



Summary of Board Minutes
May 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 Thursday, May 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

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 May 29, 2025, as presented.

Safety Share: Matt Maras updated on electrical cord safety: Inspect cords for damage, fraying, or exposed wires before use, as faulty cords can cause fire and shock hazards. Keep cords away from heat, water, and pinch points to prevent tripping hazards. Avoid overloading outlets or daisy-chaining extension cords to prevent overheating. Use grounded plugs and unplug devices when not in use to reduce risks. Proper storage and handling help cords last longer and function safely.

Governance Discussion: The Minnesota Legislature recently adjourned its regular session but left several key budget bills unfinished, requiring a special session. Lawmakers are working to finalize spending plans for health care, education, transportation, and taxes, with a projected \$66–\$67 billion budget under consideration.

The Board entered into Executive Session at 8:30 a.m.

Jim Krueger updated the board on a member who is refusing to pay an invoice for a damaged pole. He also reported on a business opportunity for Heartland Security and gave an update regarding a cyber incident at NISC.

The Board left the Executive Session at 9:09 a.m.

Rate Discussion: Jim updated the board on the upcoming project to ensure that all FMEC member accounts are receiving the best rate suited to their needs. This must be completed before PSE conducts another Cost-of-Service Study.

MN3 LLC: After discussion, the FMEC board approved authorizing Jim Krueger, FMEC President & CEO, to sign the Renewable Energy Power Purchase Agreement with MN3, LLC, under Dairyland Power Cooperative’s Policy B605/610 as a Buy-All/Sell-All contract. The Agreement is effective July 1, 2025, for ten years from the Commercial Operation Date, unless terminated earlier per its terms.

General/Strategic Discussion:

- **Strategic Plan Update:** The final meeting with Matt Gilley from GreatCo-ops is scheduled for July 1. The Strategic Planning Retreat is scheduled for August 28 from 8:00 – 2:30 at the FMEC HQ building.

Approval of the Consent Agenda: The motion to approve the Consent Agenda as presented was passed. This approval includes the following items: the minutes from the previous monthly board 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 Executive Team.

Director Reports: Prior to the May DPC board meeting, Bill Trygstad attended a virtual presentation from CERAWEEK 2025, held from March 10 to 14, 2025. This event focused on various themes related to energy and climate, bringing together industry leaders and government officials to discuss solutions for a challenging energy landscape. He subsequently provided an update on the May DPC monthly board meeting and other meetings he had attended since our last board meeting. The DPC monthly financials and the Long-Range Financial Forecast were also reviewed, and he informed the board about departmental updates from various committees within the DPC.

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

Allocation of Margins: Motion carried to approve the allocation of margins based on gross margins in the amount of \$1,112,823.78 to SMEC members and \$908,531.57 for Legacy members, totaling \$2,021,355.35 for the year ending 2024.

Financial Forecast: Angie Kolker, Director of Finance, presented the Financial Forecast, which includes four operating summaries: Determination of Load, Determination of Operating Revenue, Determination of Operating Expenses, and Determination of Plant Investment.

Significant assumptions were considered with the goal of increasing the equity percentage. The forecasting tool provided by the Cooperative Finance Corporation (CFC) assists FMEC in estimating operating costs to ensure that necessary funds are available for maintaining and operating the electrical distribution system. It also helps us set rates to ensure fair and sustainable pricing for FMEC member-owners.

CFC Proposed Bylaw Amendments: All board members agreed that Jim Krueger, the FMEC CFC voting delegate, cast his ballot in favor of the proposed changes to the CFC Bylaws. These changes will be discussed at the CFC Annual Membership Meeting, which is scheduled for June 30, 2025, in New York City.

Policy Reviews: The following policies were reviewed with no changes.

4.015 – Safety, Reliability, and Service Quality

6.014 – General Health & Safety

Work Order #1301 and Special Equipment #623 were presented to the Treasurer for his signature.

A motion was carried out to adjourn this meeting at 1:01 p.m.

Frank Fryer, Secretary