

88th Annual Meeting Minutes

2000 Tiger Lane, Albert Lea, MN

Tuesday, April 01, 2025 | 5:00 PM

On the evening of April 1, the 88th annual meeting of Freeborn Mower Electric Cooperative was held at the Albert Lea High School in Albert Lea, MN. Despite blizzard conditions, 437 attendees, including 240 voting members, were present. Hy-Vee of Albert Lea provided excellent service with four serving lines, offering a menu that included pulled pork sandwiches, potato salad, and chocolate chip cookies. The Crossroads Church Middle School Youth bussed the tables.

Before the business meeting, attendees had the opportunity to connect with the FMEC Board of Directors and staff, explore educational exhibits, and catch up with friends and neighbors. Many participated in a game or two of Bingo in the auditorium, which employee Jackie Schlaak hosted.

After the Albert Lea American Legion Honor Guard Post #56 posted the colors, Evie and Shawna Dawson sang the National Anthem. District 7 Board Chair Jack Korman officially opened the meeting at 6:30 p.m. He warmly welcomed all attendees, introduced the FMEC Board of Directors, and acknowledged the FMEC employees and their attorney, Steve Hovey.

Dennis Anderson, District 1
Jay Neitzell, District 2
Steve Garbisch, District 3

Richard Schaufler, District 4
Frank Fryer, District 5
Matt Maras, District 6

Bill Trygstad, District 8
Larry Irvine, District 9

Pastor Kristi Mitchell of Redeemer Lutheran Church delivered the invocation, and Jess Phelps, Communications and Marketing Specialist for FMEC, served as the emcee for the evening, warmly welcoming all attendees.

During the meeting, Board Secretary Frank Fryer informed the audience that the Legal Notice of the Meeting was included in the 2024 Annual Report, which was sent to every cooperative member on March 4, 2025. According to Article 2, Section 5 of the FMEC Bylaws, a minimum of 50 registered members is required to hold an official meeting. At the start of the meeting, more than 50 registered members were present, establishing a quorum.

In February 2025, the director's election process managed by Survey & Ballot Systems led to John Penkava's election as the director for District 2. Richard Schaufler of District 4 and William Trygstad from District 8 were re-elected. After the cooperatives' expectations were formally accepted, Jack Korman appointed all three to the FMEC Board of Directors.

The following item of business was to review the minutes from the 2024 Annual Meeting. A motion was proposed and seconded to approve the minutes presented in the Annual Report without being read aloud.

Brent Ridge, President and CEO of Dairyland Power Cooperative, provided an informative update on the current status and future direction of the electric generation business. His detailed presentation highlighted recent advancements in renewable energy initiatives and strategic partnerships, demonstrating Dairyland's commitment to sustainability and innovation. The insights he shared prompted questions, which Brent answered while showcasing his expertise in the energy sector.

President and CEO Jim Krueger was also introduced and addressed the attendees, recapping 2024 and emphasizing the meeting's theme for the year: "*Lighting Up Lives—One Connection at a Time.*"

In his remarks, he noted the invaluable partnership between FMEC and Dairyland Power Cooperative, stating that their efforts significantly impact ours. He expressed appreciation for Dairyland's commitment to safety and its ongoing pursuit of improvements to serve member cooperatives. He highlighted that their current strategic investments will enhance future electric reliability in our region, and he conveyed gratitude for the strong partnership with Dairyland, recognizing Brent's effective leadership.

He acknowledged the ongoing support from member-owners, emphasizing that they are the core of all operations. Their engagement, support, and dedication to local communities are greatly valued, particularly evident through their participation in the Operation Round Up program, local drives, and various community initiatives.

He also addressed personnel changes, recognizing the retirements of Lori Masters (18 years) and Loren Sprague (38 years), who made significant contributions to safety and leadership. Six new employees were welcomed into various roles, highlighting FMEC's commitment to growth and operational efficiency.

Financial stability remained a priority despite inflation, changing regulations, and an unseasonably warm winter that affected electricity demand. FMEC reported total revenues of \$58.5 million, expenses of \$55.2 million, and net margins of \$3.3 million. The cooperative returned \$1.4 million in capital credits to members, underscoring its dedication to financial responsibility. The equity-to-assets ratio remained at 31%, reinforcing FMEC's strong financial foundation.

Infrastructure challenges were a key focus, with inflation driving up the costs of essential materials like poles, transformers, and underground cables. To manage financial pressures, FMEC implemented necessary debt management strategies and rate adjustments. The transition from Alliant Energy to Dairyland Power Cooperative for wholesale energy purchasing was highlighted as a step towards stabilizing electricity rates.

Krueger also discussed significant legislative challenges affecting energy policy and rural utility operations. A key issue was Minnesota's legislation aiming for 100% carbon-free energy by 2040, which lacks a practical roadmap for achieving complete carbon neutrality. FMEC joined other cooperatives in advocating for lifting the state's nuclear moratorium, arguing that nuclear energy is essential for maintaining baseload power without carbon emissions. Another

concern was potential reforms to rural utility tax laws, which could increase costs for cooperatives serving sparsely populated areas. FMEC emphasized the importance of upholding existing tax protections to maintain affordability for rural members.

Net metering policies were another pressing issue, as Minnesota is the only state requiring utilities to purchase excess energy from solar installations at rates above wholesale. FMEC advocated for reforms to ensure cost equity among all members rather than benefiting only a few. The cooperative reaffirmed its commitment to advocating for fair energy policies that support reliable service and financial stability.

The meeting concluded with appreciation for member engagement and reaffirming FMEC's mission to serve the community while navigating industry challenges. The cooperative remains dedicated to balancing sustainability, financial responsibility, and reliable service for all members.

The event concluded with presenting \$1,000 scholarships to 15 local high school seniors through the Luck of the Draw scholarship program. In June, two students will also represent FMEC at the NRECA National Youth Tour. Additionally, one student received the \$1,000 Lineworker Scholarship.

Following the above acknowledgements, various prize drawings were held for FMEC member-owners.

Chair Jack Korman then called for a motion to adjourn the meeting. A motion was made and seconded, and the adjournment was recorded at 7:45 p.m.

Frank Fryer, Secretary