Summary of Board Minutes
May 21, 2026

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 21, 2026. All board members were present at this meeting.

All board members were present for 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

Also Present: Jim Krueger, President & CEO

Jessica Phelps, Executive Assistant

The Executive Team joined the meeting at 9:22 a.m.

Call To Order: Jack Korman, Chair of the FMEC Board, called the meeting to order at 8:02 a.m., followed by the pledge of allegiance.

Agenda Approval: Chair Korman asked if there were any suggestions or modifications to the proposed agenda. There was a request made to add form 990 to the agenda and a motion was made and carried to make this requested change.

Safety Share: Larry gave a safety share on 11 defensive driving techniques:

1) Ensure a safe following distance

2) Scan the road ahead

3) Anticipate the movements of other drivers (assume other drivers will make mistakes)

4) Obey speed limits

5) Avoid distractions (no texting and driving)

6) Manage emotions

7) Adapt to weather and road conditions

8) Use proper signaling

9) Watch for pedestrians

10) Stay sober

11) Keep your vehicle in good working order

Governance Discussion: Jessica Phelps and Jim Krueger led a governance discussion by presenting a simulated cooperative crisis scenario. The board examined which responsibilities belonged to the board and which should be delegated to the executive team and staff, helping clarify governance roles during a crisis. The discussion reinforced the board's oversight role, clarified decision-making authority during a crisis, and highlighted the importance of maintaining appropriate governance boundaries while supporting management's response.

The Board entered Executive Session at 8:54 a.m.

During the executive session, Jim Krueger, President and CEO, updated the board on litigation cases in which FMEC is involved. In addition to this discussion, Bill Trygstad provided a Dairyland update. A motion was made to approve April's Executive Session Minutes.

The Board adjourned Executive Session at 9:15 a.m. and recessed until 9:22 a.m.

General Discussion: After further review and consideration of the previous rate conversation, Jim Krueger revisited the discussion regarding the energy charge and presented an alternative recommendation for the Board's consideration: maintain the current energy charge through 2026 and re-evaluate the rate in 2027. The recommendation was based on several operational and member-service considerations, including the misalignment of summer billing cycles, which can create confusion for members when rate changes occur mid-cycle. Delaying any adjustment until 2027 would allow the cooperative to implement changes at a more appropriate point in the billing cycle, resulting in a clearer, more consistent member experience. A motion was carried to amend the previous motion in April's minutes.

Strategic Plan Update: Jim Krueger noted that he and Jessica Phelps had individual meetings with each department to review the strategic plan and will provide a more formalized update at the June board meeting. He also shared that FMEC will be using a new dashboard this fall for better tracking of KPI's.

Redistricting: As required by the cooperative's Bylaws, the Board periodically evaluates district boundaries to ensure fair and balanced member representation. The proposed boundary adjustments, which had been presented and reviewed at a previous Board meeting, were brought forward for formal consideration. Following discussion, the Board approved the recommended district boundary changes. A motion was made, seconded, and carried.

Approval of the Consent Agenda: The motion to approve the Consent Agenda as presented was passed. This approval includes the following items:

- Minutes from the previous monthly board meeting
- Approval of new members
- Authorization for payments to estates
- Acceptance of the Audit Committee and Treasurer's Reports
- Safety Committee Report
- Executive Team Report

Director Reports: Bill Trygstad, FMEC's representative on the DPC Board of Directors, provided a short update. The board came to a consensus on the proposed DPC Resolutions and discussed the voting process for the DPC Annual Meeting.

Meetings and Events: Jim Krueger, President and CEO, provided an overview of upcoming events, which included:

- DPC Annual Meeting | June 2, 2026
- MREA District Meeting | July 14, 2026
- NRECA BLC 978.1 | August 4, 2026
- Energy Issues Summit | August 5-6

FMEC Financials: Angie Kolker, Director of Finance, reviewed the FMEC financial reports for April 2026 and the C & I Usage report. She also reviewed the margin allocations and noted that there are no separate SMEC allocations. A motion was made to approve the allocation of margins as presented and the motion was carried.

Policy Number: The following policies were reviewed and/or amended.

4.015 Safety, Reliability, and Service Quality (review)

-2025 SRSQ Annual Summary

6.014 General Health and Safety (review)

-AWAIR Program (amend)

Work Order(s): #1313 and Special Equipment #634 were presented to the Treasurer for his signature.

A motion was carried out to adjourn this meeting at 11:36 a.m.