



Summary of Board Minutes

May 25, 2023

The regular meeting of the Board of Directors of Freeborn Mower Electric Cooperative (“FMEC”) was held at FMEC’s headquarters office, located at 3366 Bridge Avenue, Albert Lea, MN 56007, on Thursday, May 25, 2023.

All board members were present for this meeting.

Dennis Anderson, Vice Chair	District 1
Jay Neitzell	District 2
Steve Garbisch, Treasurer	District 3
Richard Schaufler	District 4
Frank Fryer, Secretary	District 5
Matt Maras	District 6
Jack Korman, Chair	District 7
Bill Trygstad	District 8
Larry Irvine	District 9

Jack Korman, FMEC Board Chair, called this meeting to order at 8:00 a.m. and led everyone in reciting the Pledge of Allegiance.

Chair Korman called for any agenda edits or additions. Hearing none, the board voted to approve the agenda for the May 25, 2023, monthly board meeting as presented.

Larry Irvine, District 9 Director, provided a safety share. He provided an update on Lymes Disease. This disease is spread by a tick the size of a sesame seed. The early stages are fever, chills, fatigue, etc. He then explained the later stages. To prevent this, avoid vegetation where these ticks may be found, and if this is not possible, cover your skin and use bug repellent. Remove the tick as soon as possible and wash with soap and water. Early diagnosis is essential.

The board reviewed practices that promote good governance for the monthly governance discussion. These include abiding by a strong code of ethics, disclosing and/or avoiding potential conflicts of interest, operating transparently, and keeping member data confidential.

This meeting entered into Executive Session at 8:14 a.m. During this session, action was taken, giving Jim Krueger, President & CEO, authorization to meet with Union Representatives to discuss contract terms. This session adjourned at 8:39 a.m. *Minutes have been recorded and are filed at the cooperative office.*

The below general topics items were discussed with no action being taken.

- GreatCo-ops – Discussion continues to be valuable with GreatCo-ops as there is a leadership workshop scheduled later in June for all cooperative employees in management positions.

Motion carried to sign a Letter of Intent setting non-binding terms and conditions regarding the development, design, construction, and operation of one or more solar energy generation facility(ies) and the sale, purchase, and delivery of electrical output from each facility by and between Freeborn Mower Electric Cooperative and OneEnergy Development, LLC. The term of this agreement will be 25 years.

Motion carried to approve the Consent Agenda as presented. This includes approval of the minutes from the monthly board meeting, the minutes from the 2022 annual meeting, the approval of new members, authorization to make payments to estates, the audit committee and treasurer's report, and the safety and management team reports.

As a DPC distribution cooperative, FMEC can apply for a \$1,000 grant for community service/development, education, environmental stewardship, non-profit organization, or emergency fund projects. This year, we applied for funding to be granted to the Albert Lea CVB to be used for holiday lighting in Albert Lea's Central Park. In addition, the group organizing this initiative hopes to have an ice-skating rink included for public enjoyment.

Bill Trygstad reported on the April and May DPC board meetings he attended. He mentioned rates will increase in upcoming years but will level off around 2029 (per projections). Coal inventory is high at DPC as they are still under contract obligations and accepting deliveries. The DPC financial reports were reviewed, and answers were fielded and answered.

Angie Kolker, Director of Finance, presented the monthly FMEC financial reports for April 2023, and Bryan Skogheim fielded questions regarding the monthly C&I reports.

Angie Kolker, Director of Finance, presented the Long-Range Financial Forecast for 2023-2032.

Motion carried to approve the allocation of margins based on gross margins for \$890,424.10 to SMEC members and \$953,766.61 for Legacy embers, totaling \$1,844,190.71 for the year ending 2022.

Motion carried to amend the below policies.

- 2.003 – Director’s Expense Allowance
- 4.027 – Deposit Policy
- 9.008 – Expense Reporting Guidelines

The below policies were reviewed with no changes.

- 4.015 – Safety, Reliability, and Service Quality
- 6.014 – General Health and Safety

The below policy was eliminated as accounts under this rate were moved to other rates due to the recent rate change.

- 5.420 – Three-Phase Farm / Frozen Rate

Work Order #1277 & #990423 and Special Equip. #599 were presented to the Treasurer for signatures.

Motion carried to adjourn this meeting at 11:45 a.m.