	13,347	7,877
Distribution - operation	1,818,752	1,600,477
Distribution - maintenance	843,838	697,739
Consumer accounts	395,582	382,246
Customer service and informational	340,362	326,104
Sales expense	16,828	16,220
Administrative and general	1,447,609	1,395,283
Depreciation and amortization	1,560,216	1,632,114
Taxes	561,021	533,981
Total Operating Expenses	12,211,422	11,465,725
Operating Margins before Fixed Charges	971,932	1,679,018
Fixed Charges:		
Interest on long-term debt	674,537	599,207
Operating Margins after Fixed Charges	297,395	1,079,811
G & T and Other Capital Credits	678,472	769,126
Net Operating Margins	975,867	1,848,937
Nonoperating Margins:		
Interest income	65,599	63,186
Other nonoperating income	16,400	79,369
Net Margins	81,999	142,555
Net Margins	1,057,866	1,991,492
Patronage Capital, Beginning of Year	21,618,969	20,703,648
Retirement of Capital Credits	(1,163,879)	(1,076,171)
Patronage Capital, End of Year	\$ 21,512,956	\$ 21,618,969



PRSR STD
US POSTAGE
PAID
GREAT FALLS, MT
PERMIT NO. 211



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Fairfield, MT 59436



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