



# POWER FOR GENERATIONS

KEM Electric Cooperative, Inc.  
2022 Annual Report and Annual Meeting Notice





KEM ELECTRIC COOPERATIVE, INC.  
LINTON, NORTH DAKOTA

## OFFICIAL NOTICE OF THE ANNUAL MEETING OF MEMBERS

The annual meeting of the members of KEM Electric Cooperative, Inc., will be held at the American Legion Barry-Hoof Post #72, 69 Broadway, Napoleon, North Dakota, at 7:00 p.m.CT on Thursday, June 15, 2023, to take action on the following matters:

### 1. Election of three directors

In connection with the election of three directors scheduled to be held at this meeting, the following members have been nominated for director by petition, which is in accordance with the Bylaws of the Cooperative:

#### 2023 Director Election

##### District No. 4

Victor J Wald, Napoleon, ND

##### District No. 5

Dean Dewald, Dawson, ND

##### District-at-Large

Carmen Essig, Lehr, ND

2. Report of officers and directors for the transaction of such other and further business that may come before the meeting or any adjournment or adjournments thereof.
3. Proposed Amendment to Bylaws of KEM Electric Cooperative, Inc. The board of directors of KEM Electric Cooperative, Inc. are proposing one amendment to Cooperative bylaws.

### Proposed Bylaw Amendment Number 1:

#### NOTICE OF PROPOSED AMENDMENT TO BYLAWS OF KEM ELECTRIC COOPERATIVE, INC.

The board of directors of KEM Electric Cooperative, Inc., is proposing an amendment to Cooperative bylaws.

In 2022, the Cooperative members approved an amendment to bylaw 306. That amendment allows electronic voting by Cooperative members when so ordered by the board of directors. The proposed amendment to bylaw 404 changes the timing set out in the petition process. This will facilitate electronic voting.

Currently, nominating petitions are to be filed at the Cooperative offices not less than 45 days prior to the date of the annual meeting. Petitions are not to be signed more than 90 days prior to the date petitions must be filed. The proposed

amendment provides that petitions must be filed not less than 90 days prior to the meeting date and petitions are not to be signed more than 60 days prior to the date petitions must be filed.

### Proposed Bylaw Amendment: 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 10 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 60 days before the date when petitions must be filed pursuant to this Bylaw. Any signature to a nominating petition obtained more than 90 60 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 90 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 60 days before the meeting of the members.

This notice is given pursuant to Bylaw 1401 of the Bylaws of KEM Electric Cooperative, Inc.

Dated: May 3, 2023

  
/s/ Carter Vander Wal, Secretary

Over-the-air: (KNDB) Ch. 26.1 | (KNDM) Ch. 24.1

BEK Communications: Ch. 2/1002 or Ch-65 EPIC IPTV | Consolidated: Ch. 17 | Dakota Central: Ch. 12/722

DirecTV: Ch. 26 | Dish Network: Ch. 24 | Midcontinent Communications: Ch. 609/612

### 5:30-7 P.M. CT REGISTRATION AND MEAL OF THE MEMBERSHIP

Meal compliments of KEM Electric Cooperative, Inc.

Entertainment by: **Tiff, Kell and Mel**

### 7 P.M. CT BUSINESS MEETING

Welcome & Call to Order.....	Victor "Chuck" Wald, Chairman
National Anthem.....	Tiff, Kell, and Mel
Invocation.....	John Beck
Determination of Quorum .....	Victor "Chuck" Wald, Chairman
Introduction of Directors and Election Tellers.....	Victor "Chuck" Wald, Chairman
2022 Annual Meeting Minutes.....	Victor "Chuck" Wald, Chairman
Voting and Collection of Ballots.....	Victor "Chuck" Wald, Chairman
Cooperative Update.....	Travis Kupper and Jason Bentz, Co-General Manager/CEOs
Guest Recognition.....	Dale Nagel, Chief of Staff
Operation Round Up Report.....	Susan Wald, Operation Round Up Board Secretary
Selection of Luck of the Draw Scholarship Winner .....	Marcy Sanders, Manager of Member Relations
Presentation of Scholarship Winners.....	Marcy Sanders, Manager of Member Relations
Presentation of Youth Tour Winner.....	Marcy Sanders, Manager of Member Relations
Questions and Answers.....	Victor "Chuck" Wald, Chairman
Election Results, if available .....	Victor "Chuck" Wald, Chairman
Prizes.....	Kirk Praus, Lineman

**PLEASE NOTE:** If you plan to attend the annual meeting and require special accommodations, please call KEM Electric Cooperative's office at 701-254-4666 or 800-472-2673 one week prior to the meeting.

### MEETING RULES

- The meeting will be conducted according to Roberts Rules of Order.
- Questions may be asked from the floor. To obtain the floor, a member shall move to the microphone and identify himself/herself by name and address.
- Questions can be submitted in written form. If all questions are not answered during the meeting, the responses may be put in the *North Dakota Living* magazine local pages or provided individually to a member.

***Progressive Drawing – All membership names are put in for the drawing, if the member is at the annual meeting while it is drawn, they will win the prize. If not, another \$100 will be added next year!***



# CHAIRMAN'S REPORT



District 4  
**Victor J. Wald**  
Chairman  
Napoleon

Seventy-nine years ago when KEM Electric was formed and as part of the original by laws, the cooperative was instructed to hold an annual meeting to let our members know what the cooperative had accomplished in the previous year. It was a time for elections of directors and bylaw changes, but also a time of celebration. The warm, summer day had a party atmosphere with a meal, door prizes, and a meeting. It was a fun time of socializing for everyone, and a must-attend event.

The celebration was presented to a full house of KEM members. After a delicious meal was served, the meeting was presented to a full house of KEM members. While some were full of energy and enthusiasm to get involved with the discussion, others, with their tummies full, were in nap mode waiting for the door prizes. But times have changed, and meetings are no longer the only opportunity provided for a social event, but more so seen as an obligation. Although these changes are happening, KEM Electric still finds value in hosting an annual meeting to let our members know how the year went and what the future holds.

Yet, with all that in mind, KEM continues to make changes in our annual meeting, which was previewed a bit last June to include mail in ballots. This year we are including electronic ballot casting. There will be entertainment at the annual meeting by Tiff, Kell and Mel. We are also looking to add regional meet and greets in 2024. This would be a social gathering to keep the community focused and engaged with KEM's mission and future.

Yes, we will have an annual meeting and yes, there will be a few business items that need to be addressed. And yes, we are looking for ways to improve this meeting. Comment cards will be available for suggestions to help us make the KEM annual meeting something to look forward to. Our goal is to hold a meeting that you can reflect on after the meeting and say to yourself, "Hey, that was fun and educational, and I will go again next year!"

I invite each and every one of you to attend our 2023 annual meeting which will be held in Napoleon this year at the American Legion Hall, the meal will be great, the entertainment fabulous, and the meeting as good as a meeting can go. Plan on it, and I can't wait to see you there!

*Victor J. Wald*

## KEM ELECTRIC



District 4  
**Victor J. Wald**  
Chairman  
Napoleon



District 1  
**John Beck**  
Vice Chairman  
Linton



District 2  
**Carter Vander Wal**  
Secretary-Treasurer  
Pollock, S.D.



## MANAGER'S MESSAGE



**Travis Kupper**  
Co-General Manager



**Jason Bentz**  
Co-General Manager

Our story, the cooperative story, is about ordinary people that banded together to improve the quality of life by providing electric service to our local area when no one else would do it. Neighbors worked together to create KEM Electric and ensure a brighter future for generations to come.

It was only possible through rural neighbors, as the bigger, investor-owned power companies thought they couldn't generate enough profit so they bypassed rural areas. Back then, there were frequent meetings among neighbors to discuss the formation of the cooperative. Once established, annual meetings were the must attend event of the year.

At that time, members of the community understood we were different because they likely knew someone who helped to create KEM Electric. For most people, our founding and its circumstances have been long forgotten. Over time, folks in the community may have come to think of us as simply another energy provider. But we are not. We are a co-op that is constantly evolving to meet the needs of the areas we

serve, and we are able to do this because of members like you.

Fast forward to today – and tomorrow. KEM Electric currently serves 2,233 members. KEM Electric has returned over \$8,472,679 of capital credits returned to the members.

We have sought feedback and engagement from you and that of the whole membership to guide our long-term decisions. This is why we hold an annual meeting each year. We host events like this to engage with you and obtain your feedback. Over the years, as we've listened to you and your fellow co-op member-owners, we know that we have to keep pace as technology changes to meet your needs. We understand the spirit that helped create this co-op must be continually nurtured. While times and technology will continue to change, our commitment and service to you will not.

As we look to the future, we view our role as a catalyst for good. Working together, we can accomplish great things for our members now and be your family's power for generations.

## BOARD OF DIRECTORS



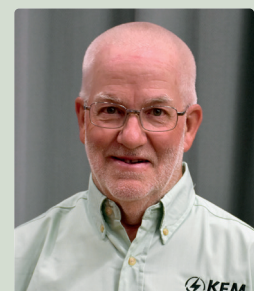
At-Large Director  
**Carmen Essig**  
Lehr



At-Large Director  
**Dean Hummel**  
Hague



District 3  
**Neil Meidinger**  
Zeeland



District 5  
**Dean Dewald**  
Dawson



# INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
KEM Electric Cooperative, Inc.  
Linton, North Dakota

## OPINION

We have audited the accompanying financial statements of KEM Electric Cooperative, Inc. (a North Dakota nonprofit cooperative), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of revenues and expenses, patronage capital and other equities, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KEM Electric Cooperative, Inc., as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## BASIS FOR OPINION

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of KEM Electric Cooperative, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about KEM Electric Cooperative, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining,

on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KEM Electric Cooperative, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about KEM Electric Cooperative, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## SUPPLEMENTARY INFORMATION

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The detailed schedule of deferred debits and deferred credits is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2023 on our consideration of KEM Electric Cooperative, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KEM Electric Cooperative, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KEM Electric Cooperative, Inc.'s internal control over financial reporting and compliance.

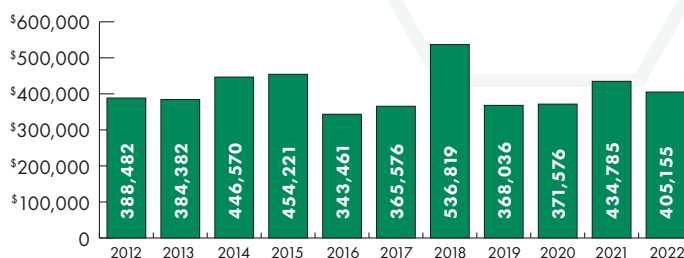
*Brady Martz*

BRADY, MARTZ & ASSOCIATES, P.C.

BISMARCK, NORTH DAKOTA

March 8, 2023

## CAPITAL CREDIT RETIREMENTS





# FINANCIAL REPORTS

## Comparative Income Statement

Operating Revenue	
Cost of Purchased Power	
Line Operation & Maintenance	
General Operating Expense	
Depreciation	
Taxes	
Interest	
Other Expenses	
<b>Total cost of electric service</b>	
Operating margins	
Power Supplier & Other Capital Credits	
Non-Operating margins	

## For Years ended December 31, 2022 & 2021

	2022	2021
Operating Revenue	\$11,782,360	\$10,494,029
Cost of Purchased Power	5,198,649	4,565,509
Line Operation & Maintenance	2,381,151	1,500,225
General Operating Expense	1,777,398	1,610,420
Depreciation	1,299,070	1,311,693
Taxes	83,114	73,051
Interest	888,116	829,909
Other Expenses	3,555	6,935
<b>Total cost of electric service</b>	<b>\$11,631,053</b>	<b>\$9,897,742</b>
Operating margins	151,307	596,287
Power Supplier & Other Capital Credits	688,476	589,256
Non-Operating margins	73,045	43,524
<b>TOTAL MARGINS AND PATRONAGE CAPITAL</b>	<b>\$912,828</b>	<b>\$1,229,067</b>

## Balance Sheet

### December 31, 2022 and 2021

2022 2021

### ASSETS

Utility Plant	\$57,116,710	\$55,092,336
Accumulated Depreciation	(24,167,669)	(23,131,447)
<b>NET UTILITY PLANT</b>	<b>\$32,949,041</b>	<b>\$31,960,889</b>

Cash	\$3,157,328	\$1,005,504
Investments	1,100,000	1,100,000
Investments in Associated Organizations	4,792,838	4,448,080
Accounts Receivable (Net)	1,407,256	579,294
Materials and Supplies	1,682,359	1,342,126
Other Current Assets	18,365	10,150
Deferred Assets	149,637	209,832
<b>Total Cash &amp; Investments</b>	<b>\$12,307,783</b>	<b>\$8,694,986</b>
<b>TOTAL ASSETS</b>	<b>\$45,256,824</b>	<b>\$40,655,875</b>

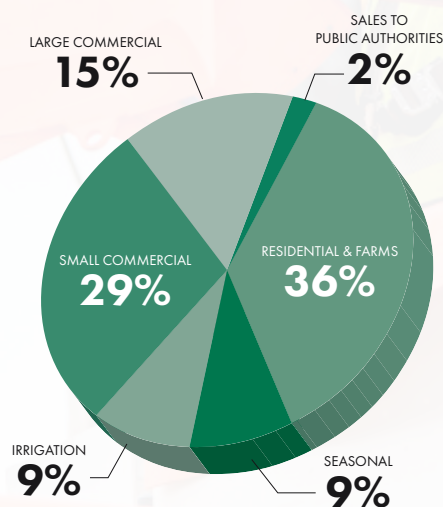
### MEMBER EQUITY

Patronage Capital	\$12,877,872	\$12,370,382
Other Equities	3,225,599	3,183,150
<b>TOTAL MEMBER EQUITY</b>	<b>\$16,103,471</b>	<b>\$15,553,532</b>

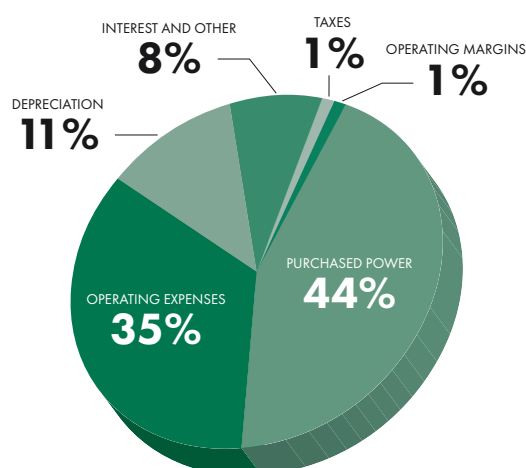
### LIABILITIES

Long-Term Debt	\$27,448,319	\$23,555,457
Accounts Payable	794,453	500,865
Accrued Taxes	103,218	158,723
Other Current and Accrued Liabilities	66,166	84,890
Deferred Liabilities	741,197	802,408
<b>TOTAL LIABILITIES</b>	<b>\$29,153,353</b>	<b>\$25,102,343</b>
<b>TOTAL LIABILITIES &amp; MEMBER EQUITY</b>	<b>\$45,256,824</b>	<b>\$40,655,875</b>

## WHERE YOUR DOLLAR CAME FROM 2022



## WHERE YOUR DOLLAR WENT 2022





# MEET THE CANDIDATES

This year, the director seats up for election are those of Victor J Wald, District 4; Dean Dewald, District 5; and Carmen Essig, District-at-Large. The candidates who submitted petitions by May 2 to place their names on the ballot are listed in this section. The information and statements were provided by the respective candidates.



District 4  
**Victor J. Wald**  
Chairman  
Napoleon

## DISTRICT 4

**Name:** Victor J. Wald

**Family:** Wife Susan; Children Alex and Jessica, Austin, Logan and Ali, Lucas and Jessica; Grandchildren Bentley, McKoy, Stetson, Brekka, Emery, Hadley, and Blake

**Occupation:** Farming, dairy, wheat, corn, soybeans

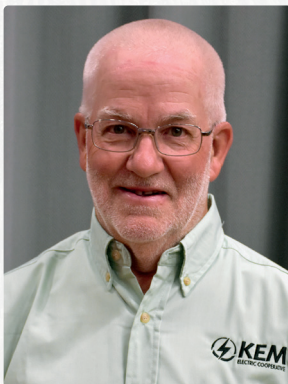
**Titles and offices held:** KEM Electric Board

### ***What makes you a good candidate for KEM Electric Cooperative's Board of Directors?***

I have a very open mind and as a farmer very adaptable and always open to changes and challenges.

### ***If elected, what are your priorities?***

To help KEM to stay on the forefront of providing electricity in an efficient and affordable way.



District 5  
**Dean Dewald**  
Dawson

## DISTRICT 5

**Name:** Dean Dewald

**Family:** Wife Robin; Children Darcie Faul and Darla and Adam Tescher; Grandchildren Kinzley & Kaleb Faul, Jayden & Zander Schinn

**Occupation:** Ranching and Crop Insurance

**Titles and offices held:** 2006-Present: KEM Electric Board. KEM Electric Board Chair for 11 years; 2020-Present: Member Dawson Rural Volunteer Fire Department; 2004-Present: Member Kidder County Sportaman Association.

### ***What makes you a good candidate for KEM Electric Cooperative's Board of Directors?***

Experience and dedication, understanding the business.

### ***If elected, what are your priorities?***

Keeping electricity reliable and affordable to our members.



At-Large Director  
**Carmen Essig**  
Lehr

## DISTRICT-AT-LARGE

**Name:** Carmen Essig

**Family:** Wife Cindy; Children Damen and Russel, and three Grandchildren.

**Occupation:** Ranching cow calf operation with my son, Russel

**Titles and offices held:** KEM Electric Vice-Chairman, Secretary-Treasurer

### ***What makes you a good candidate for KEM Electric Cooperative's Board of Directors?***

I am at the end of the line so I know electric service is important. I am also a Certified Board Member.

### ***If elected, what are your priorities?***

I am here for the members to supply, safe, reliable, and affordable electricity at reasonable rates.



# ANNUAL MEETING MINUTES

## Annual Meeting of KEM Electric Cooperative, Inc.

June 16, 2022 | Linton, ND

The 78th Annual Meeting of KEM Electric Cooperative, Inc. was held at the Linton Public School, Linton, North Dakota, on June 16, 2022. The meeting was called to order at 7:02 p.m. with Chairman Victor Wald presiding. The meeting commenced following an evening meal.

Chairman Wald gave the welcome address.

American Legion Post #54, of Linton, presented the colors. Tim Dockter and Diane Nagel sang the national anthem. Tim Dockter provided the invocation.

Chairman Wald introduced and appointed Cooperative Attorney Tom Bair as the Parliamentarian for the meeting. Cooperative recording secretary Connie Hill was also introduced.

Chairman Wald reviewed the contents of the packets that members received during registration and directed children to the location for the Children's Fun Night activities.

Secretary Carter Vander Wal reported the Cooperative's membership as of June 16, 2022, consisted of 2,221 members and there were 104 members present at the time the meeting was called to order. The number of members voting in person were 69, members voted by mail were 291, and the total number of member votes were 360. This number represented a quorum. Chairman Wald declared the meeting officially opened at 7:15 p.m.

Chairman Wald introduced the individuals who served as election tellers.

Secretary Vander Wal asked for a motion to approve the Proof of Mailing of the Annual Meeting Notice and to waive the reading of the Official notice and the Condensed Minutes of the 2021 Annual Meeting as it was printed in the Annual report that was mailed to the membership. A motion was made, seconded, and carried. Chairman Wald directed the recording secretary to attach a copy of the notice of the meeting and proof of mailing to all members to the 2021 Annual Meeting minutes.

Chairman Wald introduced the Directors. From District 1, John Beck; from District 2, Carter Vander Wal; from District 3, Neil Meidinger; from District 4, Victor Wald; from District 5, Dean Dewald; from District at Large, Carmen Essig; and from District at Large, Dean Hummel.

Chairman Wald announced the next order of business to be

the election of two directors. Chairman Victor Wald stated the director seats up for election are in District No. 3 and District at Large at this Annual Meeting.

Chairman Wald introduced Neil Meidinger, Zeeland, nominee for the District No. 3 position having been nominated by petition. Mr. Meidinger was the only candidate for director in District 3. A motion was made, seconded, and carried, to close nominations for District No. 3 and to cast a unanimous ballot for Neil Meidinger.

Chairman Wald introduced Dean Hummel, Hague, nominee for the District at Large position having been nominated by petition. Mr. Hummel was the only candidate for director in District at Large. A motion was made, seconded, and carried, to close nominations for District at Large and to cast a unanimous ballot for Dean Hummel.

Chairman Wald brought forth one new item of business to the membership, bylaw amendments. Mr. Bair provided the membership with information regarding the bylaw amendments. Mr. Wald asked to waive the reading of bylaw amendments as it is printed in the Annual Report. The motion was made, seconded, and carried. Mr. Wald asked the membership to vote on the bylaws. While the bylaws were being collected and counted, Co-General Manager/CEO Travis Kupper was introduced.

Mr. Kupper gave a report on the 2021 KEM Electric activities. He thanked Mr. Franklund for his years of service as he will be retiring. A video report on member support was provided by Ms. Sanders. A video report on operations was provided by Mr. Nagel. Mr. Franklund thanked the membership for their support throughout his time with KEM Electric.

Chairman Wald introduced KEM's Chief Financial Officer, Alex Craigmile, to provide the Annual Financial Report. A motion was made, seconded, and carried to approve the audited financial report as printed in the Annual Report.

Prizes were awarded.

Chief of Staff, Dale Nagel, introduced guests in attendance.

Chairman Wald introduced Susan Wald, Secretary/Treasurer of KEM Electric Operation Roundup. Ms. Wald reported on activities and introduced the Operation Roundup board members.



Manager of Member Relations, Marcy Sanders, announced the winners of the luck of the draw scholarships. The scholarships were awarded to Kathleen Vetter of Linton, Jayce Rivinius of Gackle, and Brock Kelsch of Linton. The day of the meeting, the Board of Directors decided to award three luck of the draw scholarships instead of two.

Ms. Sanders announced Mary Huber as the recipient of the Basin \$1,000 scholarship. The service area scholarships were also announced. Jackson Meidinger, Ashley; Danny Keily, Kidder County; Erin Kelsch, Linton; Payton Feist, Napoleon; Kylie Ternes, Strasburg; Seth Wolf, Wishek; Abigail Rossow, Zeeland; Josie Dallman, Kulm; were all recipients of the \$500 service area scholarships. No applications from HMB were received.

Ms. Sanders announced the 2022 Youth Tour winner as Teagan Erbele. Ms. Sanders also announced Connor Bechtle, Landon Bechtle, and Shonda Haak as the winners of KEM Electric's Annual Safety Poster Contest.

A brief question and answer period was held.

Prizes were awarded.

The winner of the \$400 progressive prize was drawn; however, they were not present. At the 2023 Annual Meeting, the drawing will be \$500.

Chairman Wald announced the bylaw amendment results. The two bylaw amendments were passed by the membership.

Chairman Wald called for any new business.

A motion was made, seconded, and moved to adjourn the meeting.

Attest:

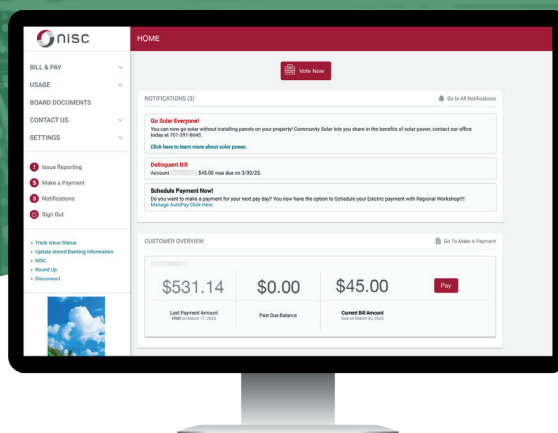
Chairman

Secretary



# SMARTHUB

Save time and money by managing your account at anytime from anywhere.



Visit [KEMElectric.com/smarthub](https://KEMElectric.com/smarthub) for more information



# KEM ELECTRIC AWARDS SCHOLARSHIPS TO GRADUATES



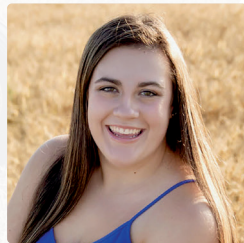
**Landon Schumacher**



**James Schumacher**



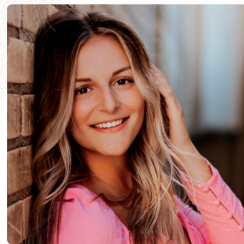
**Madison Dahl**



**Alexandra Dewitz**



**Lacey Bosch**



**Lilly Haak**



**Trenton Erbele**



**Charles Herr**



**Loren Wolf**



**Landon Wolf**

KEM Electric Cooperative is pleased to announce the 2022-2023 student scholarship winners, whose families are member-owners of KEM Electric.

In the spirit of the Touchstone Energy® Cooperatives value of commitment to community, KEM Electric is proud to offer yearly scholarships to assist in developing rural leadership in our region.

## **KEM ELECTRIC/BASIN ELECTRIC SCHOLARSHIP**

The winner of the Basin Electric Power Cooperative/ KEM Electric scholarship award is Landon Schumacher from Linton High School. He will receive a \$1,000 scholarship in the fall of 2023. Schumacher plans to attend University of North Dakota and obtain a degree in biology.

## **KEM ELECTRIC HIGH SCHOOL SCHOLARSHIPS**

KEM Electric offered one \$500 scholarship to a graduating senior from each of the high schools within our service area, along with one scholarship for a student who is homeschooled, GED or school outside of KEM Service area for a total of nine \$500 scholarships awarded. This year's recipients receiving \$500 in the fall of 2023 are:

- Ashley Public School chose James Tyler Schumacher
- Hazelton-Moffit-Braddock School chose Madison Dahl
- Kidder County High School chose Alexandra Dewitz
- Linton Public School chose Lacey Bosch
- Strasburg Public School chose Lilly Haak
- Napoleon Public School chose Trenton Erbele
- Wishek Public School chose Charles Herr
- Zeeland Public School chose Loren Wolf
- Homeschool, GED, or school outside the KEM Service Area, KEM Electric chose Landon Wolf

## **KEM Electric Cooperative will award two \$500 Luck of the Draw scholarships to be drawn at the annual meeting.**

All area high school seniors, who have not previously been awarded a scholarship, and whose parent(s) or guardian(s) are members of KEM Electric Cooperative are eligible for this scholarship. Students must attend KEM's annual meeting accompanied with at least one parent or guardian.

RSVP by emailing [info@kemelectric.com](mailto:info@kemelectric.com)



# KEM ELECTRIC ANNOUNCES YOUTH TOUR WINNER

For many teens, the Rural Electric Youth Tour is full of “firsts.” It may be the first time they left the state, flew on a plane, visited the nation’s capital or have been away from their family for an extended period of time. Even more are seeing and experiencing the larger world through their own eyes, rather than through their parents’ perspective.

Youth Tour sprang from a suggestion of then Senator Lyndon Johnson to a national gathering of co-ops. Johnson felt youth from rural areas would benefit by visiting Washington to see first-hand how government works and gain a wider perspective through the experience. From this idea, Youth Tour evolved. High school sophomores and juniors selected by their electric co-ops participate in a weeklong trip to the nation’s capital. The program has grown exponentially since its inception and this year, we saw more than 1,800 high school juniors participate from co-ops in 44 states.

North Dakota alone sends a delegation of 15 students. These students are selected by their cooperative and chosen through an essay writing contest. This year’s question, “What moment in American history do you wish you had been a part of and what would you have contributed.

Through this contest, KEM Electric has selected Nicole Lawler.



## MEET NICOLE:

Nicole, daughter of Richard and Jodi Lawler is only 16 years old, but is on the fast track to graduate in August of this year and pursue her dream of sports communication.

She first learned about the Youth Tour when a history teacher gave the class a flyer. “I am a total history buff, and I wanted to test out my writing skills,” noted Nicole.

Although Nicole has not been to Washington, she is most looking forward to visiting the Lincoln Monument.

You can read her full essay in May 2023 local pages of the *North Dakota Living* magazine.

## ANNUAL POSTER CONTEST WINNERS

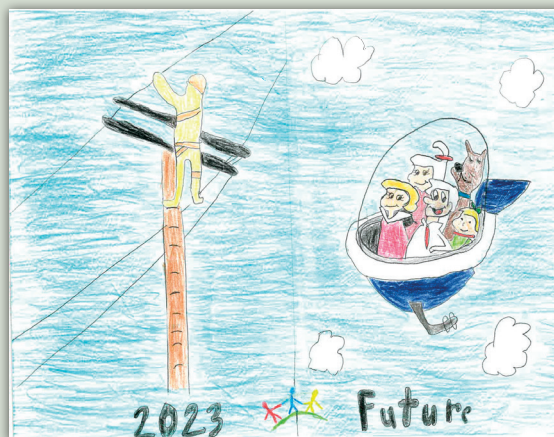
KEM Electric Cooperative continues to receive a strong message from children in the area, as posters were received for the annual poster coloring contest.

Students were instructed to concentrate on KEM’s Annual

Meeting theme: Power for Generations. The winners included Megan Van Beek, daughter of Rick and Donna Van Beek from Strasburg, ND; and Shonda Haak, daughter of Steve and Sherri Haak from Hague, ND.



Poster by  
Megan Van Beek



Poster by  
Shonda Haak



# KEM ELECTRIC COOPERATIVE 2022 FACTS & FIGURES

**681**

MILES OF  
UNDERGROUND

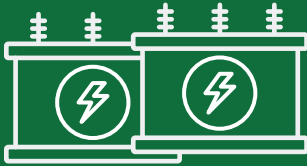
**2,125**

MILES OF  
OVERHEAD



**122**

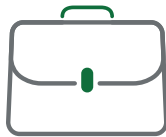
TRANSMISSION LINES



**12** DISTRIBUTION  
SUBSTATIONS

**16**

EMPLOYEES



**1** TRANSMISSION  
SUBSTATIONS

**3,902**

TOTAL METERS SERVED



**\$5,247,814**

COST OF POWER



**53** NEW SERVICES

INCREASING MEMBERSHIP  
METERED SERVICES  
2019: **2,184** | 2020: **2,184**

2019 AND 2020 ARE THE SAME  
NUMBER AS 2020 THERE WAS NO  
ANNUAL MEETING DUE TO COVID.  
2021: **2,211** | 2022: **2,221**



**53**



ANIMAL, FARM, & CAR  
RELATED OUTAGES

**82**

TREE & WEATHER  
RELATED OUTAGES



**1,608,970**

MILES DRIVEN WITHOUT AN ACCIDENT



**14**



TRUCKS

**1.26**

METERS PER  
MILE



**94,378,981**

KWH SOLD

CAPITAL CREDITS RETIRED TO MEMBERS:  
CUMULATIVE AMOUNT

**\$8,472,679**  
**\$405,155** IN 2022



**CO-OP TRUCKS DRIVE AN AVERAGE OF 13,773 MILES/MONTH**



# KEM ELECTRIC COOPERATIVE EMPLOYEES

## CO-GENERAL MANAGER/CEO

Travis Kupper  
Jason Bentz

## STAFF

### Office Employee

Dale Nagel, Line Superintendent/Chief of Staff..... 12 years  
Marcy Sanders, Manager of Member Relations ..... 10 years  
Lisa Rossow, Data/Communications Analyst..... 7 years  
Denise Ketterling, Member Service Representative ..... 1 year

## LINE DEPARTMENT

### Linton Office

Jeff Werner, Meter Tech/Warehouseman/Purchasing Clerk..... 24 years  
Kevin Horner, Area Foreman ..... 11 years  
Austin Ohlhauser, Journeyman Lineman ..... 11 years  
Kirk Praus, Journeyman Lineman ..... 10 years  
Tyler Jacob, Journeyman Lineman ..... 5 years  
Tyler Schummer, Journeyman Lineman ..... 3 years

### Steele Outpost

Gerald Zink, Journeyman Lineman..... 16 years  
Martin Messer, Area Foreman..... 11 years  
Dillion Steinolfson, Journeyman Lineman..... 5 years



## EVERY MEMBER HAS A VOICE. MAKE SURE YOURS IS HEARD

During this year's voting process for your cooperative directors and the bylaw amendment, KEM Electric Cooperative will be introducing another voting option – online voting. As in the past, your cooperative will continue to offer the opportunity to vote by mail-in ballot or to vote in-person at the annual meeting on June 15. If a member casts a timely vote prior to the meeting by mail or online, the member will not receive a ballot at the annual meeting. Online or electronic voting will be offered through a secure website. In a separate, second mailing, members will receive a voting packet after May 20th with voting instructions for all three options. Please keep an eye out for it and vote by mail or online, unless you know you will be attending the annual meeting.

**Voting Instructions**

**Voting by Mail:** Mark your selections on this ballot. Sign your ballot as indicated. Ballots without signatures will not be counted. Ballots must be signed by member of record. Detach and place into enclosed return envelope. Do not mail to or drop off at the KEM office. Envelopes must be received no later than June 13, 2023. Please allow sufficient time for delivery. **Only ONE ballot per envelope.**

**Voting With SmartHub:** Log into your SmartHub account. Click the Vote Now button. If you're not registered for SmartHub, setting up an account is easy.

**Voting Online:** Go to [directvote.net/KEM](https://directvote.net/KEM), enter your Member Number and Election Passcode (both are located above and to the left of this text). Once registered, follow the online voting instructions. Online voting ends at 5:00 PM CT, June 13, 2023.

**Voting in Person:** You may vote at the Annual Meeting, 7 PM on June 15, 2023 in Napoleon, North Dakota. **Only ONE Ballot per member will be counted.**

If you have any issues voting online, please email [support@directvote.net](mailto:support@directvote.net).

**KEM ELECTRIC COOPERATIVE, INC. 2023 BALLOT**

Please fill in the circle to the left of your choice.

• Use only black or blue ink or #2 pencil.  
• Fill in circle completely.  
• If marked in error, erase or draw line through candidate name

**Director - District 4**  
(Vote for one)  
☐ Victor J Wald

**Director - District 5**  
(Vote for one)  
☐ Carmen Essig

**Director - District at Large**  
(Vote for one)  
☐ Carmen Essig

**Do you approve the Proposed Bylaw Amendment as printed and mailed in the 2022 Annual Report & Annual Meeting Notice**  
(Vote for one)  
☐ Yes ☐ No

**Do you approve the 2022 Annual Meeting Minutes as printed and mailed in the 2022 Annual Report & Annual Meeting Notice**  
(Vote for one)  
☐ Yes ☐ No

**Member of Record Signature** \_\_\_\_\_ (Signature Required to Validate Ballot)

**STATEMENT OF APPOINTMENT AND REPRESENTATION**  
(Firms, Associations, Corporations or Bodies Politic only)

I, \_\_\_\_\_, hereby state that I am a representative of \_\_\_\_\_ being a member of KEM Electric Cooperative, Inc., Linton, North Dakota. I hereby state that as such representative I am authorized to cast the vote of, and otherwise represent \_\_\_\_\_ in all matters of the KEM Electric Cooperative, Inc. annual meeting on Thursday, June 15, 2023 at the American Legion Barry-Hoof Post #72 Napoleon, N.D.

Signature \_\_\_\_\_ Position With Above Named Entity \_\_\_\_\_ Date Signed \_\_\_\_\_

Ballot must be received by June 13, 2023 to be counted. Ballots tabulated by Survey & Ballot Systems. 2023

DirectVote



# Help us, HELP YOU!

At KEM Electric, we are constantly striving to improve our operational efficiency so we can provide the most reliable electric service possible for our members (that's you!).

We rely on data for nearly every aspect of our operations, which is why we need your help. By making sure we have your most accurate and complete contact information, we can continue to provide the high level of service that you expect and deserve. Accurate information enables us to improve customer service and enhance communications for reporting and repairing outages. It also allows co-op members to receive information by their preferred way.

**Once you have completed this page, please mail to P.O. Box 790, Linton, N.D.  
or email to [info@kemelectric.com](mailto:info@kemelectric.com) or call the office at 701-254-4666.**

Please fill out the sections below with your preferred method of contact. You may elect to receive alerts and notifications by text, e-mail, both text and e-mail or you may opt out of the notification entirely.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Home Phone: \_\_\_\_\_ Cell phone: \_\_\_\_\_

Email: \_\_\_\_\_

Preferred method of communication: \_\_\_\_\_

I give KEM Electric permission to contact me.

Print Name: \_\_\_\_\_

Member Signature: \_\_\_\_\_

If you have any question, please contact the office at:  
701-254-4666 or 800-472-2673



107 S. Broadway | P. O. Box 790  
Linton, ND 58552-0790





107 S. Broadway | P. O. Box 790  
Linton, ND 58552-0790

Address Service Requested

# POWER

## FOR GENERATIONS

**ATTENTION: PLEASE BRING THIS BOOKLET TO THE ANNUAL MEETING**