



Summary of Board Minutes
April 29, 2025

The regular meeting of the Board of Directors of Freeborn Mower Electric Cooperative (“FMEC”) took place at FMEC’s headquarters office, located at 3366 Bridge Avenue, Albert Lea, MN 56007, on Tuesday, April 29, 2025.

All board members were present at this meeting.

Dennis Anderson, Vice Chair	District 1
John Penkava	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

Guest: Attorney Steve Hovey

Call To Order: Jack Korman, FMEC Board Chair, called the meeting to order at 8:00 a.m., followed by the Pledge of Allegiance.

Agenda Approval: Chair Korman called for any additions or edits to the agenda. Hearing none, the board voted to approve the agenda for the monthly meeting on April 29, 2025, as presented.

Board Reorganization: A motion was made and carried that nominations for the positions of Board Chair, President, Vice-President, Vice-Chair, Secretary, and Treasurer be closed, and that a unanimous ballot be cast to elect the following individuals to each respective position for a one-year term:

Jack Korman	Board Chair
Jim Krueger	President
Jack Korman	Vice-President
Dennis Anderson	Vice-Chair
Frank Fryer	Secretary
Steve Garbisch	Treasurer

Dairyland Power Board and Alternate Directors: The motion to elect Bill Trygstad as the FMEC representative on the DPC Board of Directors for a one-year term was carried. A second motion was made to elect Larry Irvine as the DPC Alternate Director for a one-year term.

The Board entered into Executive Session at 8:15 a.m.

Jim Krueger updated the board on a litigation issue impacting the cooperative, which was recently dismissed by a judge.

The Board left the Executive Session at 8:30 a.m.

Safety Share: Frank Fryer, FMEC District 5 Director, provided the safety share on Working Alone Safely. Essential protective gear—including fire-resistant coats, gloves, safety glasses, and helmets—is required for welding, along with proper ventilation and fire precautions. Workers must follow strict protocols when handling equipment such as drill presses, lathes, milling machines, plasma cutters, band saws, and 3D printers, ensuring proper eyewear, tool maintenance, and safe handling of materials. Confined spaces require an exit strategy, while jacks, hoists, and lifts demand backup safety measures to prevent injuries from sudden hydraulic failures. Each machine or tool has specific precautions, such as deburring sharp edges, removing chuck keys, and avoiding direct contact with hot or hazardous surfaces. These policies and procedures strengthen a culture of safety and help prevent accidents.

Governance Discussion: FMEC Attorney Steve Hovey joined the board meeting at 8:30 a.m. to provide insight into the fiduciary responsibilities that board members are entrusted with in their roles. These duties serve as the cornerstone of good governance, ensuring that board members act in the best interests of the cooperative and its stakeholders. Upholding these obligations is essential for maintaining the cooperative's integrity, financial health, and reputation.

The three core fiduciary duties that guide board members in their decision-making and oversight responsibilities are as follows:

1. Duty of Care—Board members must perform their responsibilities with diligence and prudence, stay informed about the cooperative's affairs, participate in meetings, review materials, and exercise sound judgment. Their oversight ensures the alignment of policies and strategies with the cooperative's long-term success.
2. Duty of Loyalty – Board members must act in the cooperative's best interests, avoiding conflicts of interest and prioritizing its welfare over personal gain. This duty is essential to transparency, ethical practices, and full conflict disclosure.
3. Duty of Obedience—Board members must ensure the cooperative operates according to its mission, bylaws, and laws. They must uphold their stated purpose and guiding principles to maintain stakeholder trust and reinforce the cooperative's integrity.

By conscientiously adhering to these fiduciary duties, board members safeguard the cooperative's financial and operational well-being, promote organizational transparency, and uphold the highest standards of professionalism.

Approval of the Consent Agenda: The motion to approve the Consent Agenda as presented was passed. This approval encompasses the following items: the minutes from the previous monthly board meeting and the annual meeting, the addition of new members, authorization for payments to estates, acceptance of the audit committee and treasurer's reports, and the reports from the safety and management teams.

Director Reports: Bill Trygstad updated the board on the DPC meetings he has attended since the March 2025 board meeting. The DPC March Financials were also reviewed.

DPC Annual Meeting: All directors except for Matt Maras will be registered for the Dairyland Power Cooperative Annual Meeting, which will take place on June 4 in La Crosse, WI.

Operation Round Up: After discussion, the board decided they would like to continue reviewing the detailed quarterly disbursement listing of the Operation Round Up awardees. While they do not oppose the newly introduced communication format via the summary page, they prefer to keep assessing each awardee's individual details.

2026 FMEC Annual Meeting: The 2026 FMEC Annual Meeting will be held at Albert Lea High School on Tuesday, March 31, 2026.

Subsidiary Reports: The quarterly financial reports for Minnesota Three LLC, SMEC, and Heartland Security were reviewed, along with the outstanding USDA loans.

General/Strategic Discussion:

- **Strategic Plan Update:** The Content Analysis Document of the FMEC Board Interviews and Senior Staff Surveys was reviewed. Matt Gilly from GreatCo-ops will participate in the executive team meetings throughout May. The Board and Staff Retreat is set for August 28, 2025, from 8:00 a.m. to 3:00 p.m. at the FMEC Headquarters.
- **2025 Work Plan Update:** The *2025 Capital Work Plan* outlines major infrastructure projects for Freeborn Mower Electric Cooperative, focusing on underground electrical distribution (URD) system rebuilds and enhancements. The plan includes four key projects: the *Glenville West Rebuild*, covering 16 miles with a cost estimate of \$1,250,100 and a 60-day timeline starting June 1; the *Hayward/Oakland Tie Line*, spanning 2 miles at a cost of \$219,700, set for August 1 with a 5-day duration; the *Brownsdale West Rebuild*, covering 3 miles with an estimated cost of \$320,200, scheduled for September 1 over 20 days; and the *Sargeant North Rebuild*, which involves 1.5 miles of underground work at a cost of \$170,400, beginning June 1 for a 7-day period. Construction crews and contractors are assigned, ensuring completion within planned schedules.
- **Rate Discussion:** The discussion centered around the current rate differences between Legacy and Acquired, weighing the advantages and disadvantages of maintaining separate urban and rural rates versus implementing a single rate. The planned rate merger, set for 2026, will require a comprehensive communication plan in 2025, along with updates to the Cost of Service Study facilitated by Power Systems Engineering. Initially, thoughts leaned towards maintaining two distinct rates, though concerns arose regarding classification between urban and rural areas. Others supported the idea of a unified service area with one standard cost, streamlining administration and avoiding excessive increases. A general preference emerged for a single service charge, with further analysis needed to determine its impact. To advance the discussion, PSE will be consulted to evaluate what a single rate would look like in the current residential pricing structure.
- **Cyber Incident Response Plan:** Peter Nelson, Director of Information Technology, gave an update on the Cybersecurity Incident Response Plan for Freeborn Mower Electric Cooperative, which outlines the procedures for detecting, analyzing, containing, and recovering from cybersecurity incidents that threaten the cooperative. It establishes roles and responsibilities across departments, including IT, legal, and communications, ensuring coordinated responses to security threats. The plan categorizes incident severity levels, details reporting requirements, and provides guidelines for preserving evidence. Additionally, it mandates annual reviews and testing to maintain readiness and compliance with evolving cybersecurity standards. The document includes emergency contact lists, legal guidance, and reporting protocols to ensure prompt incident management and minimize impact.

FMEC Financials: Angie Kolker, the Director of Finance, reviewed the FMEC financial reports for March 2025, along with the Commercial & Industrial Usage Comparison and Year-to-Date Usage reports.

Cooperative Debt Limit: The recent amendment to the Articles of Incorporation, approved by the members of Freeborn Mower Electric Cooperative, removed the fixed debt limit from the FMEC Articles of Incorporation and gives the Board of Directors the authority to establish the debt limit. A motion was made and carried to adopt the Maximum Indebtedness Resolution, setting the maximum amount of indebtedness at \$20 million effective April 29, 2025.

Policy Updates: A motion was carried out to amend the policies below.

4.017 – Limited English Proficiency Plan

5.006 – Peak Alert Service

5.007 – Irrigation Service

5.023 – Time-of-Use Peak Alert Service/POET

5.025 – Time-of-Use Peak Alert Service

5.062 – Rate Credit Rider RC-2

5.063 – Rate Credit Rider RC-1

6.029 – Vacation, Sick Leave, and Holidays

Work Orders #1300 & #990325 and Special Equipment #622 were presented to the Treasurer for his signature.

A motion was carried out to adjourn this meeting at 1:57 p.m.