



Summary of Board Minutes

July 30, 2024

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, July 30, 2024.

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

Call To Order: Jack Korman, FMEC Board Chair, opened the meeting at 8:00 a.m. with 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 held on July 30, 2024, as presented.

Safety Share: Frank Fryer, District 5 Director, shared safety tips for lawnmowers and weed trimmers to make lawn maintenance safer.

Lawnmower Safety

1. **Check for Debris:** Before mowing, walk through your lawn to remove any rocks, sticks, or toys that could become dangerous projectiles.
2. **Sharp Blades:** Keep your mower blades sharp. Dull blades can tear grass and increase the risk of injury.

3. **Slope Mowing:** When using a riding mower, mow up and down slopes rather than across to prevent tipping.

Weed Trimmer Safety

1. **Recall Alert:** Husqvarna recently recalled several models of gas-powered grass trimmers due to a fire hazard caused by incorrect wiring. If you own a Husqvarna trimmer, check if your model is affected and contact an authorized dealer for a free repair.
2. **Site Preparation:** Clear the area of debris, sticks, and stones before trimming. Ensure no people or pets are nearby.
3. **Proper Handling:** Always use both hands to operate the trimmer and wear protective gear, including safety glasses and gloves.

Monthly Governance Discussion—Key Ratio Trend Analysis (KRTA): During this discussion, the group discussed the video provided by NRECA’s Governance Team, moderated by CFC Regional Vice President Hampton Oxedine. Key Ratio Trend Analysis (KRTA) is a set of financial and operating ratios developed by CFC for distribution cooperatives to better understand how their co-op has performed historically and against other cooperatives in the nation.

The Board of Directors entered into Executive Session at 8:22 a.m.

In the Executive Session, Jim Krueger updated the board on pending litigation involving a current FMEC employee accused of slander. The cooperative’s attorney will file for a formal dismissal of the case and will update the cooperative of any status changes.

The Executive Session concluded at 8:24 a.m.

Quarterly Strategic Plan Update: Jim briefed the board on the progress of the strategic plan since the last update. In addition, he is seeking a suitable date to bring in another facilitator for a new strategic plan early in 2025.

Approval of the Consent Agenda: The motion to approve the Consent Agenda as presented was passed. This includes the approval of the prior monthly board minutes and executive session, the approval of new members, the authorization for payments to estates, the acceptance of the audit committee and treasurer's reports, and the safety and management team reports.

General Discussion: No action was taken on the below topics of conversation.

- Jim Krueger and Bryan Skogheim met with three member-owners and discussed a variety of topics, including solar energy, the need for a diverse energy mix, transmission issues, and how the Inflation Reduction Act will affect FMEC.
- We have received positive reactions to the 1946 truck conversion.
- A conversation was had on our current landlord policy and if ways landlords might be interested in putting the tenant's electric account in the homeowner's name.
- Tesla will replace 8 DC fast chargers with (8) V4 Superchargers, and they will add (8) V4 Superchargers. In total, each of the 16 chargers will have a 250 kW peaking capacity charge.
- The Bancroft Solar Project will hopefully be moving forward despite the opposition from the City of Albert Lea.
- FMEC plans to replace three trailers planned for 2025 into the 2024 budget year. This is because we were recently notified that Altec will not be able to deliver a small bucket and service body pickup budgeted for 2024 until the first quarter of 2025.
- FMEC is considering adopting the Good Catch Program. Al Stadheim will provide further information if necessary.
- Fire extinguisher training will be held on September 24, 2024.

Director Reports: Bill presented the board with Dairyland Power Cooperative's June 2024 financials. A tour of the Elk Mound Natural Gas Generation Plant is scheduled, and additional tour opportunities will be available in the future.

FMEC Financials: Angie Kolker, the Director of Finance, presented the financial reports for June 2024, and then fielded questions.

KRTA Ratios: The FMEC KRTA Ratios were provided by Angie Kolker, Director of Finance. The National Rural Utilities Cooperative Finance Corporation (CFC) has analyzed the final data from its 2023 Key Ratio Trend Analysis (KRTA) report. The report reveals that electric cooperatives have maintained strong financial metrics and improved margins, demonstrating their sustained financial health and operational efficiency. Final KRTA results are based on data submitted by 812 electric distribution cooperatives for the year ending December 31, 2023. CFC calculates 145 financial and operational ratios for each cooperative and provides a report showing the cooperative's ratios compared with U.S., state, and other key consumer group median values. Median reporting minimizes the effect of outliers and provides a clearer picture of cooperative performance.

4H Livestock Auctions: Motion carried to allocate \$2,000 to both Freeborn County and Mower County. Larry Irvine will bid in Freeborn County, and Steve Garbisch will bid in Mower County.

Write-Offs: Ann Knutson, Collections Specialist, joined this meeting to field questions regarding the June – December 2023 Write-Offs totaling \$26,257.82. The total write-off amount for the entire year of 2023 is \$49,006.32. Following discussion, the motion was carried.

Quarterly Subsidiary Reports: The quarterly subsidiary reports were reviewed by the board.

Operation Round Up: Operation Round Up's second-quarter disbursements were reviewed.

Policy 4.020: Policy 4.020 – Landlord Responsibility was reviewed with no changes.

Policy 4.023: Motion carried to amend policy 4.023 – Disconnections and Reconnections.

Policy 5.903: Motion carried to adopt policy 5.903 – Station Service.

Policy 6.017: Motion carried to amend policy 6.017 – Voting Time Leave.

Work Orders #1291 & 990624 and Special Equipment #613 were presented to the Treasurer for signatures.

Motion carried to adjourn this meeting at 12:10 p.m.