



2023

Annual REPORT

2024 Annual Meeting
Official Notice



KEM

ELECTRIC COOPERATIVE

Your Touchstone Energy® Cooperative



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 Our Club, 120 Cedar Avenue East, Linton, North Dakota, at 6:00 p.m. CT on Tuesday, June 11, 2024, 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:

2024 Director Election

District No. 1

John R. Beck, Linton, ND

District No. 2

Carter Vander Wal, Pollock, SD

District-at-Large

Michael (Mike) Knoll, Hague, ND
Anton (Tony) J. Schaffner, Zeeland, 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.

Dated: March 26, 2024



/s/ Carter Vander Wal, Secretary

5:00-6:00 P.M. CT REGISTRATION AND MEAL OF THE MEMBERSHIP

Meal compliments of KEM Electric Cooperative, Inc.

6:00 p.m. CT Business Meeting

Welcome & Call to Order	Victor “Chuck” Wald, Chairman
National Anthem.....	Alexis Vetter and Emma Sanders
Invocation.....	John R. Beck, Vice Chairman
Notice of Meeting	Victor “Chuck” Wald, Chairman
Introduction of Election Tellers	Victor “Chuck” Wald, Chairman
2023 Annual Meeting Minutes.....	Victor “Chuck” Wald, Chairman
Introduction of Directors	Victor “Chuck” Wald, Chairman
Voting and Collection of Ballots.....	Victor “Chuck” Wald, Chairman
Cooperative Update	Travis Kupper and Jason Bentz, Co-General Managers/CEOs
Guest Recognition.....	Dale Nagel, Chief of Staff/Line Superintendent
Operation Round Up Report.....	Susan Meidinger, Operation Round Up Vice-Chairperson
Selection of Luck-of-the-Draw Scholarship Winners.....	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

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 Robert's 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.

CAN'T MAKE IT? VIEW OUR ANNUAL MEETING LIVE.

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

BEK Communications | Consolidated: Ch. 17

Dakota Central: Ch. 12/722 | DirecTV: Ch. 26 | Dish Network: Ch. 24

Midcontinent Communications: Ch. 609/612

CHAIRMAN'S REPORT



VICTOR J. WALD
Chairman

What a year it's been at KEM Electric! The year, like most, has flown by like a shooting star. During this year, KEM Electric has had some planned changes and some unplanned changes. The unplanned and sad change was the loss of our beloved Board Member, Dean Hummel. He served on the KEM Electric Board for 19 years and was a wealth of information for the Board from the many meetings that he attended. His booming laugh and infectious personality will be missed. Dean's seat on the board has been left open, which means that a new board member will be joining the KEM Electric Board after the Annual Meeting.

Things are always moving forward at KEM Electric with our eye on reliability. We are always striving to do the best we can for our members. With that goal in mind, KEM Electric has partnered with 3C Construction which installs and repairs underground and overhead power lines. KEM Electric also has partnered with West Dakota Utility Services (WDUS), a company that specializes in the repair and maintenance of utility equipment for electric cooperatives. Our crews are always on the go with their trailers full of poles and wire repairing the thousands of miles of line in the cooperative territory. When not repairing, the crews are installing TripSaver switches, and fuses which are making outage restorals more automatic and assists crews in restoring power to you, our members.

Another change that has happened at KEM Electric this year is the purchase of a bit of real estate for future development of a substation. Pipes are going through our cooperative territory, and they need a lot of power to push products through. Who would have thought that KEM Electric would be powering motors with thousands of horsepower as part of the energy infrastructure of North Dakota. Our forefathers would be stunned to see the growth in the electric industry from the early years of bringing electric power to the rural areas, but without their vision, we would not be where we are today!

As we reflect on 2023 and look forward into 2024 we would like to extend an invitation to join our staff and board on Tuesday, June 11 for KEM Electric's Annual Meeting at 6:00 p.m. Supper to be served prior to the meeting at 5:00 p.m. at Our Club (formally the KC Hall), Linton. I promise we will have great food, good conversation, and a short business meeting! I hope to see you all there.

Victor J. Wald

BOARD OF DIRECTORS



District 4
VICTOR J. WALD
Chairman
Napoleon, ND



District 1
JOHN R. BECK
Vice Chairman
Linton, ND



District 2
CARTER VANDER WAL
Secretary-Treasurer
Pollock, SD



At-Large Director
CARMEN ESSIG
Lehr, ND



District 3
NEIL MEIDINGER
Zeeland, ND



District 5
DEAN DEWALD
Dawson, ND



MANAGERS' MESSAGE



TRAVIS KUPPER
Co-General Manager/
CEO



JASON BENTZ
Co-General Manager/
CEO

As Co-General Managers/CEOs of KEM Electric, it is a great pleasure that we extend our warmest greetings and gratitude to each member of our cooperative family in this Annual Meeting Report.

This past year, we have remained steadfast in our commitment to serving you, our valued members. Your trust and support have been the cornerstone of our cooperative's success.

Reflecting on our accomplishments, we take immense pride in the strides we've made toward enhancing the reliability of our services. Through strategic investments and innovative initiatives, we've continued to modernize our infrastructure, ensuring a dependable supply of electricity to your homes, farms, and businesses.

However, our success isn't solely measured by the milestones we achieve. It's equally defined by the relationships we foster and the positive impact we make on the lives of our members. We deeply appreciate the feedback, involvement, and collaboration that drive us to continually improve and better serve your evolving needs.

Looking ahead, we remain committed to our mission of delivering affordable, reliable, and dependable energy solutions. Embracing new technologies and adapting to changing energy landscapes, we aim to provide you with services while upholding our core values of integrity, transparency, and member focus.

None of our achievements would have been possible without the dedication of our hardworking employees and the unwavering support of our Board of Directors. Together, we form a great team dedicated to serving you with excellence.

As we navigate the future together, we encourage your continued engagement and feedback. Your input shapes our decisions, ensuring that we remain aligned with your aspirations and priorities.

In closing, we extend our sincerest appreciation for your trust, support, and partnership. Your cooperative spirit is the driving force behind our shared success, and we are honored to serve you.

MEET THE CANDIDATES



DISTRICT NO. 1

John R. Beck, Linton, ND
Family: Spouse Shannon; Children Taylor (Jesus) Maggiorani; John Colton Beck
Occupation: I am the Owner/Agent at John R Beck Insurance LLC which is a full service Independent

Insurance Agency. We also own and operate a 300 head Angus/Saler cross cow/calf operation 6 miles NE of Linton with the help of the entire family.

Title and Offices Held: Rancher/farmer 36 years; Insurance Agent 29 years; KEM Electric Board 12 years (currently vice-Chairman); First Baptist Church Elder; Husband, Father and Grandpa

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

I am not sure I am a good candidate, but I believe the current board works very well together, and each member brings a skill set and knowledge to the table.

If elected, what are your priorities?

My priorities are probably similar to all the KEM Electric Directors, "our members." They have entrusted us to successfully govern their co-op while trying to modernize an aging plant in the midst of rising inflation and energy policy uncertainties.



DISTRICT NO. 2

Carter Vander Wal, Pollock, SD
Family: Merlynn Vander Wal
Occupation: Farmer/rancher; Cow/calf operation and grow corn, soybeans and alfalfa.
Title and Offices Held: Member of Hope Reformed Church of Westfield, North

Dakota. Board member of North Dakota Stockman's Association. Past President and board member of North Dakota Irrigation Association.

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

To be there to help make decisions to better serve our members.

If elected, what are your priorities?

To keep the co-op in good financial stability while advancing into future opportunities.



DISTRICT-AT-LARGE

Michael (Mike) Knoll, Hague, ND
Occupation: Carpentry, I have been self employed for 30 plus years.
Title and Offices Held: KEM Electric Operation Round Up - 5 years

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

My ability to listen and to help them if I can.

If elected, what are your priorities?

To help maintain reasonable costs for electricity and to maintain a solid grid network.



DISTRICT-AT-LARGE

Anton (Tony) J. Schaffner, Zeeland, ND
Family: Spouse Vivian; Children Rashad, Joshua, Preston, and Chance
Occupation: Grain farming, I recently sold my cattle after 48 years in the beef cattle business, I intend to continue

grain farming for the near future.

Titles and offices held: Treasurer, Deputy Grand Knight, and Grand Knight for the St. Mary's Council of Hague 1988 to 1992; Chairman of the Farmers Union Oil of Zeeland from 1982 to 1990; St. Andrews Catholic Church of Zeeland, parish council 1992 to 2004, and currently a trustee; Operation RoundUp of KEM Electric, 15 years, appointed by Milton Brandner; Zeeland Lions Club Chairman 2005-2006, currently a director, 22 year member; Volunteer firefighter and first responder for Zeeland Rural Fire Department.

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

I am very concerned about our rural communities survival in the current trend of farms getting bigger in size but fewer in numbers. Our REC's are a very important and essential part of community development and retention of our rural citizens, It saddens me to see our school enrollments drop, I also feel that there is no better place to raise a family than small town America! Every person is a unique human being and deserves the opportunity to realize their talent, and contribute to society in a positive way.

If elected, what are your priorities?

If elected I would like to learn as much as possible about the "electric grid" and communicate that to the members of KEM Electric in the honest and sincere way that they deserve, also perhaps I will gain some insight to possible programs and incentives that may be available to start new businesses in our rural communities.

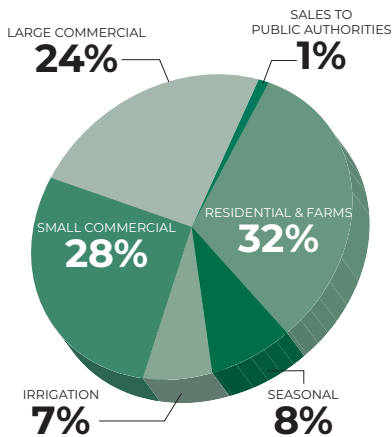
FINANCIAL REPORTS

Comparative Income Statement

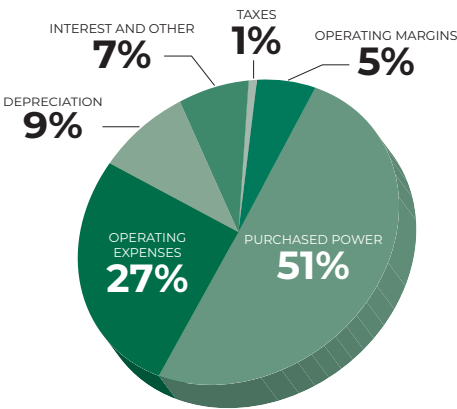
For years ending in December 31, 2023 & 2022

	2023	2022
Operating Revenue	\$13,994,942	\$11,782,360
Cost of Purchased Power	7,079,557	5,198,649
Line Operation & Maintenance	2,151,289	2,381,151
General Operating Expense	1,625,728	1,777,398
Depreciation	1,327,411	1,299,070
Taxes	79,947	83,114
Interest	931,891	888,116
Other Expenses	6,355	3,555
Total Cost of Electric Service	\$13,202,178	\$11,631,053
Operating Margins	\$792,764	\$151,307
Power Supplier & Other Capital Credits	567,827	688,476
Non-Operating Margins	(493,972)	73,045
Total Margins & Patronage Capital	\$866,619	\$912,828

WHERE YOUR DOLLAR CAME FROM



WHERE YOUR DOLLAR WENT



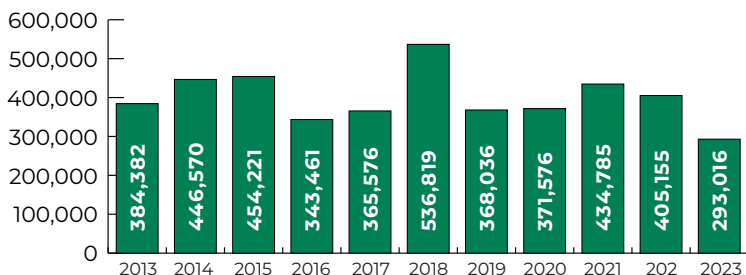
FINANCIAL REPORTS

Balance Sheet

December 31, 2023 and 2022

	2023	2022
Assets		
Utility Plant	\$60,601,484	\$57,116,710
Accumulated Depreciation	(25,050,821)	(24,167,669)
Net Utility Plant	\$35,550,663	\$32,949,041
Cash	\$1,618,335	\$3,157,328
Investments	800,000	1,100,000
Investments in Associated Organizations	4,546,630	4,792,838
Accounts Receivable (Net)	1,516,752	1,407,256
Materials and Supplies	2,145,403	1,682,359
Other Current Assets	19,601	18,365
Deferred Assets	69,137	149,637
Total Cash & Investments	\$10,715,858	\$12,307,783
Total Assets	\$46,266,521	\$45,256,824
Member Equity		
Patronage Capital	\$13,450,939	\$12,877,872
Other Equities	3,258,500	3,225,599
Total Member Equity	\$16,709,439	\$16,103,471
Liabilities		
Long-Term Debt	\$27,587,890	\$27,448,319
Accounts Payable	1,064,860	794,453
Accrued Taxes	103,672	103,218
Other Current and Accrued Liabilities	62,020	66,166
Deferred Liabilities	738,640	741,197
Total Liabilities	\$29,557,082	\$29,153,353
Total Liabilities & Member Equity	\$46,266,521	\$45,256,824

CAPITAL CREDIT RETIREMENT



ANNUAL MEETING OF KEM ELECTRIC COOPERATIVE, INC.

June 15, 2023

The 79th Annual Meeting of KEM Electric Cooperative, Inc. was held at the American Legion Barry-Hoof Post #72, Napoleon, North Dakota, on June 15, 2023. The meeting was called to order at 7:00 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. Tiff, Kell, and Mel sang the national anthem. Vice Chairman, John Beck 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.

Secretary Carter Vander Wal reported the Cooperative's membership as of June 15, 2023, consisted of 2,227 members and there were 60 members present at the time the meeting was called to order. The number of members voting in person was 55, members voted by mail were 176, members voted by web were 49, and the total number of member votes were 280. This number represented a quorum. Chairman Wald declared the meeting officially opened at 7:04 p.m.

Chairman Wald introduced the KEM Electric Board of 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 introduced the Co-General Managers/CEOs, Travis Kupper and Jason Bentz, and the individuals who served as election tellers.

Secretary Vander Wal validated the mailing of the 2022 Annual Report and the Annual Meeting Notice. Chairman Wald asked for a motion to waive the reading of the minutes of the 2022 Annual Meeting as it was printed in the Annual Report. A motion was made, seconded, and carried.

Chairman Wald announced the next order of business was to conduct the voting on the 2022 Annual Meeting Minutes, election of three directors, and a proposed Bylaw update. Vice Chairman John Beck stated the director seats up for election and the nominees were Victor J. Wald from District 4, Dean Dewald from District 5 having been nominated by petition, and Carmen Essig from District at Large been nominated by petition at this Annual Meeting.

Chairman Wald brought forth the Bylaw Amendment. Mr. Wald asked for a motion to waive the reading of the Bylaw Amendment as it was printed in the Annual Report. The motion was made, seconded, and carried.

Chairman Wald asked the membership to vote on all items brought forth

as printed on the 2023 ballot. While the ballots were collected and counted, Co-General Managers/CEOs Travis Kupper and Jason Bentz gave a report.

Mr. Kupper gave a report on the 2022 KEM Electric activities. A video report on operations was provided by Chief of Staff, Dale Nagel. Mr. Bentz continued to report on KEM Electric's business. A video report on member support was provided by the Manager of Member Relations, Marcy Sanders. A video report on the 2022 audited financials was provided by Chief Financial Officer, Alex Craigmile.

Nagel introduced guests in attendance.

Chairman Wald introduced Susan Wald, Secretary of KEM Electric Operation Round Up. Ms. Wald reported on activities and introduced the Operation Round Up board members.

Ms. Marcy Sanders, announced the winners of the Luck-of-the-Draw scholarships. The scholarships were awarded to Nicole Lawler from Linton High School, Emmalyn Napton from Hazelton Moffit Braddock School, Rebecca Wikenheiser from Strasburg High School, and Kaylee Weininger from Linton High School. Each graduate received a \$500 scholarship.

Ms. Sanders announced Landon Schumacher as the recipient of the Basin Electric Power Cooperative \$1,000 scholarship. The service area scholarships were also announced. James Tyler Schumacher, Ashley High School; Alexandra Dewitz, Kidder County School; Lacey Bosch, Linton High School; Trenton Erbele, Napoleon High School; Lilly Haak, Strasburg High School; Charles Herr, Wishek High School; Loren Wolf, Zeeland High School; Maddison Dahl, Hazelton-Moffit-Braddock School, Landon Wolf, Eureka High school; were all recipients of the \$500 service area scholarships.

Ms. Sanders announced the 2023 Youth Tour winner as Nicole Lawler. Ms. Sanders also announced Megan Van Beek 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 \$500 progressive prize was drawn; however, they were not present. At the 2024 Annual Meeting, the drawing will be \$600.

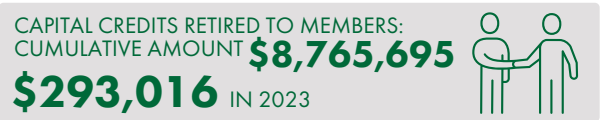
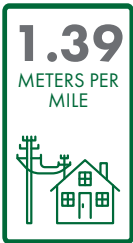
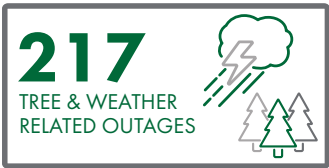
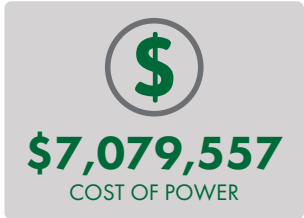
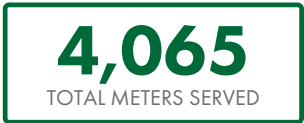
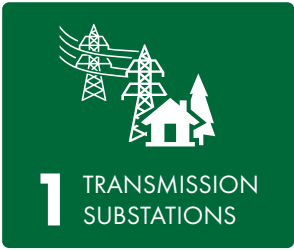
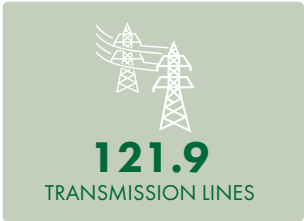
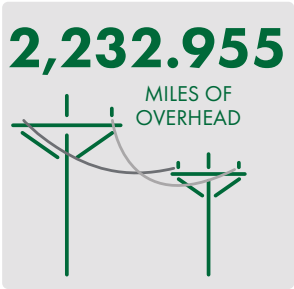
Chairman Wald announced the election results. The 2022 Annual Meeting minutes were approved, winner for director in District 4 was Victor J. Wald, winner for director in District 5 was Dean Dewald, District-at-Large was Carmen Essig, and the Bylaw Amendment was approved.

A motion was made, seconded, and moved to adjourn the meeting at 7:47 p.m.

Attest: _____

Chairman Secretary

KEM ELECTRIC COOPERATIVE 2023 FACTS & FIGURES



CO-OP TRUCKS DRIVE AN AVERAGE OF 13,337 MILES/MONTH

KEM ELECTRIC AWARDS SCHOLARSHIPS



TEAGAN ERBELE



DANIEL
SCHUMACHER



GRACE
NICHOLSON



EMMA MAY
WEISER



JAZLYN WEIGEL



REBEKAH POOL



RILEY RICHTER



DOMINIC MEIER



ABBY RIVINIUS

Each year KEM Electric Cooperative awards several outstanding high school seniors with scholarships towards their post-secondary education pursuits.

This year, KEM Electric honored one student with a \$1,000 Basin Electric Power Cooperative scholarship. Additionally, one outstanding upcoming 2024 graduate from each high school in our service area and one outside our service area were selected to be recipients of \$500 scholarships.

BASIN ELECTRIC/KEM ELECTRIC SCHOLARSHIP RECIPIENT

This year's winner of the \$1,000 Basin Electric Power Cooperative/KEM Electric scholarship award is **Teagan Erbele** from Napoleon High School. Teagan, daughter of Shanon and Gabriel Erbele, plans to attend North Dakota State University for agriculture education.

KEM ELECTRIC \$500 SCHOLARSHIP RECIPIENTS

Ashley Public School: Daniel Schumacher, son of Quentin and Gwyn Schumacher, plans to attend North Dakota State University for civil engineering after his upcoming year of service in the Air National Guard.

Kidder County School: Grace Nicholson, daughter of Carmen and Neil Nicholson, plans to attend Bismarck State College for accounting.

Hazleton Public School: Emma May Weiser, daughter of Kurt and Lisa Weiser, plans to attend Bismarck State College for nursing.

Napoleon High School: Jazlyn Weigel, daughter of Nikki and Chris Weigel, plans to attend the University of Mary for biomechanics.

Strasburg High School: Rebekah Pool, daughter of Melanie and Derry Pool, plans to attend South Dakota State University for animal science.

Linton High School: Riley Richter, son of Jaime and Jon Richter, plans to attend University of Mary for computer science.

Zeeland High School: Dominic Meier, son of Jennifer and Michael Meier, plans to attend Bismarck State College for agribusiness.

Wishek High School: No applicants

GED/High School outside of KEM Area/Homeschool: Abby Rivinius, daughter of Becky and Ryan Rivinius plans to attend Bismarck State College for nursing.

KEM ELECTRIC ANNOUNCES YOUTH TOUR WINNER



BRIDGER RIVINIUS

Each year, KEM Electric looks forward to announcing the high school sophomore or junior that has been selected to represent KEM Electric in Washington D.C. for the Youth Tour. This opportunity provides these blossoming students with the chance to explore our Nation's Capital and build relationships with fellow students from across the U.S.

KEM Electric extends a heartfelt congratulations to Bridger Rivinius for being named the Electric Cooperative Youth Tour Winner.

Sophomore from Gackle-Streeter Public School, Bridger Rivinius, son to KEM Electric members Daniel and Connie Rivinius, lives on his family farm outside of Streeter, ND. Bridger enjoys golfing, FFA, spending time with family and friends, and helping on his family's farm.

He was first encouraged to apply for the Youth Tour by his parents when his mom found the advertisement on Facebook and was further inspired by a previous Youth Tour winner he personally knows who spoke highly of the experience. This will be Bridger's second trip to Washington D.C., and he is most excited to explore the Lincoln Memorial, sites around national mall, and congress buildings as he has a deep interest in politics.

Bridger wrote about the impact of the Vietnam War on Americans and how he would've contributed by promoting awareness in North Dakota and assisting veterans. "My main motivator for the essay was my grandpa. He was a combat medic in Vietnam and is very open about his experiences in Vietnam. I love chatting with him and hearing all his stories from his time overseas."

STUDENT OF THE MONTH

At KEM Electric, we firmly believe in supporting education and fostering the development of young individuals in our community. The Touchstone Energy® Student of the Month program presents an excellent opportunity for us to celebrate and recognize students who excel in anything ranging from leadership to community involvement or personal growth.

This program aims to recognize outstanding students in grades K-12 and provide a \$100 sponsorship to their school for a project or initiative chosen by the winning student. Learn more about this program and award recipients by visiting our wesbite, www.kemelectric.com.

KEM ELECTRIC EMPLOYEES

CO-GENERAL MANAGERS/CEOS

Travis Kupper
Jason Bentz

STAFF

Office Employees

Dale Nagel, Chief of Staff/Line Superintendent.....13 years
Marcy Sanders, Manager of Member Relations.....11 years
Denise Ketterling, Member Service Representative..... 2 years

LINE DEPARTMENT

Linton Office

Kevin Horner, Area Foreman.....12 years
Austin Ohlhauser, Journeyman Lineworker.....12 years
Kirk Praus, Journeyman Lineworker.....11 years
Tyler Jacob, Journeyman Lineworker..... 6 years
Tyler Schummer, Journeyman Lineworker.....4 years

Steele Outpost

Gerald “Jake” Zink, Journeyman Lineworker 17 years
Martin Messer, Area Foreman12 years
Dillon Steinolfson, Journeyman Lineworker 6 years



TRAVIS KUPPER



JASON BENTZ



DALE NAGEL



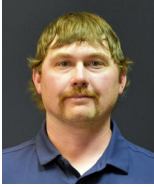
MARCY SANDERS



DENISE
KETTERLING



KEVIN HORNER



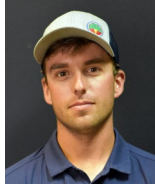
AUSTIN
OHLHAUSER



KIRK PRAUS



TYLER JACOB



TYLER
SCHUMMER



GERALD ZINK



MARTIN MESSER



DILLON
STEINOLFSON

