

BIG WOOD CANAL COMPANY

BYLAW UPDATE NOTES

January 2026

THE PROPOSED BYLAWS WILL BE OPENLY DISCUSSED AT THE ANNUAL STOCKHOLDERS MEETING ON TUESDAY, JANUARY 13, 2026.

RATIFICATION WILL BE CONDUCTED AT A SPECIAL MEETING FOR THAT PURPOSE, POSSIBLY IN MARCH 2026 OR AT THE ANNUAL MEETING IN JANUARY 2027.

The original bylaws were crafted in 1921. With several minor revisions since that time, the old bylaws have served the company adequately. However, times and legal requirements have changed, and it is long past time that a more current document be ratified. The proposed bylaws draft heavily on the old bylaws, but with consideration of bylaws of other irrigation entities and recognition of how the company functions in today's business environment.

Please take the time to read and understand the entire document. However, below is a list of the most significant proposed changes to the bylaws.

- 1) Added statement of purpose.
- 2) Changed the order of the document—if the stockholders are the company, then they need to be defined first.
- 3) Removed historical references—November 1921.
- 4) Eliminated the office of Second Vice-President.
- 5) Propose reducing the Board of Directors from 9 to 7 directors. At the company's origin, some operations of the company were conducted on horseback and communications were slow and limited. Farming operations were many and small. Qualified stockholders living within Director Districts were many. Today's agriculture economy requires much larger farming entities, and their owners may not meet required residence and ownership within a Director District. Thus, interested stockholders willing to serve from some Director Districts may be few. Today's mobile communications and travel capability allow a single Director to represent a larger area and shrinking constituent base. A smaller board of 7 stockholders would adequately represent the stockholders while allowing company business to be conducted in a more efficient manner. The American Falls Reservoir District #2 Board, the companion Board to BWCC, is comprised of 7 Directors.

- 6) Added to boundary descriptions to fully define director district boundaries. Used permanent physical boundary features such as railroad, highway, river or canal division boundaries as well as county lines, section boundaries and county grid to better complete the descriptions.
- 7) Removed \$10 reference of original Board compensation (1921) and left rate to be set by Board. The ability of the board to periodically set it compensation has always been in the bylaws and is currently \$50 per meeting day, chairperson \$100 per meeting day.
- 8) Included new meeting notice requirements as adopted by earlier amendment. Notice to be posted on website, sent to emails on file of stockholders and written notice to each stockholder of record.
- 9) Changed the nomination procedure for potential candidates running for the board. Interested individuals will be required to declare their candidacy and qualifications under the bylaws and submit a petition with signatures of no less than 5 stockholders to be placed on the ballot. No nominations will be taken from the floor at the annual stockholders meeting. This procedure is consistent with voting requirements of AFRD#2 board.
- 10) Added to vacancy list of causes for vacancy—a director missing 3 consecutive meetings without just cause.
- 11) Added ability to meet via zoom when appropriate or required.
- 12) Changed regular monthly board meeting date to the First Thursday of each month. Currently set for first business day of the month which often occurs the day after a holiday or weekend making it difficult to prepare for regular board meeting. Increasingly the board and management confer with outside third-party resources that may be difficult to coordinate.
- 13) Added to manager duties—the manager shall employ necessary staff. Also removed the power of the Chairman and the Board to hire and fire any employee. The Board should hire a manager period.
- 14) Removed Watermaster and his duties. The watermaster is an employee hired and supervised by the manager.

Again, please read the entire document.

Carl Pendleton, Chairman

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