

KEM

Country

LINES

KEM Electric Cooperative, Linton, N.D.

March 2009

Darla Dewald wins trip to Washington, D.C.

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Darla Dewald

INSIDE:

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North Dakota Youth Tour delegates included, front row, left to right: Kylie Artz, North Central Electric; Harrison Zacher, Mountrail-Williams Electric; Kadra Kalamaha, Capital Electric; Ally Nelson, Verendrye Electric; Megan Presser, McLean Electric; and Judith Campbell, Mor-Gran-Sou Electric. Back row, left to right: Paige Scherer, Roughrider Electric; Andrea McMillan, Cass County Electric; Lucas Schmaltz, Northern Plains Electric; Justin Herner, Slope Electric; Sen. Byron Dorgan; **Ashlee Bernhardt, KEM Electric**; Marci Johnson, Burke-Divide Electric; Zane Frick, McKenzie Electric; and Garrett Kubischta, Roughrider Electric.

KEM Electric Cooperative has selected Darla Dewald, a sophomore at Kidder County Public School, as the winner of the cooperative's Youth Tour essay contest and a trip to Washington, D.C. She is the daughter of Dean and Robin Dewald, Dawson.

Darla will represent KEM Electric Cooperative during the all-expense-paid Youth Tour to Washington, D.C., in June.

Applicants were asked to compose an essay and a panel of impartial judges from the North Dakota Association of Rural Electric Cooperatives chose the individual winner.

During the Youth Tour to Washington, D.C., nearly 1,400 students sponsored by electric cooperatives from across the country converge on the nation's capital. They visit national monuments and historic sites, tour federal offices, and spend time with their congressional delegations. During the Youth Tour, students also learn about electric cooperatives and discuss issues facing their communities and the nation.

"I think it will be a fun experience to meet all the kids from different places," Darla said.

In high school, Darla is active in band, pep club and student council. She also is a statistician for the volleyball and basketball teams. Darla has been a 4-H member for seven years and helped a local chapter of Fellowship of Christian Athletes two years ago. She is also an active member of her church youth group and works at the grocery store in Steele.

THE WINNING ESSAY

To earn a trip to Washington, D.C., Darla wrote an essay on the topic: "Identify and describe the key qualities of leadership that are important to North Dakota young adults, and explain where today's young leader should be focused."

Ashlee Bernhardt, the daughter of Tom and Tamie Bernhardt, Linton, was sponsored by KEM Electric Cooperative at the Youth Tour last summer.

"I came back with so many memories and so many new friends," she says. "It is such an eye-opening experience. You learn so much," she said following her trip.

KEM Electric Cooperative strongly believes in the future of area students and sponsors a Youth Tour delegate each year. KEM Electric also offers college scholarships to area students each year.

It's just one more example of KEM Electric Cooperative's commitment to local communities.

Following is Darla's essay:

There are many qualities needed to be found in a person in order to become a leader. Most kids receive their qualities from being around friends and family and growing up in a certain environment. If the kids' parents are responsible and hardworking, the kids are more likely to follow in their footsteps.

Some of the key qualities needed to be found in a leader are responsibility, hardworking, punctual, intellectual, good knowledge, common sense, controlling, patient and caring, just to name a few.

Responsibility is a good quality to have because you are accountable for your actions. Hardworking means you give it your all and get the things done, whatever the job may be. If you are punctual, you are always on time and never late for meetings or work.

If you are intellectual, have good knowledge and use common sense, you are well-informed on the topic that is being discussed and you have information to back it up.

If you have the quality of being controlling, you are good at taking charge, and getting things done. In some bases, this can be bad if you become too controlling and let being a leader go to your head.

Patience is a really important quality because you will not be quick to make decisions and you use time well. You need to be caring so you understand others and their situations and their needs.

There are many places today's young leaders should be focused. They should be focused on worldwide events such as worldwide affairs. Conditions in other countries today will affect us in the future. Today's high-tech communication allows news to travel fast so issues affect us more quickly than they did in the past. They should be focused on trade because it affects our economy.

They should be focused on issues within the United States. Some issues they should be concerned about are the interac-

tion with other countries. This affects our economy because it will affect our country's laws and policies that are adopted. Another thing young leaders should be concerned about is to be aware of our country's policy on how to handle conflict in other areas of the world.

Young leaders should be focused on issues within the state. One thing they should understand is the policies for trade with the different states. They should be concerned about the production of the state's natural resources. For example, coal development, oil, natural gas and wind energy. They should also be concerned about the state's potential for food production. For example, grain, potatoes, sugar beets and meat. They should also focus on tourist attractions to draw people from other states.

Another thing young leaders should be focused on are issues in their own communities. They should be concerned about the schools and the dropping number of students because this affects the quality of education. Another thing they should be concerned about is the declining population in small towns because this affects the goods and services provided in the community, especially health care. They should be focused on the limited number of jobs in the community, for this causes people to commute to other places to find employment.

Young leaders should be focused on family. They should focus on their morals and code of ethics because these will affect the decisions they will make and also affect how they interact with others that will also be leaders.

Today's young leaders should be focused on world affairs, our country's relationship with other countries, our state's state of affairs, and our communities' situations and concerns. Most importantly, young leaders of today should be focused on their own morals and code of ethics because these will be the base of their decisions.



Click on it!
www.kemelectric.com

Have you visited KEM Electric Cooperative's Web site lately?

This month, click on "Community" and to learn more about KEM Electric's youth program. As a Touchstone Energy® Cooperative, KEM Electric Cooperative is proud to serve you with integrity, accountability, innovation and a commitment to community.

Visit KEM Electric Cooperative's Web site today!

Directors represent ACCOUNTABILITY

As a Touchstone Energy® Cooperative, your electric cooperative is here to serve you with the Touchstone Energy core values, one of which is accountability.

One measure of your electric cooperative's accountability is in its board of directors.

Your local electric cooperative is overseen by a board of directors which is elected by you—the members and owners of the electric cooperative. Each director represents the members of the cooperative on the board, and each director is a cooperative member.

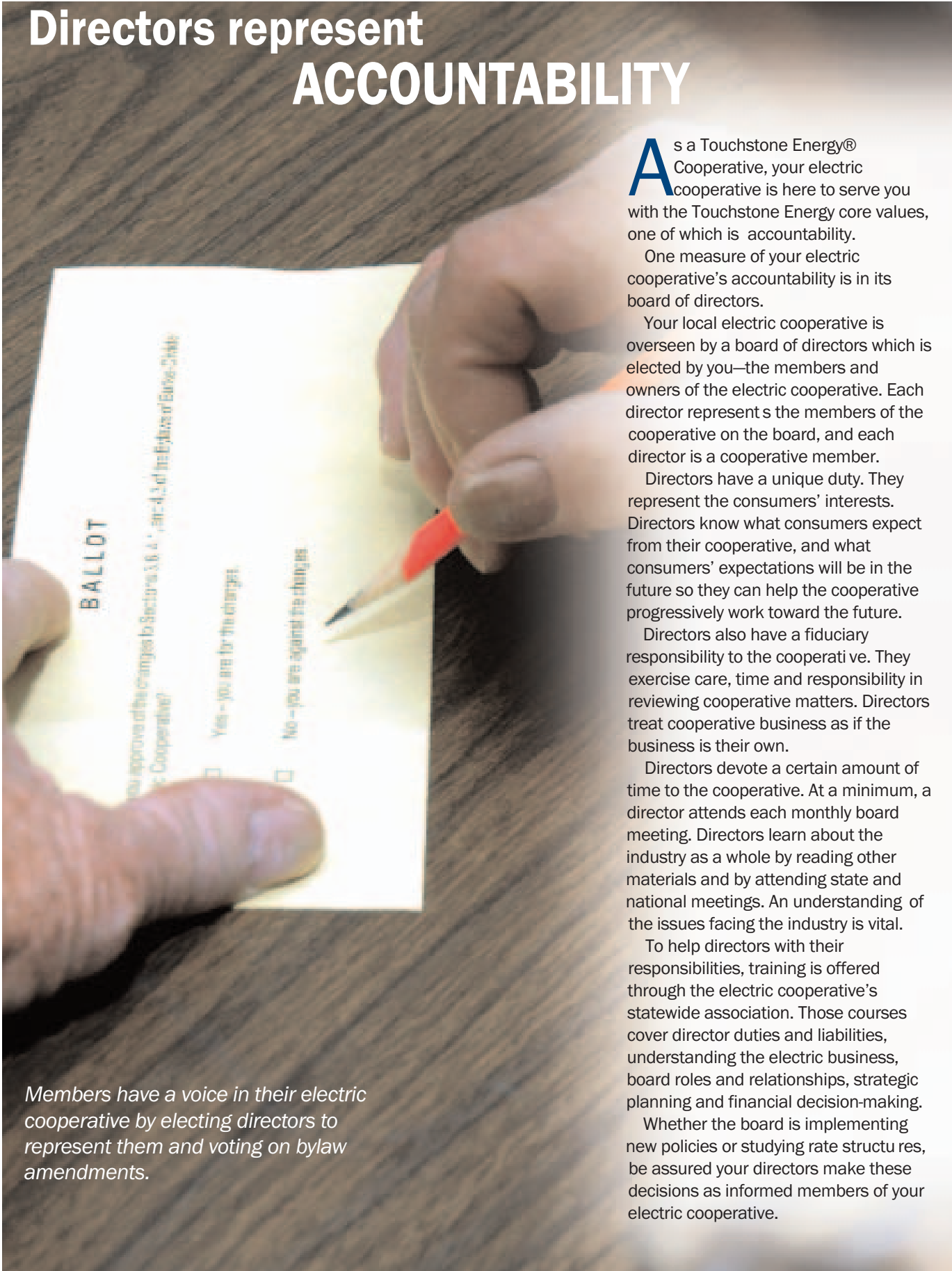
Directors have a unique duty. They represent the consumers' interests. Directors know what consumers expect from their cooperative, and what consumers' expectations will be in the future so they can help the cooperative progressively work toward the future.

Directors also have a fiduciary responsibility to the cooperative. They exercise care, time and responsibility in reviewing cooperative matters. Directors treat cooperative business as if the business is their own.

Directors devote a certain amount of time to the cooperative. At a minimum, a director attends each monthly board meeting. Directors learn about the industry as a whole by reading other materials and by attending state and national meetings. An understanding of the issues facing the industry is vital.

To help directors with their responsibilities, training is offered through the electric cooperative's statewide association. Those courses cover director duties and liabilities, understanding the electric business, board roles and relationships, strategic planning and financial decision-making.

Whether the board is implementing new policies or studying rate structures, be assured your directors make these decisions as informed members of your electric cooperative.



Members have a voice in their electric cooperative by electing directors to represent them and voting on bylaw amendments.

Now is the time to think about becoming a director!

If you are interested in becoming a director for KEM Electric Cooperative, you must understand the process for filing a petition.

KEM Electric Cooperative's 2009 annual meeting will be held June 18 at Linton. This year, the director seats up for election are those of Adolph Feyereisen in District 1, and Carter Vander Wal in District 2.

Below is the section of the bylaw pertaining to filing a petition for a director seat:

404. Member Petition-Form

(a) Each petition shall contain the following:

1. The name of the member nominee.
2. The director position for which the member nominee shall run.
3. The printed names, addresses, and telephone numbers, date of signature, and original signatures of each member signing the petition.
4. At least 25 signatures of the members of the respective district, or members at-large, as the case may be.

(b) In the case of joint members, the signature of one or more than one joint member shall constitute one joint signature.

(c) Firms, associations, corporations or body politics shall have the right to place one signature on a petition, the same as other members, by the signature of a duly appointed representative.

(d) Petitions may not be circulated or signed more than 90 days before the date when petitions must be filed pursuant to this bylaw. Any signature to a nominating petition obtained more than 90 days before that date may not be counted.

(e) All petitions must be filed at the principal offices of the cooperative not less than 45 days prior to the date of the meeting of the members, as fixed by the board of directors.

(f) After verifying that a petition complies with this bylaw, the secretary of the board of directors shall post a list of nominations for directors at the principal office of the cooperative at least 30 days before the meeting of the members.

Legislative information available

A great source of information on North Dakota legislative activity can be found on the North Dakota Association of Rural Electric Cooperative's (NDAREC) Web site at www.ndarec.com.

Clicking on the "Legislative Update" logo will give you access to a listing of all of the legislation important to electric cooperatives, along with a summary of the bills, their status in committee or on the floor, and a link to the actual bills.

The site provides information on hearing schedules and information that can help you contact your legislator. This Web site puts a wealth of legislative information at your fingertips, and you are encouraged to take the time to check the site.

Time to mark your calendars!

KEM Electric Cooperative 2009 ANNUAL MEETING June 18 - Linton

- The priority for the evening is to take care of the business of the cooperative, including the election of directors.
- Members will enjoy a tasty dinner, have a chance to win door prizes and receive free gifts. Your name will also be included for a special drawing.
- So make your plans to attend your cooperative's annual meeting by reserving June 18 on your calendar.



Co-ops face challenging future

by Ron Harper, chief executive manager and general manager of Basin Electric

2008 — what a tremendous and yet challenging year. Every sector of our society was impacted in some way by events both within and outside our control: volatile energy markets, the collapse of many segments of our financial markets, the impacts of a global marketplace, the polarizing debates on climate change, and the election of a new president.

This flurry of wild events requires attention. Basin Electric stands ready, with a loud voice and a desire to do right for our member-owners. Yes, change — across all boards — is imminent, and with the right mix of logic, innovation and caution, we can continue to meet our members' needs while protecting the land we all love.

But, the road may be a little rocky.

I sometimes feel like we have one hand tied behind our back. We live in and serve a region with an abundance of natural resources, resources that we each uniquely respect. Every day we show our respect for our environment. Yet as we work to develop new distribution, transmission and generation facilities, we are continually burdened with uncompromising positions from those who don't think we should build this much needed infrastructure. These confrontations have assured us of one thing: increased costs to the person at the end of the line.

One example is that the Rural Utilities Service (RUS) is no longer able to fund new base-load generation due to actions by certain members of Congress. In September of last year, I asked our finance department to figure the difference between funding our Dry Fork Station project with RUS funding versus funding through the financial markets. The best-case scenario would cost an additional \$631 million due to our inability to access RUS. That is \$631 million our membership will have to pay because of someone's position on fossil fuels. What is wrong with this picture?

We believe a diverse generation portfolio is an appropri-

ate and wise strategy. We also strongly believe it will take multiple fuels to meet this nation's energy needs. Since 2001, we have added more natural gas-fired generation; we are well on our way to having almost 500 megawatts of renewables by 2010 as resolved by the membership in 2005; and we remain keenly focused on the continued use of coal.

We recognize that to continue to use coal, we must find solutions to its emissions challenges. As an industry we have made continued strides to reduce emissions, but more remains, particularly in the area of carbon dioxide, which is at the forefront of the energy debate. There are two aspects to any technology development: how it will be designed into

new construction, and how it will retro-fit to existing plants. That is why we believe our Great Plains Synfuels Plant is a blueprint for the future, and we are working to take advantage of the knowledge gained through its CO2 capture process. Basin Electric today is working to find a solution to capture and sequester CO2 off the back end of our Antelope Valley Station. As an industry and as a nation, we must find solutions to this challenge because I do not believe we are going to turn off anytime soon 51 percent of this nation's electricity that is currently produced by coal.

As I wish you the very best in 2009, I believe the electric facility challenge to be but one of the many issues that will consume us as a nation and as a world over the next 12 to 24 months. With a new administration and a new Congress in session, we must remain engaged to make certain our voice is heard. Our nation was built by compromise, after all.

We must communicate our positions with integrity and a strong sense of ethics, and remain steadfast in our commitment to that person at the end of the line. That should be easy; those are some of the basic principles upon which our cooperative program was founded.



CUTLINE INFO TO FILL

(Originally published in January/February 2009 Basin Today)

DON'T BE FOOLED BY HEATING CLAIMS

ELECTRIC HEAT. It's not a "miracle." It doesn't come from "magical" equipment.

You've probably seen newspaper ads or heard radio commercials promoting the heating wonders of electric space heaters. They claim to be able to cut your heating bill by 50 percent. Read the fine print and you'll learn that all you have to do is turn your home's thermostat to 50 degrees for those magical savings. They claim a portable electric heater can heat 1,000 square feet for "pennies a day." Do you really believe a space heater can warm an entire house?

Don't be fooled by these claims. Purchasing a portable space heater isn't going to solve your heating issues.

Talk to folks you know, the experts at your Touchstone Energy cooperative. We can help you sort fact from fiction.

If you are using a space heater to continually warm an area of your home, it might be wise to look into alternative forms of electric heat. Your local electric cooperative can help you choose which one is right for you. And you will qualify for the off-peak electric heating rate. A heater that plugs into an outlet will not qualify for these lower rates.

Or maybe some simple home improvements might be the solution.

"Some consumers may believe it is cheaper to use a space heater for warming a chilly room, when actually a few very-low-cost home improvements could really be the solution," says George Maher, with the North Dakota State University Extension Service.

Yes, a portable electric space heater may take the chill out of garages, basements or workshops. But using an electric space heater requires attention to safety as well as comfort.



Talk to the energy experts at your local electric cooperative about the best heating solution for you.

Before you purchase an electric space heater, check it carefully to make sure it has:

- An automatic safety switch that will turn the unit off if it tips.
- An overheat sensor that shuts off the heater if it gets too hot.
- A low surface temperature to protect your family and pets from burns.
- A guard or grill around the heating element.
- A label noting the heater has been tested and approved by a nationally recognized certification organization, like the Underwriters Laboratory (UL).

As you consider your heating solutions this winter, talk to the experts at your local electric cooperative.

WHEN USING A SPACE HEATER:

- If the cord is worn, have it replaced by a professional. Make sure the replacement cord is designated as an HPN cord—it's the only kind acceptable for electric space heaters.
- Never use an extension cord with an electric space heater.
- Keep the heater away from water sources or damp areas.
- Keep the heater at least three feet away from curtains, newspapers or other flammable items.
- Never leave the heater unattended without turning it off.
- Keep the heater out of walking paths, and make sure it is on a stable surface.
- Don't dry items on the heater.
- Keep the heater where toddlers and pets cannot touch the unit.



BOARD MEETING HIGHLIGHTS

Jan. 23



- Heard reports on various meetings
- Reviewed report from the Voucher Review Committee
- Approved special equipment summary
- Adopted corrected Policy Bulletin 10-30 – Whistleblower Policy
- Reviewed monthly financial reports



TRUCK FOR SALE ON BIDS

1984 Chevrolet 4X4 half-ton custom deluxe. Truck has 57,000 actual miles, automatic transmission, 305 gas engine and automatic locking hubs. Truck is in excellent condition and is mechanically sound. Truck can be seen at the KEM office in Linton.

Bids will be accepted until March 30, 2009. Truck to be sold as is and KEM Electric reserves the right to reject any and all bids.

THE MARATHON WATER HEATER

will be the last water heater you'll ever buy!



FEATURES:

- Polybutene tank that is guaranteed not to leak, rust or corrode for as long as you own your home.
- One of the most efficient water heaters on the market.
- To save money, ask about placing your Marathon water heater on one of KEM Electric Cooperative's load-management programs.

Call KEM Electric Cooperative today!
(701) 254-4666 - (800) 472-2673

KEM ELECTRIC COOPERATIVE INC.

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**Report outages to the following
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A Touchstone Energy® Cooperative