

Connections

July 2024

For the member-owners of Federated Rural Electric



Volume 28, Issue 7

Due to declining attendance, Federated will offer its first remote Annual Meeting format

Participate in Federated's 89th Annual Meeting from the comfort of your recliner! You can "Zoom" in to participate in Federated's Annual Meeting Thursday, August 1 at 3:30 p.m.

Federated will again mail ballots due to the popularity of the previous three years — where more members voted. "This is the fourth year Federated will mail ballots to all current members," stated Scott Reimer, Federated's general manager. "Members who cast their vote will be entered into a drawing to win \$1,000 worth of electric bill credits."

Watch for your ballots to arrive in the mail near July 1. You'll have ballots for two director districts featuring three candidates and two Nominating Committee positions. (See Pages 8-9 for the candidates.) Vote and put the ballot inside the blank anonymous envelope, which goes inside the bar-coded envelope; be sure to put a stamp on the outside envelope and sign this envelope too. The bar-coded envelope is how you are entered into the \$1,000 bill credit drawing. Drop it in the mail so Federated receives your ballot by Wednesday, July 31, at 4:30 p.m. Otherwise, drop the ballot off at the office's front counter or use the outside payment drop box before July 31 by 4:30 p.m.

The Annual Meeting will occur via Zoom due to declining attendance and increasing costs. Federated member-owners can call in or use their internet to see and hear the meeting from home, vacation or wherever you may be. The ballots cast count as having a quorum for the meeting with the following business conducted:

1. Approval of the 2023 Annual Meeting minutes. (Printed on Page 12-13.)
2. Approval of the Nominating Committee reports. (Printed on Pages 14-15.)
3. Announce the results of the director and nominating committee elections. Ballots will be counted that day by employees, while overseen by the Nominating Committee and attorney.

Zoom in whether by phone or internet to attend Federated's 89th Annual Meeting

1A. Members may call 1-646-931-3860 to join the meeting to listen. Enter the conference call meeting ID 857 0804 4157 and passcode of 499166.

1B. Otherwise, members can use Zoom by following the link on our website under the Annual Meeting tab. Enter the same I.D. code 857 0804 4157 and passcode of 499166.



1C. You may also save this page and scan the QR code, which takes you to the Annual Meeting Zoom call.

Thanks for voting and participating in your member-owned cooperative.

4. Announce the results of the Bylaws & Articles of Incorporation amendments. (Printed on Pages 2-5.)

5. Any other business, which may come before the meeting, along with adjournment.

"With declining attendance each year for the annual meetings and increasing costs, the Board wanted to cut costs as we are facing annual rate increases," Reimer stated. "We are trying out this annual meeting model based on how other cooperatives are doing it. With mailed ballots we have actually increased our voting participation by 230 percent from pre-pandemic levels to reach more members, which will continue." ☺

At A Glance



Upgrade to new dehumidifier & use our rebate

Is your dehumidifier prehistoric? If so, buy a new Energy Star dehumidifier; receive a \$25 Federated rebate. Energy Star dehumidifiers have more efficient refrigeration coils, compressors and fans, so they remove the same amount of moisture, but use nearly 30 percent less energy. ☺

Board of Directors recommends amendments to Bylaws & Articles for members' vote; watch for ballots to arrive July 1

Explanation of the amendments

The continued growth and development of Federated Broadband has progressed to the point that the accounting of its activities needs to be more clearly identified in the Bylaws and Articles of Federated Rural Electric Association (Federated). The Board of Directors recommends to the members that Federated Broadband should be operated on the cooperative basis and not as a separate subsidiary business. This means in part that capital credits may be allocated to the members from these services and other cooperative services.

The Bylaws and Articles presently do allow this, but best accounting practices recommend Federated Bylaws and Articles be amended to clearly allow Federated Broadband to operate on the cooperative basis. It was determined that certain amendments should be made to the Federated Bylaws and Articles.

Therefore, the Federated Board of Directors instructed its management team, auditors, and attorney for the Association to review the Bylaws and the Articles to clearly provide for operating Federated Broadband and other future cooperative services on a cooperative basis. After months of review by staff and after consideration of the proposed changes by the Board of Directors, it was resolved to present to the members the following proposed revised Bylaws and Articles.

Attached are those portions of the Bylaws proposed to be changed. Language with a redline through the words reflects a deletion of that language from the Bylaws and Articles. Words underlined in red are intended to be additions to the Bylaws and Articles.

Board resolution

Your Board of Directors request and urge you to vote for, to approve and to adopt the following Resolution:

RESOLUTION 24-05-09 FOR THE ADOPTION OF PROPOSED AMENDED BYLAWS AND ARTICLES

Whereas, the Board of Directors have determined that the existing Bylaws and Articles of the FEDERATED RURAL ELECTRIC ASSOCIATION need to be clarified to allow Federated Broadband and other cooperative services to be operated on the cooperative basis and that the proposed changes are in the best interest of the Members of this Association; and,

Whereas, the Board of Directors have caused the Bylaws and Articles to be reviewed and revised according to current tax code, Minnesota law and present accounting practices; and,

Whereas, after careful review and consideration, the Board of Directors adopted the resolution herein to amend the Bylaws and Articles as herein after set forth and to present said amended Bylaws and Articles for consideration by the members at the Annual Meeting to be held on August 1, 2024.

RESOLVED, the Board of Directors hereby recommend the members to amend the Bylaws and Articles attached hereto, by deleting the language with a line through the words and adding the language of the words underlined; and, further direct that the proposed amendments to said Bylaws and Articles be presented to the members at the Annual Meeting of the members on August 1, 2024, for adoption.

Dated: May 30, 2024

— *Darvin Voss, Federated secretary*

BYLAWS ARTICLE I. MEMBERS

Section 1.01. Eligibility. Any natural person, firm, association, corporation, company, business trust, partnership, federal agency, state or political subdivision or agency thereof, or body politic (each hereinafter referred to as "person," "applicant," or "member") shall be eligible to become a member of this Association by taking delivery of electric energy and to receive electric service and other services from the Association at one or more premises owned, occupied, or used by applicant; but no person shall hold more than one membership in the Association.

Section 1.02. Membership approval.

One who regularly purchases electric energyservice furnished by this Association (the "applicant") becomes a member of this Association [i] when the applicant has paid any fees required by the Association, [ii] when required by the Association, the applicant has executed and delivered to the Association supplemental documentation on such form as is provided by the Association, and [iii] the Board of Directors has approved the applicant's membership in the Association.

ARTICLE VIII. INTEREST ON CAPITAL

CREDITSTOCK

Section 8.01. No interest or dividends shall be paid upon any of the capital credits allocatedstock issued by this Association.

Section 9.02. Patronage Capital in Connection with Furnishing Electric Energy.

In the furnishing of electric energy and other like patronage services (cooperative services), the Association's operations shall be so conducted that all members will through their patronage furnish capital for the Association. In order to induce member purchasespatronage and to assure that the Association will operate on a nonprofit basis, the Association is obligated to account, on a patronage basis, to all its members for all amounts received and receivable from the furnishing of electric energy and other cooperative services in excess of

— *Continued on Page 3*

Changes outlined to highlighted Bylaws

— Continued from Page 2

operating costs and expenses properly chargeable against the furnishing of electric energy and other cooperative services. All such amounts in excess of operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the members as capital. The Association is obligated to pay by credits to a capital account for each member all such amount in excess of operating costs and expenses. The books and records of the Association shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each member is clearly reflected and credited in an appropriate record to the capital account of each member, and the Association shall within a reasonable time after the close of the fiscal year notify each member of the amount of capital so credited to the member's account. All such amounts credited to the capital account of the member shall have the same status as though they had been paid to the member in cash in pursuance of a legal obligation to do so and the member had then furnished the Association corresponding amounts for capital. The Board of Directors shall determine the method and basis for such allocations of capital and shall have the power to adopt rules providing for the separate allocation of margins from electric services, power supplier allocations, and other cooperative services. A "Cooperative Service" is a like kind good or service provided by the cooperative, as determined by the Cooperative's Board of Directors.

The Board of Directors may, by policy, identify the types and nature of all income, other than from the furnishing of electricity and other cooperative services (hereinafter "non-operating income"), to be used as a basis for allocation of capital credits to members. Insofar as permitted by law, all net non-operating income shall be used to offset any losses incurred during the current or any prior fiscal year. Any net non-operating income not needed for that purpose, at the board's discretion, [a] may be allocated, in whole or in part, to members on a member patronage basis, or [b] may be retained, in whole or in part, by the Association as unallocated capital in a reserve account. Capital allocated to members from net non-operating income shall be retired at the discretion and direction of the Board as to timing, method and type of retirement, which may include retirement on a cycle basis different than retirement of capital relative to the furnishing of electric

energy or other cooperative services. In the event of dissolution or liquidation of the Association, after all outstanding indebtedness of the Association shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors shall determine that the financial condition of the Association will not be impaired thereby, the capital then credited to members' accounts may be retired in full or in part.

The Board of Directors shall determine the method, basis, priority, and order of making such retirements. The Board of Directors shall have the power to adopt rules providing for the separate retirement accounts of electric energy allocations, power supplier allocations, and other cooperative services allocations to be apportioned that portion ("power supply portion") of to the members' capital credited to the accounts of members, which corresponds to capital credited to the account of the Association by an organization furnishing electric service to the Association. Such rules shall:

- (a) establish a method for determining the power supply portion allocation of capital credited to each member for each applicable fiscal year,
- (b) provide for separate identification on the Association's books of the electric energy, power supply portion allocations, and other cooperative services portion of capital credited to the Association's members,
- (c) provide for appropriate notifications to members with respect to the power supply portion of the allocation of capital credited to their accounts, and
- (d) preclude a general retirement of the power supply ier portion of capital credited to members for any fiscal year prior to the general retirement of other capital credited to members for the same year or of any capital credited to members for any prior fiscal year unless the Association has received funds from retirement of such power supply capital.

Capital credited ed to the account of each member shall be assignable only on the books of the Association pursuant to written instruction from the assignor and only to successors in occupancy in all or a part of such patronmember's premises served by the Association unless the Board of

Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these bylaws, the Board of Directors, at its discretion, shall have the power at any time upon the death of any member who was a natural person, if the legal representatives of his estate shall request in writing, that the capital credited to any such member be retired prior to the time such capital would otherwise be retired under the provisions of these bylaws, to retire capital credited to any such member immediately upon such terms and conditions as the Board of Directors, acting under policies of general application and the legal representatives of such member's estate shall agree upon; provided, however, that the financial condition of the Association will not be impaired thereby. No capital credited to the account of any member who is not a natural person shall be eligible for immediate retirement pursuant to this paragraph.

The Association, before retiring any capital credited to any member's account, shall deduct therefrom any amount owing by such member patron to the Association, together with interest thereon at the maximum rate allowed by law in the State of Minnesota or at such lesser rate of interest as determined by the Board of Directors.

The members of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Association and each member, and both the Association and the members are bound by such contract, as fully as though each member had individually signed a separate instrument containing such terms and provisions. The provisions of this article shall be called to the attention of each member of the Association by posting in a conspicuous place in the Association's office.

ARTICLE X. UNCLAIMED FUNDS OF MEMBERS

Section 10.01. Any provisions contained herein to the contrary notwithstanding and pursuant to applicable state statutes and in accordance with Minnesota Statutes 308A.711 and 345.39 this Association may distribute any unclaimed property, following the procedures required by statute, to a corporation or organization which is exempt from taxation under Minnesota Statute 290.05 subdivision one or two. Publication shall be deemed sufficient if the Association

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Review board approved amendments to Bylaws

— Continued from Page 3

publishes the list in its Association newsletter twice and posts on the Association's website the names of the patronmembers entitled to the property for 180 days. The rights of an owner to unclaimed property shall extinguish upon the disbursement of the property to a tax-exempt organization in accordance with Minnesota law.

Section 13.03. Any alteration, amendment, or repeal of Article XIV or of this sentence of this Article XIII of these bylaws, however, that results - directly or indirectly - in a change in the member approval requirements for acts described in Article XIV must be approved by a two-thirds (2/3) vote of at least one-third (1/3) of the total number of stockholders members of the Association with voting rights.

ARTICLE XIV. DISPOSITION OF PROPERTY AND OTHER SIGNIFICANT ACTS

Section 14.01. No sale, lease, lease-sale, exchange or other disposition of more than twenty-five percent (25%) of the property of the Association shall be authorized except in conformity with the following:

(a) If the Board of Directors looks with favor upon any proposal for such sale, lease, lease-sale, exchange or other disposition, it shall first cause three (3) independent appraisers, expert in such matters, to render their individual opinions as to the value of the property of the Association with respect to such a sale, lease, lease-sale, exchange or other disposition and as to any other terms and conditions which should be considered. The three (3) such appraisers shall be designated by a sitting Resident District Court Judge for the Judicial District in which the Association's headquarters are located. If such judge refuses to make such designations, they shall be made by the Board of Directors.

(b) If the Board then determines that favorable consideration should be given to the initial or any subsequent proposal which has been submitted to it, it shall so notify the members, expressing in detail each of any such proposals, and shall call a special meeting of the members for consideration thereof which meeting shall not be held sooner than ninety (90) days after the giving of such notice to the members: PROVIDED, that consideration thereof by the members may be given at the next annual member meeting if not held sooner than ninety (90) days after the giving of such notice. If a quorum

is present in person or by mail ballot at such meeting, the resolution approving of such disposition shall be adopted if approved by a two-thirds (2/3) vote of at least one-third (1/3) of the total number of stockholders members of the Association with voting rights.

Section 14.04. Other provisions of these bylaws notwithstanding, the following acts shall be authorized only upon the recommendation of the Board of Directors and upon a two-thirds (2/3) vote of at least one-third (1/3) of the total number of stockholders members of the Association with voting rights:

Articles of Incorporation

ARTICLE III. CAPITAL STOCK

Section 1. ~~The authorized capital stock of the Association shall be Ten Dollars (\$10.00), which shall consist of ten thousand (10,000) shares of uncertificated shares of common stock of the par value of one-tenth of one cent (1/10¢) each. The shares of capital stock may be issued from time to time and shall be considered as issued and "paid in full" when an applicant's application for membership is approved by the Board of Directors. The Association may also establish and maintain such capital reserve or revolving funds or both as may be provided in the Bylaws.~~

Section 2. ~~This Association may commence business whenever twenty percent (20%) of the authorized capital stock has been subscribed and paid in, and the amount of the capital stock outstanding shall at no time be diminished below twenty percent (20%) of the amount of the authorized capital.~~

Section 3. ~~The ownership of the capital stock in this Association by any individual stockholder shall not exceed the par value of Thirty Dollars (\$30.00).~~

Section 4(a) Class A, voting shares: ~~Glass A shares may be issued only to members who regularly purchase electric service from the Association and only Class A stockholders shall be voting members. Shares of stock issued by the Association prior to the authorization of classes of stock shall be Class A shares. Each stockholder of a Class A share shall have only one vote in the affairs of the Association.~~

(b) Class B, nonvoting shares: ~~Glass B shares may be issued only to members who do not regularly purchase electric service from the Association, but do regularly~~

~~purchase other services from the Association. A Class B share shall carry no voting rights, but shall entitle the holder thereof to attend all meetings of the members of the Association and to be heard on any matter under consideration at such meetings.~~

~~(c) The shares of stock of this Association shall not be transferable, except with the approval and consent of the Board of Directors of this Association.~~

Section 15. ~~No interest or dividends shall be paid upon any of the capital stock issued this Association. No interest or dividends shall be paid or payable by the Association on any capital furnished by its members.~~

Section 26: The Association shall at all times be operated on a cooperative non-profit basis for the mutual benefit of its patronmembers. No interest or dividends shall be paid or payable by the Association on any capital furnished by its patronmembers in the furnishing of electric energy and other cooperative services. The Association's operations shall be so conducted that all patronmembers will through their patronage furnish capital for the Association. In order to induce patronage and to assure that the Association will operate on a non-profit basis, the Association is obligated to account on a patronage basis to all its patronmembers for all amounts received and receivable from the furnishing of electric energy and other cooperative services. On and after January 1, 1941, ~~a~~All such amounts in excess of operating costs and expenses at the moment of receipt by the Association are received with the understanding that they are furnished by the patronmembers as capital. The Association is obligated to pay by credits to a capital account for each patronmember all such amounts in excess of operating costs and expenses. The books and records of the Association shall be set up and kept in such a manner that at the end of each fiscal year the amount of capital, if any, so furnished by each patronmember is clearly reflected and credited in an appropriate record to the capital account of each patronmember, and the Association shall within a reasonable time after the close of the fiscal year notify each patronmember of the amount of capital so credited to his account. All such amounts credited to the capital account of the patronmember shall have the same status as though

— Continued on Page 5

& Articles; cast your vote on these changes

— Continued from Page 4

they had been paid to the patronmember in cash in pursuance of a legal obligation to do so and the patronmember had then furnished the Association corresponding amount for capital.

The Board of Directors may, by policy, identify the types and nature of all income other than from the furnishing of electric energy ity and other cooperative services (hereinafter “non-operating income”) to be used as a basis for allocation of capital credits to members s. patrons. Insofar as permitted by law, all net non-operating income shall be used to offset any losses incurred during the current or any prior fiscal year. Any net non-operating income not needed for that purpose, at the board’s discretion, [a] may be allocated, in whole or in part, to patronmembers on a patronage basis, or [b] may be retained, in whole or in part, by the Association as unallocated capital in a reserve account. Capital allocated to members from net non-operating income shall be retired at the discretion and direction of the Board as to timing, method and type of retirement, which may include retirement on a cycle basis different than retirement of capital relative to the furnishing of electric energy.

In the event of dissolution or liquidation of the Association, after all outstanding indebtedness of the Association shall have been paid, outstanding capital credits shall be retired without priority on a pro rata basis before any payments are made on account of property rights of members. If, at any time prior to dissolution or liquidation, the Board of Directors, shall determine that the financial condition of the Association will not be impaired thereby, the capital then credited to members-patrons’ accounts may be retired in full or in part. The Board of Directors shall determine the method, basis, priority, and order of making such retirements. The Board of Directors shall have the power to adopt rules providing for the separate retirement accounts of the at portion (“electric, power supply and other cooperative services portion”) of capital credited to the accounts of patronmembers, which corresponds to capital credited to the account of the Association by an organization furnishing electric service to the Association. Such rules shall

(a) establish a method for determining the allocation power supply portion of capital credited to each patronmember for each applicable fiscal year.

(b) provide for separate identification on the Association’s books of the electric energy, power supply allocation, and other cooperative power supply portion of capital credited to the Association’s patronmembers.

(c) provide for appropriate notifications to patronmembers with respect to the allocation power supply portion of capital credited to their accounts.

(d) preclude a general retirement of the power supply allocation portion of capital credited to patronmembers for any fiscal year prior to the general retirement of other capital credited to patronmembers for the same year or of any capital credited to patronmembers for any prior fiscal year unless the association has received funds from the retirement of such power supply capital.

(e) Capital credited to the account of each patronmember shall be assignable only on the books of the Association pursuant to written instruction from the Assignor and only to successors in occupancy in all or a part of each patronmember’s premises served by the Association unless the Board of Directors, acting under policies of general application, shall determine otherwise.

Notwithstanding any other provision of these articles, the Board of Directors, in its discretion, shall have the power at any time upon the death of any patronmember who was a natural person, if the legal representatives of his estate shall request in writing that the capital credited to any such patronmember be retired prior to the time such capital would otherwise be retired under the provisions of these articles, to retire capital credited to any such patronmember immediately upon such terms and conditions as the Board of Directors, acting under policies of general application, and the legal representatives of such patronmember’s estate shall agree upon; provided, however, that the financial condition of the Association will not be impaired thereby. No capital credited to the account of any patronmember who is not a natural person shall be eligible for immediate retirement pursuant to this paragraph.

The patronmembers of the Association, by dealing with the Association, acknowledge that the terms and provisions of the Articles of Incorporation and Bylaws shall constitute and be a contract between the Association and each patronmember, and both the

Association and the patronmembers are bound by such contract, as fully as though each patronmember had individually signed a separate instrument containing such terms and provisions. The provisions of this article shall be called to the attention of each patronmember of the Association by posting in a conspicuous place in the Association’s office.

ARTICLE VII. MEMBERSHIP

Section 1. Membership in this Association shall be limited to its shareholders and shall be of two (2) classes, “voting” and “nonvoting.” any natural person, firm, association, corporation, company, business trust, partnership, federal agency, state or political subdivision or agency thereof, or body politic (each hereinafter referred to as “person,” “applicant,” or “member”) shall be eligible to become a member of this Association by taking delivery of electric energy from the Association at one or more premises owned, occupied, or used by applicant; but no person shall hold more than one membership in the Association.

~~(a) Voting members shall be those who regularly purchase electric service furnished by this Association and shall be the owners of “Class A” capital stock:~~

~~(b) Nonvoting members shall be those who do not purchase electric service from the Association, but do purchase on a regular basis other services furnished by the Association and shall be the owners of “Class B” capital stock:~~

Section 2. Each member stockholder shall:

~~(a) purchase the minimum amount of electric energy which such stockholder has agreed to purchase from this Association after such electric energy will have become available for use:~~

~~(b)(a)~~ pay all obligations owing to this Association as and when the same become due.

~~(c)(b)~~ comply with such rules and regulations as may be adopted by the Board of Directors of this Association.

Section 3. The bylaws of this Association may define and fix the duties and responsibilities of the members stockholders, officers and directors and may also contain any other provision for the regulation of the business and affairs of this Association not inconsistent with these Articles of Incorporation as amended or the laws of the State of Minnesota. ^(c)

89 years of service: maintaining affordability & reliability, while expanding into fiber broadband for accessibility

As Federated wraps up on 89 years, many things occurred this year to ensure a positive experience. Federated considers our membership's needs with the goals of affordability, reliability, member service and of course your safety. We believe we are achieving these pillars of success.

Financial stability is at the forefront too. Our staff keeps rates stable with a minimal increase. We established the methodology that smaller incremental increases are better than larger ones that are a shock to your budgets. The March 2024 increase accounts for materials' price increases and power supply increases, while administrative and general costs were held down to maintain a sustainable margin. Despite the small increase, Federated remains one of the lowest cost providers for residential services by Minnesota co-ops. Our other rate classes remain competitive. Another key component of the financial model is kilowatt-hour (kWh) sales. Our sales bounce around a bit and thus the power cost adjustment (PCA) remains in play. In 2024 we've seen positive, negative and zero PCA, primarily driven by kWh sales and power costs.

One way we control power supply costs are through a robust load control program mitigating demand and transmission charges. Federated controls water heaters, some central air conditioning and Dual Heat, along with larger generators controlled when needed. Demand and transmission costs are the fastest accelerating costs of our power supply portfolio; controlling these loads maintains our affordable rates. The load management program has undergone substantial updates over the past several years with new radio controls being installed by our contractor and our master electrician. This effort is nearly half done and hopefully by the end of 2025 we will be nearly completed.

Federated Broadband is the latest offering to our member-owners providing fiber optic broadband at speeds that exceed 1 gig symmetrical service. We still maintain the fixed wireless option where fiber hasn't been installed yet. Both options provide members with the same great service you've come to expect from us. Fiber installations are ongoing.

The biggest project is the construction of 275 miles of fiber in Jackson County to serve about 500 members with a completion date of November 2025. Those south of Interstate 90 in the funded area should see your service operational by year end. The project moves north in the second phase. Our staff is contacting members in the construction area.

The membership is asked to approve the Bylaws and Articles of Incorporation update for capital credits allocation assigned to Federated members receiving our broadband service. Everyone understands the value of ownership. This



David A. Hansen
President



Scott Reimer
General Manager

follows the co-op model that passes the benefits onto you.

The energy industry is undergoing some transition, which will affect us over time. Last year the Minnesota Legislature approved a bill moving the state to 100 percent carbon-free electricity by 2040. Generation companies are evaluating their future. This is aimed at removing fossil fuel sources like coal. Natural gas remains

for the foreseeable future to maintain reliability. Wind and solar don't always produce; large-scale batteries aren't at the level needed, so a baseload resource is needed in an attempt to avoid blackouts. Grid North Partners is a mix of 10 investor-owned, cooperatives and municipal utilities working to ensure continued safe, reliable and affordable electric service. They all serve customers in the Upper Midwest and operate transmission lines in their service territories. The Minnesota and regional transmission system will undergo several billion dollars of upgrades and new construction over the next several years split into two tranches. Great River Energy is our transmission provider.

Our electric work plan will see several projects undertaken this year. We are focusing a lot on substation upgrades, plus overhead to underground conversions. Substations are the key to a reliable flow of electricity. We continue to modernize sectionalizing equipment and install large-animal contact protection to prevent outages. Supervisory Control and Data Acquisition (SCADA) will be installed at all substations eventually, providing instant access to load information and remote switching for outage restoration. The electric system is currently comprised of 1,538 miles of overhead line and 927 miles of underground facilities. With the overhead system we are concerned with weather-related events so we want to harden the system by converting trouble areas to underground. The other part of this is the replacement of aged underground line from 1970-80s where multiple faults occurred. We maintain a strategy of taking care of the worst first to balance reliability, resiliency and safety. Maintaining our assets will always be important.

We'll close with the state of the cooperative's finances. The best source of information will be the full financial report as part of this packet. Financial health is critical for the sustainability and solvency of a business. Federated is no different and takes this seriously. The updatable financial forecast looks at the electric and broadband activities and what we face 10 years out for rates and revenue planning. It allows us to manage situations as they occur and change the forecast that impacts the business. Our membership should know we are looking out for the all-around health of your cooperative, as well as you, our members. ☺

Introducing Federated's Board of Directors



Glenn Dicks
Lakefield
District 1
Board Member
18 years



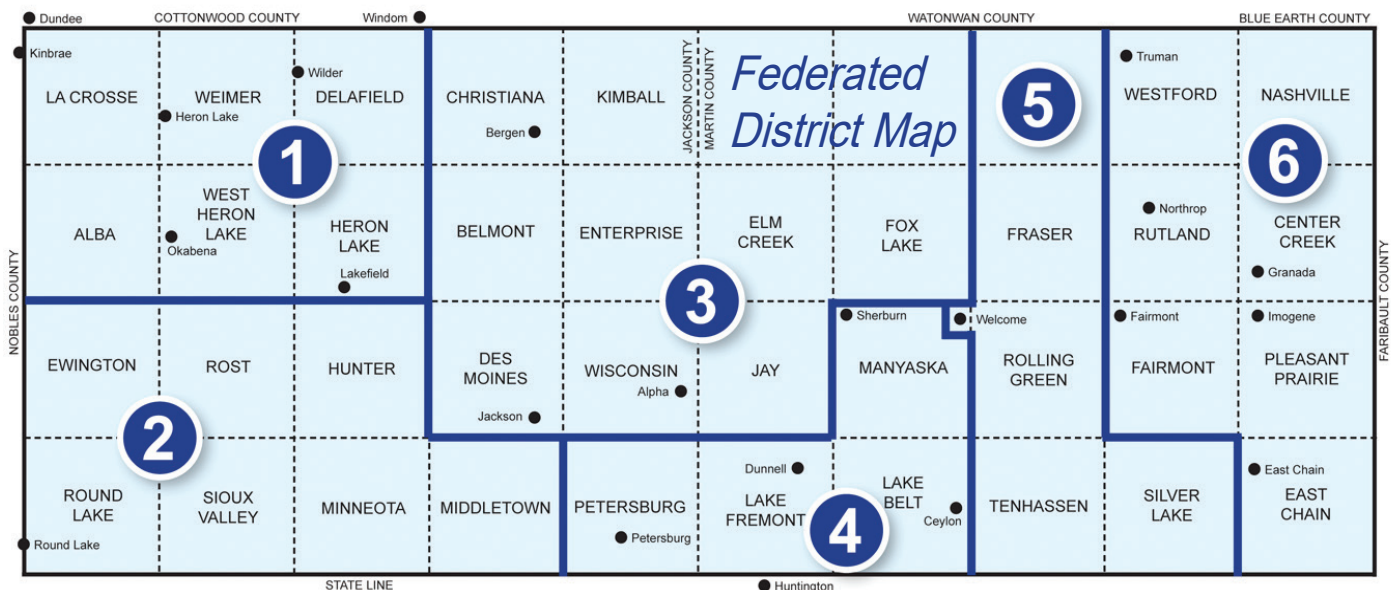
David A. Hansen
Jackson
District 3
Board President
24 years



David Meschke
Welcome
District 5
Board Vice President
19 years



Bruce Brockmann
Granada
District 6
Board Member
11 years



Darvin Voss
Lakefield
District 2
Board Secretary/Treasurer
14 years

Director duties:

- Attends monthly meetings and serves as a delegate at other meetings, as needed. Attends director training.
- Approves policies, procedures and budget. Reads reports, policies and other information pertaining to the co-op.
- Evaluates co-op's performance and plans for growth.
- Assures democratic process, according to Bylaws and Articles of Incorporation.
- Hires general manager.
- Responds to members' input and concerns. (b)(3)



Scott Thiesse
Welcome
District 4
Board Member
8 years



Jon Saxen
Sherburn
Director At-Large
Board Member
17 years

District 3 director candidate:

Christiania • Belmont • Enterprise • Wisconsin
Jay • Fox Lake • Des Moines • Kimball • Elm Creek



Tyler 'Red' Ayers

Tyler "Red" Ayers lives in Wisconsin Township with his wife, Nichole. They have three children attending Jackson County Central: Nayeli, a sophomore; Naiya, an eighth grader; and Malakai, a Kindergartner. Ayers currently works at Corteva Agri-science in Jackson as a logistics

coordinator for the past three years. Previously, he worked at HitchDoc in Jackson for 12 years. Ayers serves on the Jackson County Fair Board and participates in the Relay for Life activities in Martin County. He is also a member of the Alpha First Responders/Fire Department and president of the Alpha Fire Relief Association. He attends St. Paul's Church in Welcome. His hobbies include fishing, camping, hunting and family vacations.

"I would like to proudly represent Federated and all co-op members," Ayers said. "I would like to continue on the next level after serving on the co-op's Nominating Committee for two years."

89th Annual Meeting notice

The 89th Annual Meeting of the members of the Federated Rural Electric Association will be held Thursday, August 1, 2024 as a Zoom conference webinar/call, as outlined on Federated's website www.federatedrea.coop under the Annual Meeting menu.

Members will do mail-in voting, which determines a quorum. Members must return ballots by July 31, 2024 at 4:30 p.m. to Federated's office either by mail or in person.

The meeting will be called to order at 3:30 p.m. via Zoom webinar or conference call.

1. Call to order and welcome.
2. Determination of quorum.
3. Approval of agenda
4. Approval of Annual Meeting Minutes from August 3, 2023. Printed on Pages 12-13.
5. Approval of the Nominating Committee Minutes. Printed on Pages 14-15.
6. Election results on directors, nominating committee and bylaws amendments.
7. Adjournment.
8. Announce the winners from the \$1,000 drawing for electric bill credits. 🎉

District 4 director candidates:

Petersburg • Lake Fremont • Manyaska • Lake Belt
City of Sherburn



Harold Knutson

Harold "Harry" Knutson lives in Petersburg with Marilyn, his wife. They have a son and daughter, plus seven grandchildren. Harry served in the Navy aboard the USS Dennis J. Buckley destroyer with two tours in Vietnam. He then went to the Jackson Votech for construction electrician; during this time, he received his

Master's license and worked at Federated as their electrician and water heater installer for 21 years and is semi-retired. He served one term as a Federated director and on the Nominating Committee too. Harry is a member of the American Legion and serves on the Honor Guard. He attends Crosswinds Free Church, Spirit Lake.

"I possess 54 years of experience as an electrician with almost half of that working for cooperatives," Knutson said. "I feel that it would be very useful to the Board, as we continue to keep rates as low as possible. I'd be honored to serve a second term."



Scott Thiesse

Scott Thiesse lives in Manyaska Township with his wife Flora. He retired from the Marine Corps after 20 years as a maintenance officer and is currently employed as a crop insurance adjuster. Thiesse earned a Bachelor's degree in management from Parks University and an MBA from University of Phoenix. They have two

sons, Dustin and Zachary, plus four grandchildren. Scott is a member of the American Legion Post 553 in Welcome and a member of the Disabled American Veterans. His hobbies include raising cattle and gardening. Thiesse has served as a Federated director since 2016; he also serves as a Federated CTV director and is a director on the Minnesota Rural Electric Association board.

"I am interested in serving as a Federated director to represent friends, family and other Federated members in the continuing efforts of providing reliable electrical services at a low cost and to keep members informed of the changing regulations that affect Federated's ability to provide these services in our rural setting," Thiesse stated. 🎉

Nominating Committee candidates

District 1:

LaCrosse • Alba • Werner • West Heron Lake • Delafield • Heron Lake (town & township)
Okabena



Blake Rossow

Blake Rossow lives in Belmont Township where he is retired, but has driven a school bus for the last 10 years. He is married to Gloria; they have four children (Hilary Rossow Blundell, Loni Rossow, Lexi Titterington and Hatty Roggow) and seven grandsons. He is a member of the American Legion, plus serves as a director for both

the Minnesota Game Breeders and American Pheasant & Waterfowl Society. His hobbies include raising wild waterfowl, miniature horses and goats. He is a member of St. Peter's Lutheran Church, Lakefield.

"It would be interesting to learn more about how Federated works and how electricity is sent to all members, which we rely upon," Rossow stated.



Marlys Runge

Marlys Runge lives in West Heron Lake Township. She is married to Mark; they have two children and four grandchildren. Runge is retired having worked for 20 years in insurance, eight years in human resources and six years at Extended Ag.

Runge is a past member of the Jackson Kiwanis, Lakefield Women of Today, 4-H Advisory Board and served on Federated's Operation Round Up Trust Board. She currently serves as the vice president of Christian Growth for Lutheran Women's Missionary League. Her hobbies include growing flowers, reading, water aerobics and socializing.

"Serving on the Federated Nominating Committee, gives me the opportunity to learn more about Federated, its operations and meet new people," Runge said.

District 2:

Ewington • Round Lake • Rost
Sioux Valley • Hunter • Minneota • Middletown



Thomas Cunningham

Thomas Cunningham lives in Round Lake Township with his wife Angela. They have two children: Madelyn and Paige. His hobbies include camping and fishing.

Cunningham started working for Round Lake Farmers Co-op, which then turned into FCA Co-op in Jackson. FCA merged with

Crystal Valley where he now works in Trimont at the new feedmill, accumulating more than the 20 years worked at cooperatives in grain, feed and agronomy.

He is a graduate of Sioux Valley-Round Lake-Brewster High School and Worthington Technical College. He was active in FFA and 4-H in Nobles County. Cunningham served as a 4-H leader helping 4-Hers in the beef project and helped start the co-op calf program in Nobles County.

"Serving on the Nominating Committee would be a good way to learn and expand my knowledge of the electric business and serve the community," Cunningham commented. ☺

MINNESOTA FARMFEST® August 6-8, Redwood Falls

Visit the
Touchstone
Energy
Co-ops'
booth

Bring this coupon. Enter the grand prize drawing for battery-powered electric tools.



Federated Rural Electric Farmfest 2024
Drawing at the Touchstone Energy
Cooperatives' Booth #2301

Name _____
Address _____
Town/state/zip _____
Phone # _____

Clip this coupon & put it in your wallet now!

2023

co-op in review

5,275
member-owners



7,002
electric
accounts

2,465
miles of line:
1,538 overhead
927 underground

11.18¢
Average residential
price per kilowatt-
hour in 2023
(kWh)

2022 Minnesota average electric
rate was 14.5 cents, while the na-
tional average was 15 cents/kWh.

Balance Sheet

December 31, 2023 and 2022

Assets

	2023	2022
Electric Plant		
In service	\$75,050,361	\$70,880,658
Under construction	1,065,224	2,731,102
Total electric plant	76,115,585	73,611,760
Less accumulated depreciation	27,970,757	26,677,617
Net Electric Plant	\$48,144,828	\$46,934,143

Other Property and Investments

Investments in associated companies	\$20,708,297	\$19,472,035
Special funds - revenue deferral	900,000	1,550,000
Economic development investments	759,561	753,504
Other investments	2,126,055	1,570,185
Goodwill, net of accumulated amortization	910,280	1,024,065
Non-utility property and goodwill, net	870,676	715,599
Total Cash and Investments	\$26,274,869	\$25,085,388

Current Assets

Cash and cash equivalents	\$1,994,880	\$2,856,275
Accounts receivable, net	3,093,352	3,078,514
Materials and supplies	1,915,788	1,939,282
Prepayments	224,234	103,731
Interest receivable	6,401	6,740
Total Current Assets	\$7,234,655	\$7,984,542

Deferred Debits

	\$728,176	\$1,077,087
Total Assets	\$82,382,528	\$81,081,160

Equities and Liabilities

Equities

Patronage capital (capital credits)	\$40,744,155	\$39,152,303
Other equities	6,482,038	6,121,270
Total Equities	\$47,226,193	\$45,273,573

Long-term Debt, net current portion \$26,355,623 \$27,227,006

Current Liabilities

Current maturities of long-term debt	\$1,561,290	\$1,663,400
Line of credit	800,000	0
Accounts payable	3,651,437	4,251,614
Other current liabilities	735,756	665,664
Total Current Liabilities	\$6,748,483	\$6,580,678

Deferred Credits

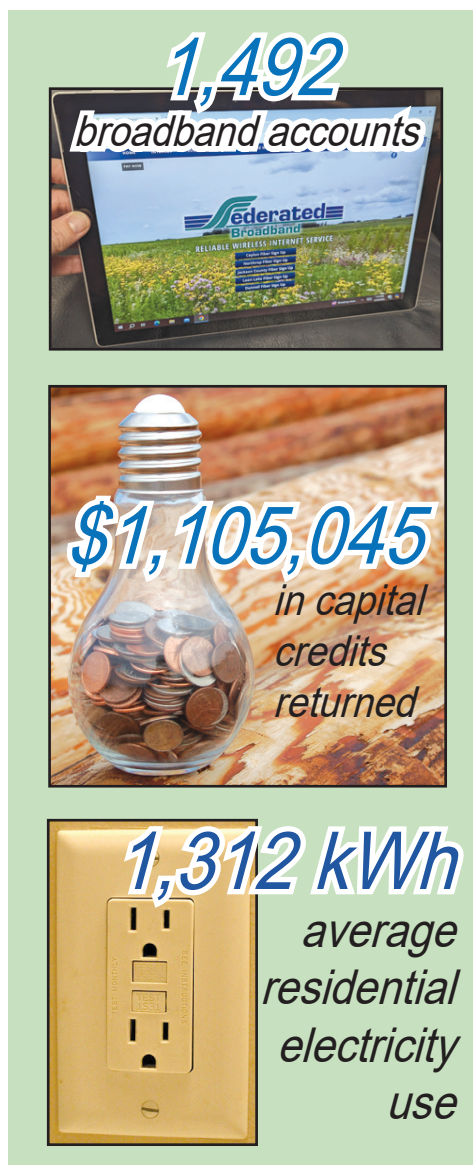
	\$2,052,229	\$1,999,903
Total Equities and Liabilities	\$82,382,528	\$81,081,160

Brady Martz audited the financial statement for the year ending December 31, 2023 in accordance with generally accepted auditing standards and government audit standards issued by the U.S. Comptroller General. Eide Bailly audited the financial statements for the year ending December 31, 2022 in accordance with generally accepted auditing standards and government auditing standards issued by the U.S. Comptroller General.

Statement of Operations

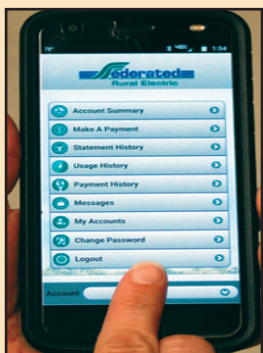
December 31, 2023 and 2022

	2023	2022
Operating Revenues	\$39,306,361	\$37,605,651
Operating Expenses		
Cost of purchased power	\$31,403,520	\$30,089,462
Distribution - operations	1,223,464	1,079,915
Distribution - maintenance	1,220,510	1,087,978
Customer accounts	384,982	361,312
Customer service and informational	468,700	449,046
Administrative and general	1,237,056	1,093,899
Depreciation and amortization	2,133,450	2,081,971
Interest	826,227	604,188
Other	21,539	176
Total Operating Expenses	\$38,919,448	\$36,847,947
Operating Margins	\$386,913	\$757,704
G&T and Other Capital Credits	1,821,733	1,875,767
Nonoperating Margins	802,400	1,909
Net Margins	\$3,011,046	\$2,635,380



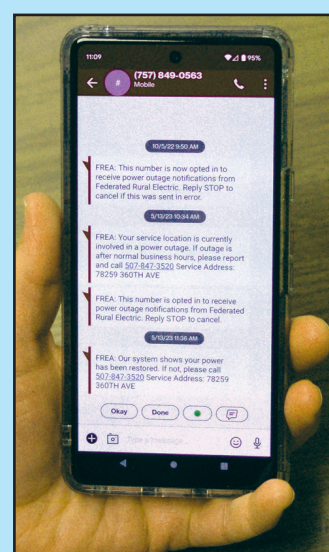
Ways to pay your electric bill:

1. Auto Pay (bank ACH; fill out brochure)
2. Online Pay (website)
3. Mobile app (search Federated Rural Electric)
4. Jackson drop box
5. Jackson office
6. Credit card
7. Welcome State Bank
8. Use Post Office stamp



Sign up for outage text notifications

Call the office during business hours or go to our website: federatedrea.coop; click on the outage text notifications box. You can enter up to three cell phone numbers. Know the status of your power whether you are at work or on vacation. 📶



Review the 2023 Annual Meeting minutes

The 88th Annual Meeting of the Stockholders of the Federated Rural Electric Association (Federated) was held on Thursday, August 3, 2023, at the Martin County West High School, City of Sherburn, State of Minnesota. Registration was held from 5 p.m. to 6:30 p.m. During that time members were served a pork chop on a stick meal. Bingo was offered from 5:30 p.m. until about 6:15 p.m. Members who attended received a pair of scissors as an attendance gift, courtesy of the Minnesota Soybean Research and Promotion Council. The business meeting started at 6:30 p.m. All Federated members had the opportunity to vote one of two ways: (1) by mail or (2) by attending the Annual Meeting in person.

The ballots were mailed to all current members prior to the meeting, arriving in the mail to the members around July 1 and due back to Federated's office by 4:30 p.m. on August 2. Secondly, members could vote the day of the meeting, August 3, in person during the Annual Meeting at the Martin County West High School, Sherburn, Minnesota. The member registration coupon was made available in the Annual Report featured in the July *Connections* for those voting in person at the meeting.

All registered members who voted properly were entered into a prize drawing with the opportunity to win one of five bill credit prizes to be applied to their September bill. There was one grand prize winner receiving a \$300 bill credit, one winner receiving a \$250 bill credit, one receiving a \$150 bill credit, and six receiving a \$50 bill credit. Winners were randomly selected via the computer and announced at the end of the meeting.

The business meeting began at 6:30 p.m. President David Hansen opened the meeting with thanking the organizations involved in providing assistance with the meeting's meal preparation and serving, providing Bingo, and booth vendor(s). Members were asked to stand for the Pledge of Allegiance.

President Hansen asked Secretary Darvin Voss if there was a quorum present. Secretary Voss stated there was a quorum, noting there were over 1,200 ballots cast. Following the meeting it was recorded that there were 1,258 ballots cast by mail and 82 ballots cast at the meeting. The meeting was then called to order by President Hansen.

Sherburn's Mayor Bob Roesler gave a welcome to the members. Following, Pastor Ben Fox, East Chain Evangelical Free Church, Granada, gave an invocation. President Hansen introduced the Cooperative's Board of Directors, Attorney, and General Manager. General Manager Scott Reimer welcomed special guests in attendance.

President Hansen called on Secretary Voss to read the Notice of Meeting. Said Notice and Printer's Affidavit of Publication are appended to the minutes of this meeting.

President Hansen asked the members if they would prefer the minutes of the 2022 Annual Meeting printed on pages 8 and 9 of the Annual Report be read or to entertain a motion to approve the minutes as printed. A motion was made, seconded and carried approving the 2022 Annual Meeting minutes, as printed.

A drawing was held for the children's door prizes, a Lego building blocks set for each of the following three age groups: ages 4 through 6; 7 through 8; and 9 through 10. Winners had to be present. After the drawing, photos of the winners were taken in the hallway outside the meeting.

President Hansen introduced members of the Nominating Committee by district, and those in attendance stood and were recognized. Nominating Committee Chair Timothy Mailahn gave the Nominating Committee's Report, which was a summary of the 2023 Nominating Committee meeting minutes that were printed in full in the Annual Report. He stated that he, Timothy Mailahn, was appointed chair; Drew Wedebrand was appointed vice chair; and Tyler Ayers was appointed recording secretary. He further reported that one of the responsibilities of the committee is to review the Board of Director's current compensation and recommend any changes to the membership. To aid in the process, the Nominating Committee had been provided a 2023 Directors' Compensation Survey. Based on information provided, the committee recommended to the membership no changes to the board members' current compensation. He then stated the committee's recommendations of candidates for Director at Large directorship and Districts Five and Six nominatorship.

President Hansen called for a motion to approve the Nominating Committee's Report. A motion was made, seconded and carried approving the Nominating Committee's Report as presented.

The order of business then moved to the election of director and nominators, both positions for a four-year term.

There was one director position open this year. The following director candidates were nominated as prescribed by the bylaws:

District at Large: Douglas Landsteiner, Jon Saxen and Gordon Toupal

The three director candidates for District at Large were asked to stand and face the crowd, while President Hansen introduced them and shared a little about them. The candidates' biographies were printed in the

Annual Report and also on the backside of the ballot.

President Hansen instructed members to mark their ballots for directorship, if they had not already voted.

There were two nominator positions open this year. The following Nominating Committee candidates were nominated as prescribed by the bylaws:

- District Five John T. Garbers
- District Six Ron Fowler

President Hansen introduced the nominator candidates, and each stood as introduced. President Hansen instructed the members to mark their ballots for a nominator for each district, if they had not already voted.

President Hansen asked if there was any old business from the membership. There was none.

The Nominating Committee members who were assigned as tellers, along with their assistants, then collected the ballots; the tellers proceeded under the direction of Office Manager/CFO Julie Resch and Attorney Brad Anderson to count the ballots. The majority of the mail-in ballots had been counted on the morning of August 1 with Attorney Anderson, CFO/Office Manager Resch, and Nominating Committee Vice Chair Wedebrand overseeing the process.

President Hansen and General Manager Reimer provided updates on the happenings at Federated since last year's meeting.

President Hansen began by again welcoming all members to the 88th Annual Meeting. He reported on the benefits of being a cooperative member-owner, including members' voting for directors to represent their interests and the return of capital credits. He reported on a good year and the capital credits that were returned to members, as well as the patronage Federated received from wholesale providers. He noted that Federated is now serving 104 City of Dunnell members following the Dunnell acquisition in February. He talked about the legislative activity that affects the electric cooperatives and rates, touching on the 100 percent carbon-free energy by 2040 bill that was passed. He noted the State of Minnesota did add in "off-ramps" in case these goals cannot be met and said that Federated will continue to work with our legislators, keeping in mind reliable and affordable electricity.

General Manager Scott Reimer addressed the membership and covered many topics. He updated members on the operations and construction activity and noted the Manyaska Substation is completed; that both the Jackson and Martin County

for approval

crews, along with the contractors, were busy plowing in new underground, as well as the overhead improvements to the system. He further noted materials are still costly with long lead times. He said that Federated applied for grants for line improvements, as well as fiber to the substations. He reported Federated had a small rate increase of 3 percent effective April 1, 2023, to keep up with rising costs of materials, higher interest rates, and competitive wages. He added that Federated's electric rate is still lower than the state and national average; and that Federated had a reliability of 99.98 percent for the power being on in 2022. Members were encouraged to sign up for outage text notifications, which is a new service, by calling the office or going to Federated's website for the new public outage map. He also spoke on electric vehicles (EV) and inquired about Federated's members' use and interest in EVs. He reported on Federated's robust radio control program and the upgrades. He reported on the addition of Broadband and on fiber and the grants awarded from the City of Ceylon to bring fiber to their town and from the State of Minnesota for the Border-to-Border Program and other pending grants. He stated the goal is to get fiber to everyone. Manager Reimer also played a pre-recorded video presentation from Basin Electric's Interim CEO/General Manager during his report to the members. He finished his report by asking for questions from the members; there were no member questions posed during the meeting. He emphasized to the members that it is their cooperative and their input is most valuable.

There being no new or unfinished business, President Hansen thanked the Nominating Committee, Trust Board and Federated employees.

Timothy Mailahn announced the election results, as follows.

The inspectors of election certified the following was duly elected as director:

- District at Large Jon Saxen

The inspectors of election certified the following were duly elected as nominators:

- District Five John T. Garbers
- District Six Ron Fowler

Certificates of the inspectors of election are attached to these minutes.

The meeting was adjourned.

The electric bill credit prize winners were announced. 📺

— *Darvin Voss, secretary*

T-shirts for the 4-Hers and the screened adult leaders given at both county fairs



T-shirt time! This summer Federated is handing out indigo blue T-shirts to 4-H members and screened adult leaders with the slogan of "Enlightened and energetic!" Jackson County 4-Hers pick up your shirts on July 22 from 2-6 p.m.; wear them for General Project Reveal July 23 or the livestock auction July 27 for a green surprise! Martin County 4-Hers can pick up their shirts on entry day August 12 from 3-7 p.m. Wear this shirt for the livestock auction August 16 and receive a green surprise! Pictured is a Martin County 4-H family picking up their shirts last year from Director Bruce Brockmann, and his wife Cheryl. 📺



2024

Directors Ballot As a member, I vote for:

District Three — VOTE FOR ONE
4-YEAR TERM — 2025 to 2028

	Tyler Ayers Alpha, MN	NOMINATED BY COMMITTEE

District Two — VOTE FOR ONE
4-YEAR TERM — 2025 to 2028

	Harold Knutson Jackson, MN	NOMINATED BY COMMITTEE
	Scott Thiesse Welcome, MN	NOMINATED BY COMMITTEE

Your ballots should arrive around July 1 in the mail. Return it by July 31 to be entered for the \$1,000 worth of electric bill credits. See Page 16 for details.

2024

Nominting Committee Ballot As a member I vote for:

District One — VOTE FOR ONE
4-YEAR TERM — 2025 to 2028

	Blake Rossow Lakefield, MN	NOMINATED BY COMMITTEE
	Marlys Runge Lakefield, MN	NOMINATED BY COMMITTEE

District Two — VOTE FOR ONE
4-YEAR TERM — 2025 to 2028

	Thomas Cunningham Round Lake, MN	NOMINATED BY COMMITTEE

Should the Federated bylaws identified in the July Connections newsletter be amended, as resolved by the Federated Board of Directors?

Yes _____ No _____

I approve the minutes of the August 3, 2023 Annual Meeting (printed in July Connections newsletter)

Yes _____ No _____

I approve the Nominating Committee minutes (printed in the July Connections newsletter).

Yes _____ No _____

The Nominating Committee reports need approval

February 9

A meeting of the Nominating Committee of Federated Rural Electric Association, Jackson, Minnesota, was held on Friday, February 9, 2024, at 10 a.m. The meeting was held at the Jackson office, with a Zoom or call-in option offered for those who could not attend in person.

Members of the committee who participated were: Mark Runge for District 1 (arrived late); Drew Wedebrand for District 2; Tyler Ayers for District 3; Paul Nelson for District 4 (participated via telephone); John Garbers for District 5; Ron Fowler for District 6; and Timothy Mailahn for District at Large. Federated's General Manager Scott Reimer participated as well as Federated's Attorney Brad Anderson.

The 2023 Chair Timothy Mailahn called the meeting to order. The business of election of chair and vice chair and recording secretary for 2024 came before the committee. Committee member Timothy Mailahn was nominated and appointed Chair; Tyler Ayers was nominated and appointed Vice Chair; and Drew Wedebrand was nominated and appointed Recording Secretary.

General Manager Scott Reimer reviewed with the committee the most recent financial highlights of the association, and touched on highlights of the many happenings at Federated over the past year, including Broadband and the Work Plan. He also discussed the cooperative's future goals.

Attorney Brad Anderson of the association then reviewed with the committee the Nominating Committee's duties and responsibilities as outlined in the Bylaws of the association. He also reviewed qualifications necessary for directorship and the time necessary to be an effective director.

One responsibility of the Nominating Committee is to review director compensation and present recommendations to the general membership on the per diem as per the Bylaws. At the meeting the committee received the Directors' Compensation Summary updated for 2024 showing for comparison the directors' compensation of area cooperatives. The Nominating Committee reviewed the summary and did not immediately see any need for changes to the Federated Rural Electric Association's board of directors' compensation. If after further review, however, the committee may bring any recommendations to the second meeting for discussion and consideration.



Federated's Nominating Committee develops a slate of candidates for positions on Federated's Board of Directors and next year's Nominating Committee. Seated: Chairman Tim Mailahn, District At-Large; and Secretary Drew Wedebrand, District Two. Standing: Mark Runge, District One; Vice Chairman Tyler Ayers, District Three; John T. Garbers, District Five; and Ron Fowler, District Six. (See Page 7 for the District map.) Not pictured: Paul Nelson, District Four.

To aid in their search for candidates, the committee was provided a copy of the Articles and Bylaws, a copy of the district map, a script of job duties, responsibilities, including time required for the offices of directorship, nominator, and trust board members. The committee members whose districts are up for election were also provided a bound copy of the membership listing for their respective districts to aid in their search. There was also a contact - questionnaire form provided that potential candidates will be asked to complete and submit to the cooperative.

The committee considered the tentatively established date for the second Nominating Committee meeting, and it was determined that the next Nominating Committee meeting be set for Friday, April 12, 2024, at 10 a.m. at the Jackson office, when nominations for District 1 and District 2 Nominating Committee Members; and nominations for District 3 and District 4 Board of Directors will be completed. These candidates will be presented to the membership at the 2024 Annual Meeting. In addition, nominations for recommendations for Trust Board Directors for District 3 and District 4 will also be completed. The Nominating Committee's recommendations for Trust

Board Directors will be presented to the electric Board of Directors for approval.

There being no further business, a motion was made, seconded, and carried to adjourn. Meeting adjourned.

April 12

A meeting of the Nominating Committee of the Federated Rural Electric Association, Jackson, Minnesota, was called to order at 10 a.m. April 12, 2024. The meeting was held at the Jackson office, with a Zoom or call-in option offered for those who could not attend in person.

Members of the committee present were: Vice Chair Drew Wedebrand, District 2; Tyler Ayers, District 3; Paul Nelson, District 4; John Garbers, District 5; Ron Fowler, District 6; and Timothy Mailahn, District at Large. Federated's General Manager Scott Reimer participated as well as Federated's Attorney Brad Anderson. Mark Runge, District 1 was absent. Motion made, second, and carried approving the agenda as printed.

A motion was made, seconded, and carried approving the minutes of the February 9, 2024, meeting of the Nominating Committee.

The 2024 Chair Timothy Mailahn called the meeting to order. The purpose of the meeting was to complete

during the cooperative's Annual Meeting August 1

the nomination of Director candidates for District Three (3) and District Four (4); and complete nominations for Nominator candidates for District One (1) and District Two (2) to be presented for election at the Annual Meeting of the Federated Rural Electric Association currently set for Thursday, August 1, 2024. In addition, the committee will submit nominations/recommendations for the Federated Rural Electric Trust Board for District Three (3) and District Four (4). These recommendations will be submitted to Federated REA's Electric Board of Directors for approval.

After due consideration, motion made, second, and carried nominating the following candidates for directorship of District Three (3) (4-year term): Sandra Phillips and Tyler Ayers

After due consideration, motion made, second, and carried nominating the following candidates for directorship of District Four (4) (4-year term): Scott Thiesse and Harold Knutson

After due consideration, motion made, second, and carried nominating the following candidate(s) for nominatorship of District One (1):

District One (1) (4-year term)

After due consideration, motion made, second, and carried nominating the following candidate(s) for nominatorship of District Two (2):

District Two (2) (4-year term): Thomas Cunningham

Motion made, second, and carried approving the recommendations to the Federated Rural Electric Board of Directors of the following candidates for directorship of the Federated Rural Electric Trust Board:

District Three (4-year term): Lea Heinrichs

District Four (4-year term): Dawn Skow

At the February 9, 2024, Nominating Committee meeting, the committee reviewed the 2024 updated Director Compensation Survey, with final review to be discussed at the second meeting. After further review at this second meeting, motion made, second, and carried that the Nominating Committee recommends no changes to the Federated Rural Electric Association's current director compensation.

A motion was made, second, and carried to approve the minutes of this April 12, 2024, Nominating Committee Meeting.

There being no further business, a motion was made, second, and carried to adjourn.

April 22

A meeting of the Nominating Committee of the Federated Rural Electric Association, Jackson, Minnesota, was called to order at 8 a.m. April 22, 2024. The meeting was held via conference call.

Members of the committee present were: Mark Runge, District 1; Chair Drew Wedebrand, District 2; Tyler Ayers, District 3; Paul Nelson, District 4; John Garbers, District 5; Ron Fowler, District 6; and Timothy Mailahn, District at Large. Federated's General Manager Scott Reimer participated as well. Federated's Attorney Brad Anderson was absent. Motion made by Fowler, second by Ayers, and carried approving the agenda as printed.

The 2024 Chair Timothy Mailahn called the meeting to order. The purpose of the meeting was to complete the nomination of Director candidates for District Three (3) and complete nominations for Nominator candidates for District One (1) to be presented for election at the Annual Meeting of the Federated Rural Electric Association currently set for Thursday, August 1, 2024. These recommendations will be submitted to Federated REA's Electric Board of Directors for approval.


After due consideration, motion by Nelson, second by Fowler, and carried nominating the following candidates for directorship of District Three (3):

District Three (3) (4-year term): Sandra Phillips and Tyler Ayers

After due consideration, motion by Ayers, second by Garbers, and carried nominating the following candidate(s) for nominatorship of District One (1):

District One (1) (4-year term): Blake Rossow and Marlys Runge

Other Business: None

There being no further business, the meeting was adjourned at 8:18 a.m. 

May 21

A meeting of the Nominating Committee of the Federated Rural Electric Association, Jackson, Minnesota, was called to order at 7:06 a.m. by committee chair Timothy Mailahn, May 21, 2024. The meeting was held via Zoom link and conference call.

Members of the committee present were: Mark Runge, District 1; Chair Drew Wedebrand, District 2; Tyler Ayers, District 3; Paul Nelson, District 4; John Garbers, District 5; Ron Fowler, District 6; and Timothy Mailahn, District at Large. Federated's General Manager Scott Reimer participated as well. Federated's Attorney Brad Anderson was absent. Motion made by Ayers second

by Fowler, and carried approving the agenda as printed.

Re-evaluation of candidate qualifications were discussed. After due consideration, motion by Mailahn, second by Runge, to rescind Sandra Phillips as a District Three (3) Director candidate due to not meeting the standard identified in the bylaws as listed below:

Section 3.03. Qualifications and Tenure. Each director shall be a voting member of the Association and shall be elected by the members at the annual meeting of the members for a 4-year term except as hereinafter provided. Each director representing a district, and the at large director, must be a permanent and year-round resident within the district they represent or, in the case of the director at large, an Association district.

(a) Directors shall, upon their election for 4-year terms and subject to the provisions of these bylaws with respect to removal, serve until December 31 in the last year of their term and after their successors have been elected and shall have qualified.

(b) No member shall be eligible to become or remain a director who is a director, officer, employee or financially interested in a competing enterprise or a neighboring electric distribution utility. When a membership is held in joint tenancy, only one joint tenant of that membership may be elected a director, provided, that no joint tenant shall be eligible to become or remain a director or to hold a position of trust in the Association unless all other joint tenants of that membership meet the qualifications hereinabove set forth.

(c) Notwithstanding the foregoing, the operating or chief executive of any voting member which is not a natural person, or the members designee, shall be eligible to become a director from the district in which such membership is located, if said person or such designee (a) is in substantial permanent occupancy, direction, or use of the premises served by the Association, and (b) is a permanent and year-round resident within or in close proximity to an area served by the Association with electric service, provided that no more than one such person may serve on the Board of Directors at the same time.

Other Business: None

Adjourn: There being no further business, motion made by Runge, second by Ayers, to approve adjournment of the special meeting.

— Drew Wedebrand, secretary



89th Annual Meeting Teleconference Agenda

Call to order of the 89th Annual Meeting	3:30 p.m.
Determination of quorum	David A. Hansen, President
Approval of agenda	David A. Hansen, President
Reading of the notice of meeting	Brad Anderson, Attorney
Approval of previous meeting minutes	David A. Hansen, President
Nominating Committee report	Printed on Pages 14-15
Results of mailed ballots voting	David A. Hansen, President (Directors, Nominating Committee and Bylaws Amendments)
Adjournment of meeting	David A. Hansen, President
Announce door prize winners	Andrea Christoffer, Marketing & Communications Manager

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- \$589 plus tax
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E-mail: info@federatedrea.coop
Website: <http://www.federatedrea.coop>
Facebook.com/Federated
Phone: 847-3520 or 1-800-321-3520
Office hours: 8 a.m.-4:30 p.m. Monday-Friday

Scott Reimer, General Manager

David A. Hansen, President — 841-1176
David Meschke, Vice President — 236-4896
Darvin Voss, Secretary/Treasurer — 370-3201
Bruce Brockmann — 399-3487
Glenn Dicks — 840-1075
Jon Saxen — 236-7027
Scott Thiesse — 399-6427

The Board of Directors generally meets the last business day of the month at 8 a.m. at the Jackson office. Regular board meetings are open to the membership. Members interested in discussing business items should contact the general manager or president three days before the meeting.

Vote to win \$1,000 worth of Annual Meeting bill credits



Five members will win a total of \$1,000 worth of Annual Meeting prizes. Just vote by mail or in person at the Annual Meeting. Ballots are mailed around July 1 and must be received by mail or dropped off at our Jackson office by July 31 at 4:30 p.m. You can only vote once and the outer envelope must be signed. The grand prize is a \$300 bill credit. The other prizes will be for \$250, \$150 and six \$50 bill credits. The winners will be announced at the end of the Annual Meeting, on Facebook the next day, with the media and in the *Connections* newsletter afterwards. 🗳️