

ANNUAL REPORT

78th Annual Meeting
June 23rd, 2026



FEM Electric Association, Inc.

FEM ELECTRIC ASSOCIATION INC.

78th Annual Meeting Tuesday, June 23rd Ipswich School Theatre, Ipswich, SD

Agenda

5:00 PM Meal - Choice of Baked Steak, Roast Beef
or Pulled Pork Dinner
6:30 PM Registration Closes; Business
Meeting Begins

Meeting called to order - Gary Bachman, President
Invocation - Kelly Melius
Welcome - Special Guest Recognition - Gary Bachman
Pledge of Allegiance
Business Meeting Opens
Declaration of Quorum - Eric Odenbach, Secretary
Notice of Meeting and Proof of Mailing - Eric Odenbach
Minutes of 2025 Annual Meeting -
Eric Odenbach (pages 3 & 4)
Ballots for Director Districts 2 & 3 -
Vaughn Beck, Attorney
President Report - Gary Bachman (page 9)
Treasurer Report - Paula Petersen, Treasurer (page 5)
Manager Report - Scott Moore, Manager (page 2)
Years of Service - Scott Moore
Youth Scholarships Recognition -
Kelly Melius, Assistant Secretary/Treasurer
Tom Thorpe, Vice President (page 13)

Basin Electric \$1,500 Scholarship

Trent Beyers - Edmunds Central High School

Basin Electric \$1,000 Scholarship

Josie Knutson - Ipswich High School

FEM \$500 Scholarships

Audrey Braun - Ipswich High School

Jessica Hadrick - Faulkton High School

Touchstone Energy Scholar of the Week \$250

Kaitlyn Mueller - Leola High School

Adjournment

Grand Prize Drawings (*must be present to win*)

\$250 \$100 \$100 \$50

\$500 Young Adults Light the Way Scholarship Drawing
(*must be present to win along with your member parent*)

***Deposit your ticket in a collection box as you exit to receive
the \$40 credit on your energy account for attending.**

FEM Electric Association Inc. Official Notice of Annual Meeting of Members

Notice is hereby given that the 78th Annual Meeting of the members of FEM Electric Association, Inc., will be held at the Ipswich High School in the City of Ipswich, State of South Dakota, at **six-thirty p.m. on Tuesday, June 23th, 2026**, for the purpose of:

1. The reports of officers, directors and committees

2. The election of directors for three-year terms
With the election of a director at this meeting, the following members have been nominated for director by the Nominating Committee in accordance with the bylaws of the Cooperative:

Tom Thorpe - District 2

Josh Heinrich - District 3

Please take further notice that any fifteen or more members of the cooperative may make additional nominations by listing their nominee and the appropriate Directorate District and signing such Petition of Nomination. The petition must be submitted to the board of directors at least 25 days prior to the annual meeting. Any such petition so submitted will be posted, along with the list of nominations made by the Nominating Committee.

3. Transacting any such other business as may properly come before the meeting or any adjournment thereof.

Eric Odenbach, Secretary, FEM Electric Association, Inc.



Your Touchstone Energy® Cooperative

Mission Statement:

To enhance the quality of life of our members by safely providing reliable, cost-efficient electricity and other services.

This institution is an equal opportunity provider and employer.

GENERAL MANAGER'S REPORT



Scott Moore
General Mgr/CEO

want to serve these large loads, but we want to protect our legacy/existing members electric rates. I believe all rural electrics in South Dakota are in favor of economic development, but these large mega loads need to pay a fair share of the cost to serve them.

FEM Electric continues to work with South Dakota Emergency Management who manages FEMA (Federal Emergency Management Administration) funds on mitigation projects. These mitigation projects sit in the queue for years and must meet certain requirements to be considered. Mitigation projects are not to repair damaged electric lines but to make corrections before the lines are damaged in a storm. FEM Electric mostly uses the funds to plow in primary underground replacing overhead electric lines. South Dakota Emergency Management has been a great partner to FEM Electric and our members

In 2025 the big topics within FEM Electric, and our generation and transmission partners East River Electric and Basin Electric, were requests to serve large loads. We are going on with four years of discussions with multiple companies along with informing and educating people about the process and requirements. Most of these projects come fast and leave fast once a deposit for service is asked for. It isn't that Basin Electric, East River Electric and FEM Electric don't

by providing 75% funding for the mitigation projects. FEM Electric currently serves 2164 meters and maintains approximately 760 miles of overhead and 1200 miles of underground electric line.

Looking forward, FEM Electric and East River continue to plan for future growth. FEM Electric, East River Electric, and Dakota Energy of Huron and Miller, SD are in the planning stages to build transmission line and a new substation south of Seneca that will be shared by Dakota Energy and FEM Electric members. Both distribution electric cooperatives have studied and seen the need for reliable three-phase power for local farm operations and grain handling facilities. This should be completed no later than 2029.

FEM Electric, working with East River Electric, is planning to replace and possibly move both the Hillsview and Newtown substations. After an outage study in 2018 it was determined both substations needed replacement. FEM employees and staff have had concerns over the years about reliability and voltage from Montana Dakota Utilities transmission line that serves the two substations. East River is currently doing a new outage study before a determination is made.

Before closing out 2025, I would like to thank past and present board of directors for keeping informed and making good decisions while trying to lead FEM Electric into the future. I would also like to thank all the employees at FEM Electric for working as a team. We couldn't accomplish what we do if we weren't working for a common goal: to provide safe, reliable, and affordable power every day and every hour.

CELEBRATING GARY BACHMAN



In 1997, Gary Bachman joined the FEM Electric Board of Directors, replacing Ralph Dewald. He hadn't planned on staying longer than finishing Ralph's term. However, in 1998, FEM redistricted, downsizing the board from 9 to 5 director districts, and Gary decided to stay.

On June 23rd, 2026, Gary will serve his last day as a director on the FEM Electric board

for District 3. During his years as a board member, Gary served as Vice President from 1999-2017, and President from 2017 to today. He also spent time serving on the board for SDREA in Pierre, SD from 2010 to 2013 before moving to serve on the East River Electric board in Madison, SD from 2014 to today. Gary also spent time attending educational classes for cooperative board members at local, regional and national conferences. He earned NRECA's Credentialed Cooperative Director

Certificate (CCD), Board Leadership Certificate (BLC) and Director Gold Credential (DGC) Program designations. Through these classes, he learned to make educated and financially sound decisions for FEM members.

Gary has watched FEM evolve over the years, helping shape decisions such as moving to AMI, advancing technology within the office such as ACH, new accounting software, new meter reading software and more. He was involved in creating North Star Energy, WildBlue satellite internet, the Golf View housing development, and creating FEM's Electrical Department. His leadership was instrumental in helping FEM grow with new services, new substations, a new office building and new large loads. Throughout his 30 years of service, he's seen many storms roll through the FEM system, including the infamous 2010 ice storm, and watched the resiliency of the Cooperative model in action.

After 30 years, Gary's steady leadership will be missed, but his new retirement is well deserved. The FEM staff and employees wish to thank Gary for his years of service, and wish Gary a happy, healthy, and long retirement!

2025 FEM ELECTRIC ANNUAL MEETING MINUTES

The 77th Annual Meeting of the members of FEM Electric Association, Inc. was held at 6:30 p.m. at the Ipswich School Theatre in Ipswich, SD on Tuesday, June 24, 2025 with 140 members registered.

Prior to registration for the meeting, there were 261 meals served by two area food vendors, and an Ipswich athletic group. A local baker provided desserts for the members.

Gary Bachman called the meeting to order and Kelly Melius presented the invocation. Gary Bachman recognized special guests in attendance. The Pledge of Allegiance was recited by all in attendance.

Secretary Eric Odenbach declared that there was a quorum present to do business and he read the official notice of the meeting and proof of mailing. Eric announced the minutes for the 2024 annual meeting were printed in the annual report distributed via the June Cooperative Connections and copies were also available as the members registered. He entertained a motion to dispense with the reading of the minutes from the 2024 annual meeting and accept the minutes as printed on pages 3-4 of the annual report. Motion to approve was made, seconded, and carried.

Attorney Vaughn Beck announced that director Districts 1 & 4 are up for election. He introduced the Nominating Committee: Justin Davis, Joe Galbraith, Jesse Niernan, Brian Ingerson, and Neal Woehlhaff. The following candidates were nominated for election in Districts 1 & 4 – Eric Odenbach and Paula Petersen. No petitions for nominations were turned in. Attorney Beck asked for a motion and a second to cast a unanimous vote to officially elect Eric Odenbach for District 1 and Paula Petersen for District 4. Motion to approve was made, seconded, all-in favor.

President Gary Bachman gave the President's report. Gary explained his prediction of electric rates rising in the future. He went on by clarifying that despite everything that we do at FEM, most of the causes of future rate increases are out of our control. There is an all-time high demand for electricity, and it is increasing. Every level including FEM, East River and Basin are experiencing inquiries for possible new large loads in our areas. Currently the queue for possible new loads, not including normal growth, at East River is estimated at 4,375+ MW. There are 64 generation and transmission cooperatives in the United States that are also experiencing phenomenal growth. To handle that much potential growth a huge amount of generation will need to be built. He explained for scale that Basin Electric's Antelope Valley Power Station, that has been in operation since the mid

1980's, has a faceplate production of 900 MW which would mean we would need three to four plants of that size to handle just the East River Electric needs if potential loads come to fruition. The costs have also risen, older generation was built for about \$800 per KW and the new generation that needs to be built will be in the vicinity of \$2700 per KW. It is predicted that Basin Electric will need 40% more generation by 2034. He assured the members that the three levels of cooperatives work together and we will do everything in our power to keep costs as low as possible. He ended by reminding the members that no one can predict how many of the loads under study will really develop into operating businesses and perhaps it may be even higher demand than we see now. All we really know is that the demand for high quality electric energy will increase.

Treasurer Paula Petersen gave the treasurer's report recapping the finances and statistics on pages 6-9 of the annual report. She noted that all records were audited by Eide Bailly resulting in a clean audit. FEM experienced an increase in assets with a slight decrease in kwh sales. The FEM board was required to recognize the \$396,000 revenue deferral from 2022 which contributed to increased margins. RUS approved this revenue deferral in 2022 to be used no later than the end of 2024. Paula explained the capital credits process to the members and told them to watch their June electric energy statements for any capital credits retired. Paula thanked the members for their support over the past years and reminded them that our goal remains the same, to continue the reliable service that our members expect along with our commitment to the area communities.

General Manager/CEO Scott Moore announced that his report is on page 2 of the annual report. Scott reminded the members to keep their contact information up to date at FEM so that we may contact them regarding power interruptions, blinks, outages and other cooperative events. He encouraged the audience to stay alert towards possible phone scams. He explained that East River Electric provides IT and Cybersecurity for FEM, this service is invaluable at FEM to keep the members information secure. He went on to summarize the construction process of 10 year work plans, 4 year work plans, and annual budgets. Scott announced to the members that FEM recently received three Hazard Mitigation Grant Projects (HMGP) at 75% federal funding and 10% state funding and all three projects will be complete by the end of 2025. He also commented that he doesn't have answer to the current talks of FEMA disappearing at the Federal level. He touched on server and data load inquiries with the need for fair aid and rate

2025 FEM ELECTRIC ANNUAL MEETING MINUTES

agreements. He also touched on coal generation at Basin and the need to create a plan for growth and large use loads, reminding everyone that renewables and clean energy come at a cost to members. There is a need to find a good solution.

Scott recognized the current employees and our engineer.

Kelly Melius announced the Washington DC Youth Tour participant, Charli Rawden and she gave an overview of her experience and thanked everyone for the opportunity to attend.

The scholarship winners for 2025 were announced. The \$1,000 Member Basin Scholarship was Maxwell Kulesa of Ipswich; Reese Hadrick of Faulkton, SD and Katherine Kretchman of Aberdeen, were the \$500 FEM Scholarship recipients. Max and Reese were in attendance and presented with certificates.

Gary Bachman announced that FEM had two Touchstone Energy Scholars of the Week – Jonathan Butler, Leola and Maxwell Kulesa, Ipswich.

President Gary Bachman adjourned the meeting. Members were reminded to deposit their identification ticket in the boxes as they exit the meeting to earn their \$40 bill credit for attending.

The Grand Prize Drawings were held: \$250 – James or Joy Goehring, Ashley; \$100 – Larry or Cheryl Bowar, Faulkton; \$100 – Ron or Patricia Kadlec, Ipswich; \$50 – Linderman Farm LLC, Ipswich.

A \$500 Young Adults Light the Way Scholarship drawing was held for any Junior or Senior that attended the annual meeting with their parents, who are members of FEM Electric. There were nine Juniors/Seniors in attendance. Noah Ingerson, son of Brian and Francie Ingerson of Eureka, was drawn for the \$500 scholarship.

President Gary Bachman ended the evening by announcing his retirement from the FEM board in June of 2026. He encouraged members in District 3 to consider running for his position on the FEM Electric board.



Above: Tom Thorpe presents Maxwell Kulesa and Reese Hadrick with their scholarship certificates.

Right: Kelly Melius presents Noah Ingerson with the “Young Adults Light the Way” \$500 scholarship.



Right: FEM members begin filtering into the theatre for the meeting portion of the night.



TREASURER'S REPORT



Paula Petersen
Treasurer

It is my pleasure to provide you with the financial statements for 2025. All records were audited by the firm Eide Bailly, LLP of Sioux Falls in March 2026 which resulted in a clean audit.

FEM's total utility plant at the end of 2025 was \$46,281,690 and we have depreciated \$13,200,977 which leaves \$33,080,713 in un-depreciated plant. We had investments and cash on hand in the amount of \$14,912,352 which includes capital credits due from power

suppliers and other organizations with which we do business. Other assets, which included inventory, accounts receivable, and prepaid accounts were \$3,098,415. Total assets for 2025 were \$51,091,480.

On the other side of the ledger, "What We Owe" includes notes due to the Rural Utilities Service (RUS) and other lenders in the amount of \$25,111,357. Accrued tax expense, customer deposits, notes payable and deferred credits were \$2,948,151. Patronage capital and other equities, which include the margins generated by your cooperative since 2013, were \$23,031,972. The total liabilities and equities were \$51,091,480.

On page 8, you will find the Income and Expense Statement for 2025. Total operating income for 2025 was \$17,570,767 which increased \$574,352 from 2024. Revenue from residential customers was \$4,841,524 and revenue from commercial customers was \$12,633,379.

Total expenses were \$17,209,406 which included power costs of \$11,967,110 at an increase of \$955,442. Operations and maintenance expenses were \$1,258,791, an increase of \$68,107. Customer services, sales, and office expense was \$1,556,993, an increase of \$6,382. Depreciation expense was \$1,252,330, which was an increase of \$10,336. Tax expense was \$282,970, which was an increase of \$15,182. Interest expense was \$891,212 which was an increase of \$54,306.

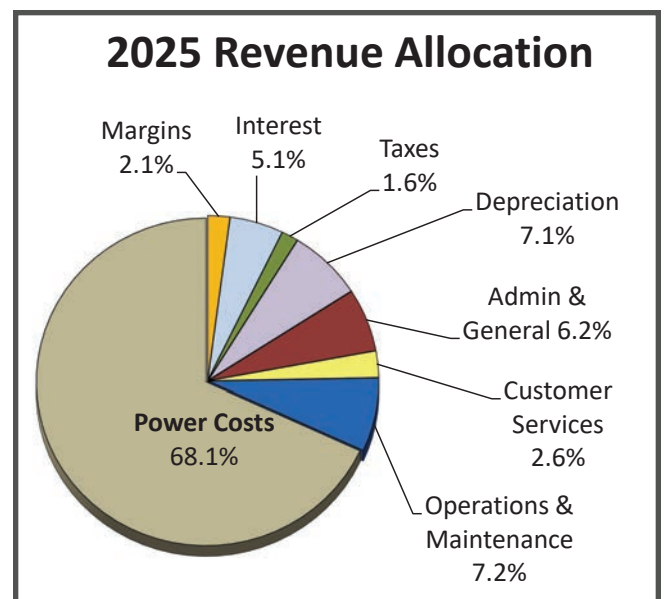
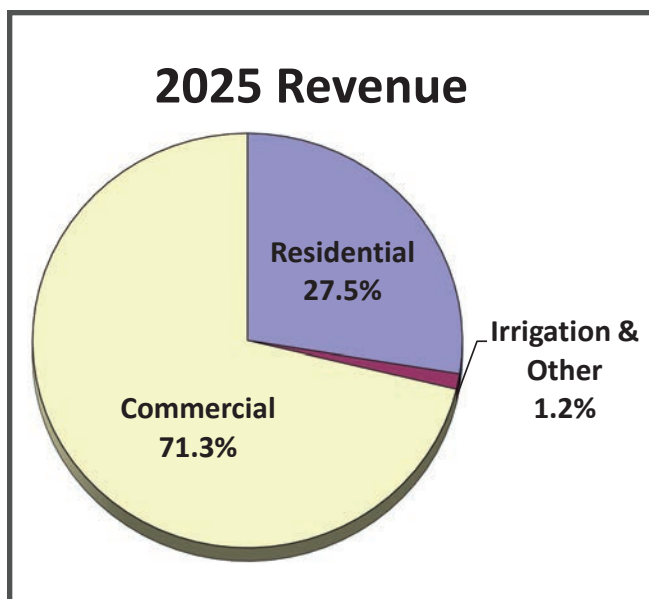
FEM's patronage capital and operating margin was \$361,361. Non-operating margin and income is \$150,415. East River/Basin Electric and other margins, which are capital credit allocations from other cooperative organizations which we do business with were \$1,024,576. The total margins were \$1,536,352.

In 2025, the Commercial revenue increased and is 71.25% and residential decreased and is 27.54% of the total revenue. On page 7, you will find a comparison of various operating statistics for the calendar years 2024 and 2025. Sales were increased 9,341,026 kWhs and the number of connected meters increased by 12 for a total of 2,164. The average monthly residential usage increased 89 kWh and the average monthly residential bill increased by \$7.19. Also included are a number of graphs that show the breakdown of revenue and expenses for 2025 and also chart our history for the last five years.

If you have any questions about this report, please contact the FEM business office.

Respectfully submitted,

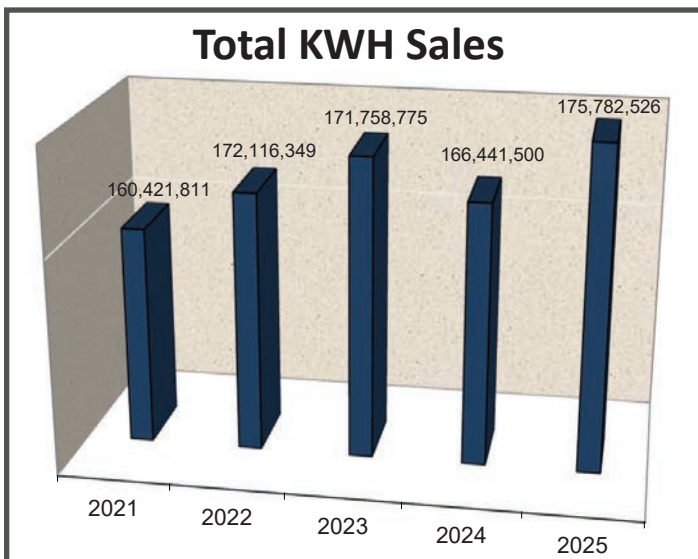
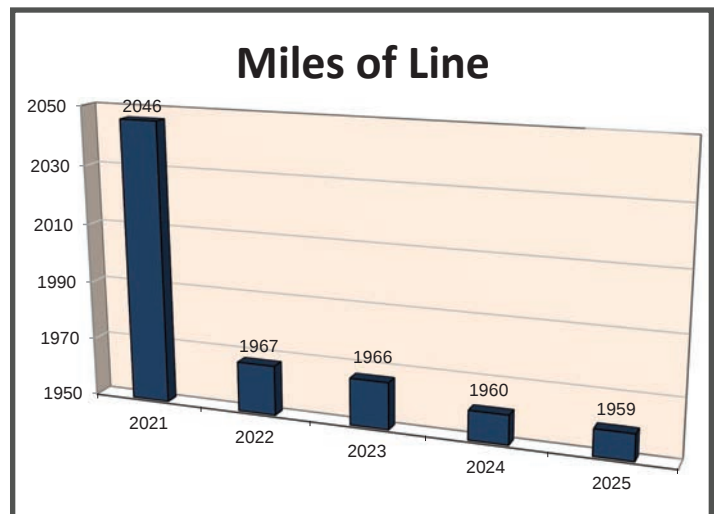
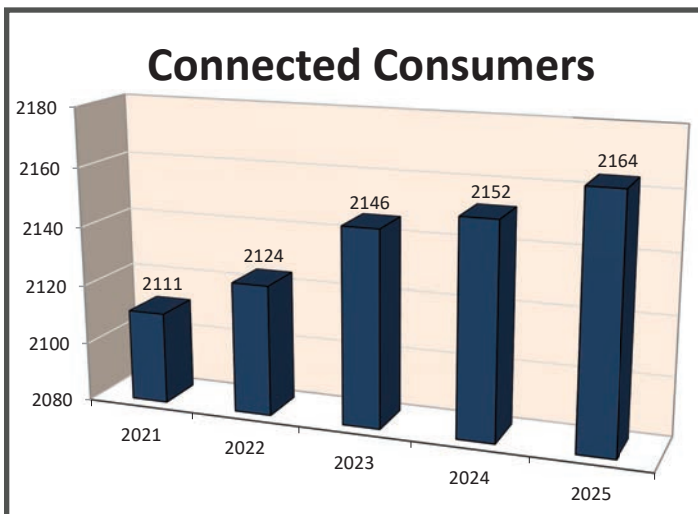
Paula Petersen, Treasurer



COMPARATIVE OPERATING STATISTICS

STATISTICS

	2025	2024	2023
kWhs Purchased	180,991,398	172,035,654	177,537,357
kWhs Sold	175,782,526	166,441,500	171,758,775
Estimated kWhs Used in December Sold in January	596,859	867,725	1,616,441
kWhs Unaccounted for (Line Loss, etc.)	4,612,013	4,726,429	4,162,141
Percent of kWhs Unaccounted for	2.55%	2.75%	2.34%
Number of Connected Consumers	2,164	2,152	2,146
Average Monthly kWh (All)	6,769	6,445	6,670
Average Monthly kWh (Residential)	1,642	1,553	1,689
Average Monthly Bill (All)	\$672.94	\$639.64	\$643.44
Average Monthly Bill (Residential)	\$219.75	\$212.56	\$224.46
Average Cost of Power Purchased at Substations	\$0.066	\$0.064	\$0.060
Average Selling Price Per kWh	\$0.099	\$0.099	\$0.096
Miles of Line Energized	1,959	1,960	1,966
Consumer Density Per Mile (Energized)	1.10	1.10	1.09



2025 KWH GENERATION TAX BY SCHOOL DISTRICT

School District	Total
Hoven 53-2	1,886
Northwestern Area 56-7	8,387
Faulkton Area 24-3	59,610
Edmunds Central 22-5	34,982
Ipswich Area 22-6	353,247
Bowdle 22-1	18,819
Warner 6-5	64
Eureka 44-1	16,777
Leola 44-2	55,590
TOTAL	\$549,362

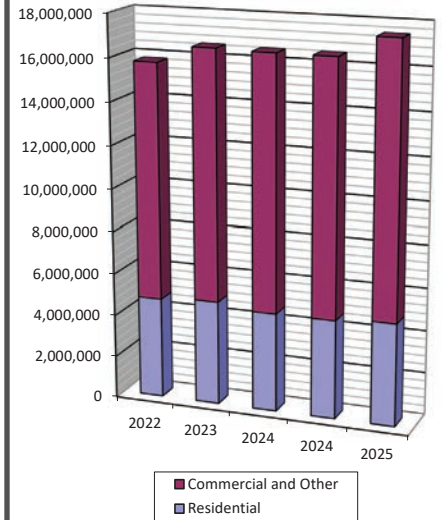
FINANCIAL STATEMENTS

ASSETS

What We Own

CURRENT ASSETS	2024	2025
Cash	470,348	239,666
Short Term Investments	1,584,622	958,399
Special Funds - One-Time Economic Revenue Deferral	0	0
Patronage Capital - Associated Cooperatives	12,230,543	12,833,996
Investments in Associated Organizations	869,422	869,422
Non-Utility Property - Golf View Acres	0	0
Investments in Partnerships	0	0
Investments in Economic Development Projects	3,000	3,000
Investments in Member Programs	17,803	7,869
Receivables	1,213,107	1,780,436
Material and Supplies	602,103	654,803
Prepayments	315,686	270,447
Deferred Debits	453,503	392,729
TOTAL CURRENT ASSETS	17,760,137	18,010,767
FIXED ASSETS		
General Plant	6,861,760	6,987,485
Electric Distribution Plant	37,349,958	39,294,205
Less: Depreciation Reserve	-12,590,145	-13,200,977
TOTAL FIXED ASSETS	31,621,573	33,080,713
TOTAL ASSETS	\$49,381,710	\$51,091,480

Revenue Comparison

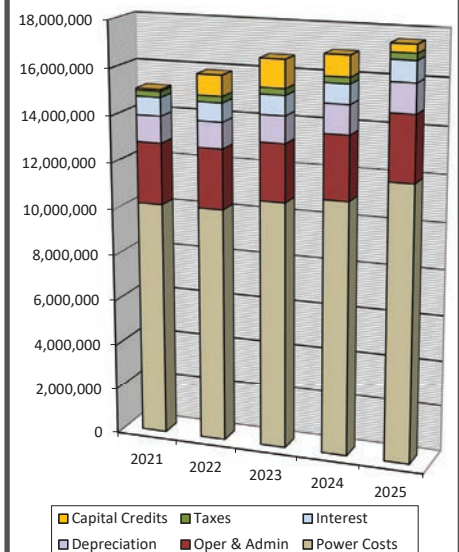


LIABILITIES

What We Owe

CURRENT LIABILITIES	2024	2025
Notes and Accounts Payable	1,053,192	1,188,623
Consumer Deposits	8,200	9,000
Other Current and Accrued Liabilities	1,791,239	1,750,528
TOTAL CURRENT & ACCRUED LIABILITIES	2,852,631	2,948,151
LONG-TERM DEBT		
Long Term Debt - RUS/FFB	20,718,764	21,683,629
Long Term Debt - Other/CFC	3,634,527	3,427,728
Long-Term Debt – USDA Rural Development Loan	0	0
TOTAL LONG-TERM DEBT	24,353,291	25,111,357
EQUITIES		
Patronage Capital Assigned	15,320,838	16,305,555
Unassigned Capital	2,057,537	1,285,587
Other Margins and Equities	4,492,118	5,190,066
Non-Operating Margins	305,295	250,764
TOTAL EQUITIES	\$22,175,788	\$23,031,972
TOTAL LIABILITIES	\$49,381,710	\$51,091,480

Revenue Allocation



STATEMENT OF OPERATIONS

REVENUE	2024	2025
Residential Sales	4,665,042	4,838,644
Irrigation Sales	135,230	113,618
Commercial Sales	11,714,828	12,519,761
Street Lights	2,880	2,880
Other Electric Revenues – Wind Energy/Solar	0	0
Sale of Renewable Energy Credits (RECs)	56,255	70,326
Rent from Electric Property	2,200	2,200
Other Operating Revenue	419,981	23,338
TOTAL REVENUE	16,996,416	17,570,767
EXPENSES		
Cost of Power	11,011,668	11,967,110
Line Operations	623,032	772,120
Line Maintenance	567,652	486,671
Consumer Accounting and Collecting	260,832	271,734
Customer Service and Sales Expense	181,769	189,003
Administrative and General Expenses	1,108,010	1,096,256
Depreciation	1,241,993	1,252,330
Property and KWH Taxes	267,789	282,970
Interest Expense - Long Term Debt	836,447	890,900
Interest Expense – Storm Line of Credit	0	0
Interest Expense - Member Service Programs	0	0
Interest Expense - East River Heat Loans	459	312
TOTAL EXPENSES	16,099,651	17,209,406
MARGINS/PATRONAGE CAPITAL CREDITS		
FEM Operating Margins	896,765	361,361
Non-Operating Margins	177,622	150,415
Income/Loss from Investments	0	0
East River/Basin Margins	855,477	924,226
Other Margins	127,673	100,350
TOTAL MARGINS	2,057,537	1,536,352
WHERE THE DOLLARS CAME FROM:	2024	2025
Residential	28.26%	27.54%
Commercial	70.92%	71.25%
Other	0.82%	1.21%
WHERE THE DOLLARS WENT:		
Cost of Power	64.79%	68.11%
Operations and Administration	16.12%	16.03%
Depreciation	7.31%	7.13%
Taxes	1.58%	1.61%
Interest	4.92%	5.07%
MARGIN	5.28%	2.06%

PRESIDENT'S REPORT



Gary Bachman
President

Back when I first joined the FEM Electric Board of directors, the first thing I learned was that there were issues in the rural electric world. The last thing that I know, as I step off the Board, is that there are still issues in the rural electric world. I guess that will never change, and the only thing that changes is (for the most part) the issue.

There are instances where the same or close to the same issue repeats itself. Years ago, many companies were touting vehicles running on hydrogen and many other uses of hydrogen. These ideas faded away with the early 2000's. Today we have companies that would like to make hydrogen using large amounts of electricity and water. This time the use is different from the past, it is intended to be used to manufacture fertilizers. This is a different use with the same product.

Whatever the issue, FEM and many other rural electric cooperatives across the country will continue to deal with issues, new and old as time passes.

In many instances, we do things in the same way that other co-ops react to a certain issue and we take on the

problem and deal with it in unison with our cooperative brothers and sisters. This is an effective way to confront and solve problems.

Even though we are partners in the cooperative electrical world with other co-ops there are times when we march to a different drummer.

In closing, remember that we do things differently here at FEM. Over the years, the board has implemented processes that are not used at any other Co-Op that I know of. The board invites an employee to each monthly board meeting. We have involved a sampling of our member owners to give input when we undertake strategic planning.

We do things differently, in our own way, and use these strengths to build a better Co-op for all of us. Calculated risks turn into major successes for FEM Electric

Remember... Life should not be a journey to the grave with the intention of arriving safely in a pretty and well-preserved body, but rather to skid in broadside in a cloud of smoke, thoroughly used up, totally worn out, and loudly proclaiming "WOW, What a ride!"

Respectfully submitted
Gary Bachman
FEM Electric Association, Inc. President

WHERE DOES YOUR DOLLAR GO?

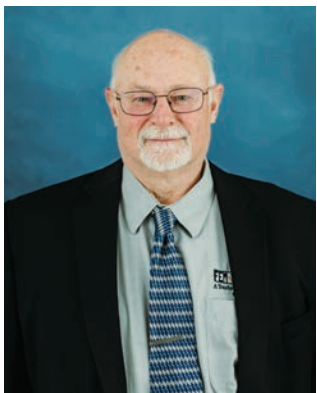
COST OF POWER - 68¢

Depreciation - 7¢, Operations & Maintenance - 7¢, Admin & General Expenses - 6¢, Interest - 5¢, Capital Credits - 2¢, Consumer Accounts - 2¢, Taxes - 2¢, Customer Service - 1¢





Eric Odenbach
District 1
Secretary

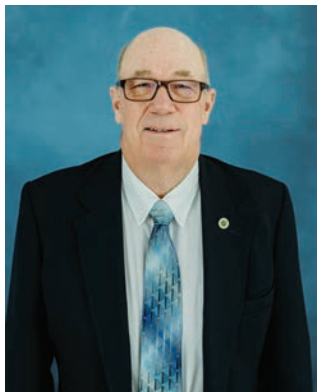


Gary Bachman
District 3
President



Vaughn Beck
Attorney

FEM Electric Director Districts								
McPherson County	Spring Creek	Detmold	Petersburg	Bergdorf	Harrison	Wacker	Weber	Wachter
	Glucksthal	Rosenthal	Odessa	Long Lake	Highland	Hoffman	Koto	Carl
	District 1			District 2				
	Bauer	Stickel	Kassel	Moscow	Arena	Spring	Leola	Willow
	Jackson	Hillsview	Cleveland	Blaine	Dewey	Howard	Washington	Lincoln
	Modena	Hosmer	Sangmon	North Bryant	Adrian	Rosette	Belle	Pembrook
Edmunds County	Bowdle	Cottonwood	Glen	Bryant	Huntley	Ipswich	Fountain	Cortlandt
	District 3			District 4				
	Odessa	Cloyd Valley	Glover	Montpelier	Cleveland	Harmony	Union	Richland
	Hudson	Madison	Hillside	Vermont	Liberty	Powell	Kent	Clear Lake
Faulk County		Sherman	Clark	Enterprise	Freedom	Emerson	Fairview	Union
		Elroy	O'Neil	Saratoga	Pulaski	Myron	Devoe	Wesley
	District 5							
	Seneca	Latham	Bryant	Tamworth	Lafoon	Centerville		
	Ellisville	Thirteen	Irving	Orient	Arcade	Hillsdale		



Tom Thorpe
District 2
Vice President



Paula Petersen
District 4
Treasurer



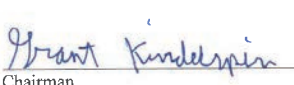
Kelly Melius
District 5
Assistant Secretary/
Treasurer

FEM ELECTRIC ASSOCIATION, INC.
IPSWICH, SOUTH DAKOTA
March 5, 2026

We, the Nominating Committee, in session on March 5, 2026, at the Beck Law Office in Ipswich, South Dakota, hereby nominate the following:

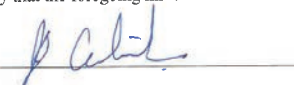
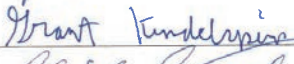
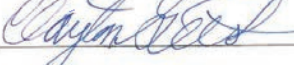
District 2 – **Tom Thorpe**

District 3 – **Josh Heinrich**


Chairman


Secretary

We, the undersigned, certify that the foregoing minutes are true and correct.



We, the Nominating Committee, wish to place the above names in nomination.

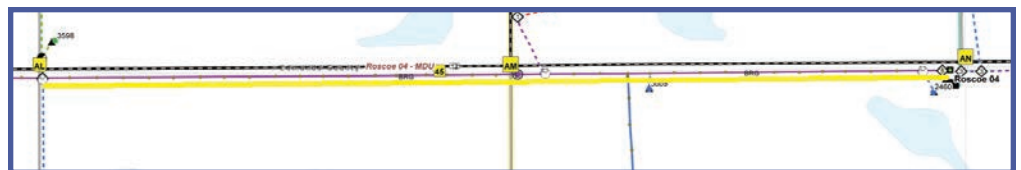
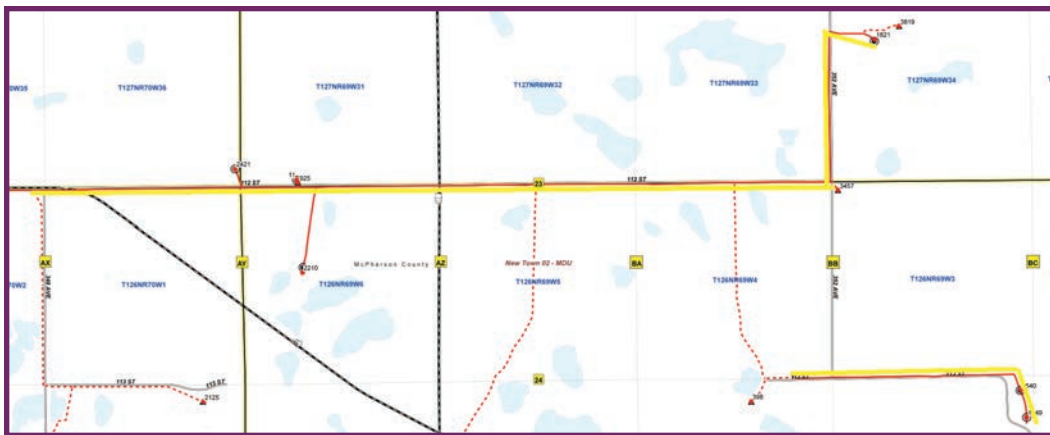
2025 WORK PLAN PROJECTS

In 2025, FEM worked on upgrading 26.25 miles of line with new underground line. Two of these projects were part of a FEMA mitigation grant, where 75% of the project is funded by FEMA, 10% by the State of South Dakota, and the remaining 15% by FEM.



Above: In McPherson County, 1/2 mile of single phase overhead line was rebuilt, and 3 miles were retired.

Left: In McPherson County, 11 miles of single phase overhead were replaced with single phase underground along 102nd street, and 112th street. This was a FEMA project.



Above: In Edmunds County, 2 miles of three phase overhead line was replaced with three phase underground line along highway 12. This was a FEMA project.

Right: In Faulk County, FEM replaced 5 miles of three phase unjacketed underground with three phase underground along 343rd avenue.



Left: In Faulk County, a total of 7.75 miles of single phase overhead were replaced with single phase underground. This project was split into 3 areas. A portion along 359th avenue, a section along 170th street and finally several stretches along 364th avenue down to 149th street were replaced.

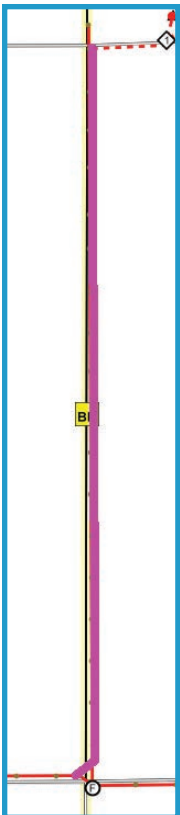


2026 WORK PLAN PROJECTS

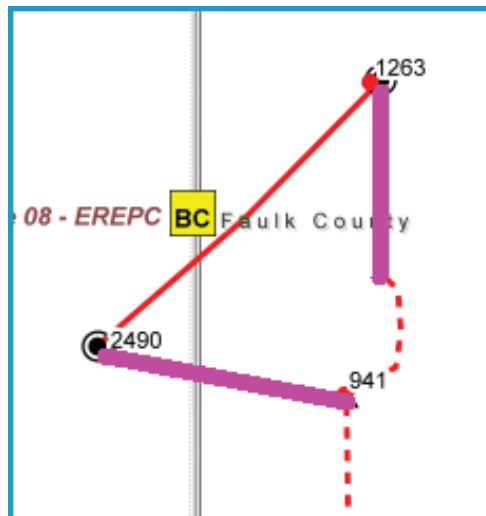
In 2026, the goal is to continue replacing outdated overhead and underground line with new underground line. Projects will span across Faulk, Edmunds and McPherson counties.



Above: In Faulk County, FEM will be replacing 1 mile of unjacketed 3 phase underground with new 3 phase underground going North. In addition, 4.25 miles of old unjacketed 3 phase will be replaced with new 3 phase cable going west.

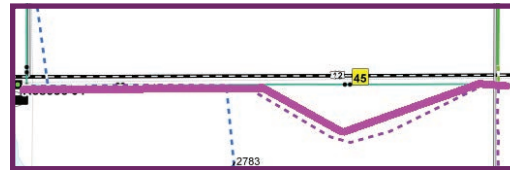
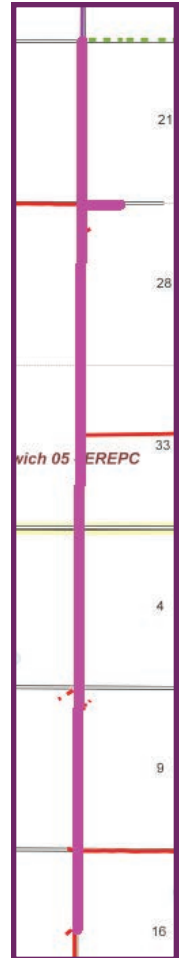


Left: In the Cresbard area, 1 mile over old overhead will be replaced with new underground.



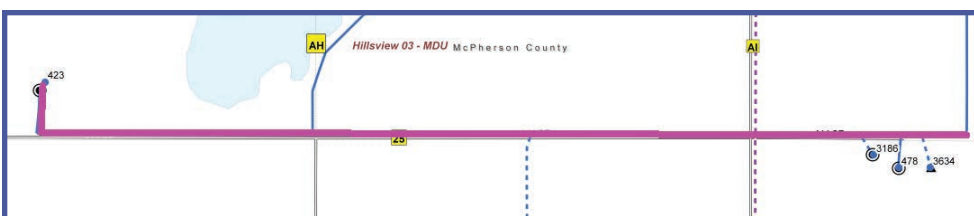
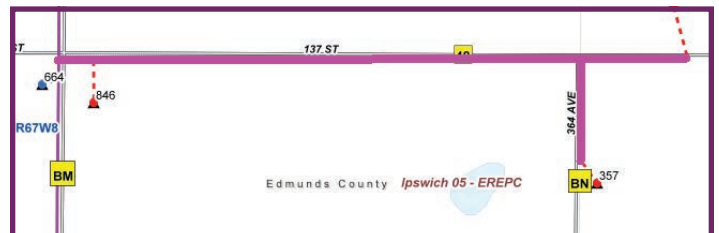
Above: In Faulk County, 3 spans of overhead line will be replaced with new underground.

Right: In Edmunds County, the plan is to replace 5.5 miles of outdated overhead single-phase line with new 3 phase underground line south of Craven.



Above: In Edmunds County, one mile of new 3 phase underground line will be added for new load growth in the Roscoe area.

Below: In the Craven area, the goal is to replace 1.5 miles of outdated overhead single-phase line with new single-phase underground line.



Left: In McPherson County, the plan is to replace 2.25 miles of outdated single-phase overhead line with new single-phase underground line.

INVESTING IN OUR YOUTH



Trent Beyers of Edmunds Central was selected to receive the \$1,500 Basin/FEM Electric Scholarship. Trent plans to attend South Dakota State University to pursue a degree in Ag Business, and hopes to return home to help with the family farm. In school, Trent is involved with basketball, football, golf, band, student council and FFA. He also volunteers to help with the elementary school Halloween carnival, helps run basketball camps and has taught FOCUS Friday classes. His parents are Margaret and Allen Beyers of Roscoe, SD.



Josie Knutson of Ipswich High School was selected to receive a \$1,000 Basin/FEM Scholarship. Josie plans attend Northland Community and Technical College to pursue a degree in Radiologic Technology. Her parents are Morgan and Cody Knutson.



Audrey Braun of Ipswich High School was chosen to receive a \$500 FEM Scholarship. Audrey plans to attend Lake Area Technical Institute for Livestock Production and Management. Her parents are Michelle and Dustin Braun of Ipswich, SD.

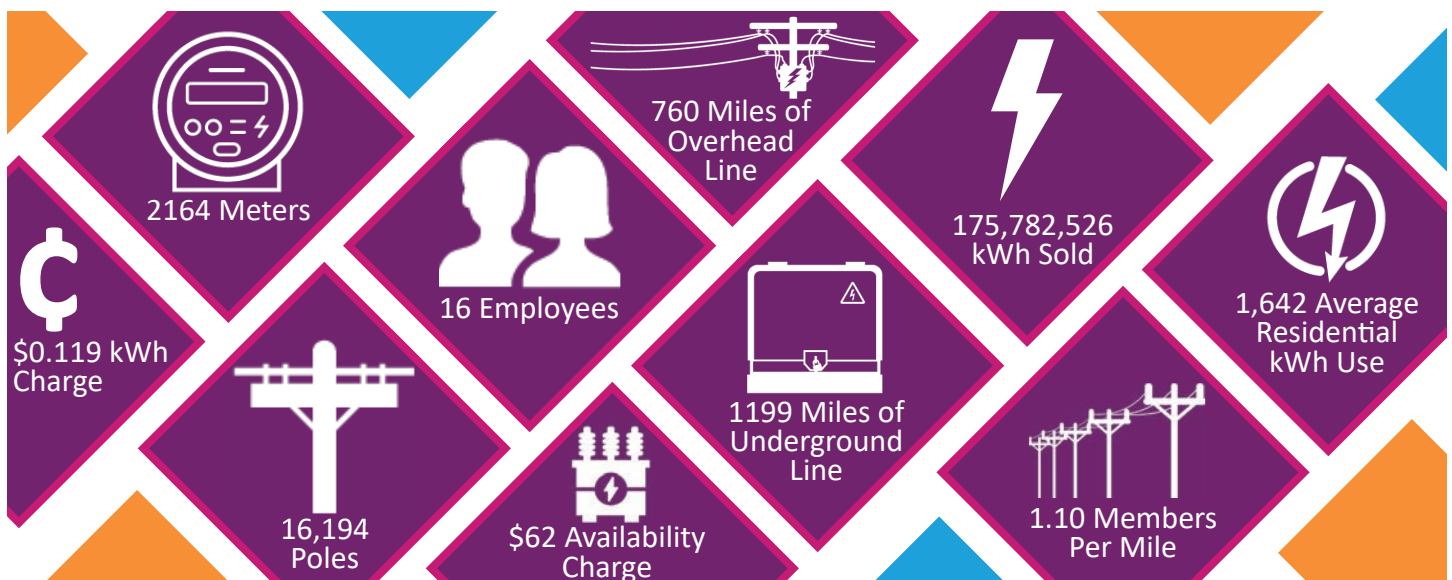


Jessica Hadrick of Faulkton Area School District received a \$500 FEM Scholarship. She plans to attend South Dakota State University for Human Biology. She plans to pursue a career in the surgical field. Her parents are Trisha and David Hadrick of Faulkton, SD.



Kaitlyn Mueller of Leola High School won Touchstone Energy's Scholar of the Week the week of October 5th, and was also featured on Dakota News Now. She received a \$250 scholarship, and plans on attending the University of South Dakota. Her Parents are Jeff and Holly Mueller.

FEM AT A GLANCE



YOUTH TOUR 2026

FEM Electric joined other South Dakota cooperatives to send high school juniors and seniors on a youth tour of Washington DC.

To be selected, students were tasked to describe why they would make the best candidate to represent FEM Electric, as well as describe their interests, future plans and what they hoped to learn from the trip. Four high school students were chosen.

FEM is delighted to sponsor this trip for youth in our area. Any junior or senior that attends high school in FEM's service territory, or who's parents are FEM members is eligible to apply.

The three students on the right were chosen to represent FEM on the tour in 2026, which was June 14th through the 20th. This trip consists of meeting their state representative and senator at the nation's capital, seeing historical sites such as Arlington Cemetery, the monuments, the Smithsonian and numerous other locations in the Washington DC area.



Austin Nash of Mansfield is a Junior at Northwestern Area High school, and was one of three selected to attend the 2026 Youth Tour. He is involved in FFA, FBLA, FCA, football, wrestling, track as well as baseball, band, and choir. When he graduates, he plans to pursue a degree in ag.



Ava Davis of Ipswich is a senior at Ipswich High School, and was also selected to attend the Youth Tour. She participates in volleyball, golf, football and basketball stats, band and jazzband, FBLA and 4-H. She was a girls state delegate and a South Dakota Ambassador of Music. She plans to attend SDSU in the fall.



Bella Unser of Ipswich is a Junior at Ipswich High School, and was selected to attend the youth tour in June. She is currently in cheerleading, FBLA, choir and band. She is also a member of the North Area Honor Band. After she graduates, she plans to attend a 4-year university.

ELECTRICAL DEPARTMENT



FEM ELECTRIC'S CO-OP IN THE CLASSROOM



Lineman in Training

FEM values the time we get to spend in the classroom in our area schools. We feel it is important to teach electrical safety; to help students understand electricity as well as the cooperative way. Co-op in the classroom targets fifth graders because learning these concepts at an early age helps them become better prepared to make wise energy decisions now and educated consumers of energy in the future.

The students are able to put the principles they learn into practice by generating their own electricity on a bicycle that



Man-made Electricity



A Hair-raising Experiment

powers different types of light bulbs, and experimenting with a Van de Graaff generator. They also take turns answering questions about ways cooperatives generate and distribute electricity. Students also learn about conductors and insulators, what to do if they're in an accident with powerlines, and lineworker protective gear.

We visit six public schools as well as eleven colony schools throughout the school year.

MEMBER OWNED - MEMBER FOCUSED

7 Cooperative Principles



**VOLUNTARY AND
OPEN MEMBERSHIP**



**DEMOCRATIC
MEMBER CONTROL**



**MEMBERS' ECONOMIC
PARTICIPATION**



**AUTONOMY AND
INDEPENDENCE**



**EDUCATION, TRAINING
AND INFORMATION**



**COOPERATION AMONG
COOPERATIVES**



**CONCERN FOR
COMMUNITY**

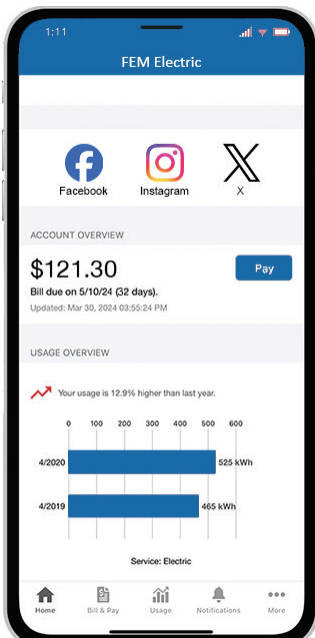
WATER HEATER REBATES

Member owners installing electric water heaters will receive the following rebates: \$3.00 per gallon on standard 50 gallon or more water heaters; \$6.00 per gallon on 10 year warranty 75 gallon or larger units. To be eligible for a rebate, electric water heaters must have a load control receiver installed. There is no cost for installation, and by having load control you will receive \$5.00 off your monthly electric bill.

SAFETY PRESENTATIONS

Another service provided by FEM Electric to member owners and the general public is electrical safety presentations. Whether it be farm safety information, our high voltage demonstration trailer, educating area first responders on contact accidents, or covering electrical safety issues using videos, newsletters or demonstrations. If your group or class would like FEM to present a safety demo, please give us a call.

ONLINE BILL PAY & ACCOUNT ACCESS



FEM Electric offers online bill pay and account access. Member owners can access their accounts through our website at www.femelectric.coop, or download the SmartHub app for your Apple or Android smart devices. Once logged in, you can pay your bill, look at usage graphs, and view or print statements.

Member owners can also pay by check, through ACH or by credit card.

ELECTRIC HEATING SYSTEM REBATES

Marketing rebates for heating systems are available. Member owners receive a \$600 rebate. This applies to residential electric heat pump systems, which also provide the benefit of air conditioning all in one unit. Auxiliary and resistance heat rebates of \$10/kW up to 50 kW. Commercial heating \$10/kW up to 600 kW for resistance heat or \$50/ton for heat pumps. Don't put off installing a new heating system.

DONATIONS



Since 2009, a safety committee made up of FEM Electric employees decided to have labels with safety messages printed on water bottles. All schools in FEM territory are given

cases of water to sell and use as fundraisers for various school clubs and activities. They may also choose to give it away. The water project has been positive and beneficial to the students, schools and FEM Electric. We also have some on hand for community groups that are raising money. We continue to donate napkins to organizations as needed.

ELECTRICAL DEPARTMENT

FEM Electric has offered electrician services to respond to electrical needs of our member owners in Faulk, Edmunds, and McPherson counties, as well as the general public, since May, 2016. If you have a project requiring an electrician, contact FEM.

Call FEM Electric at 605-426-6891 or 1-800-587-5880 for more information on any of the services FEM offers.

FEM ELECTRIC EMPLOYEES



Scott Moore
General Manager/CEO
33 Years of Service



Sean Christiansen
Operations Manager
16 Years of Service



Rhonda Tuscherer
Director of Finance & Benefits
34 Years of Service



Ryan Holien
Electrical Manager
18 Years of Service



Justin Larson
Line Foreman
29 Years of Service



Josh Weigel
Journeyman Lineworker
26 Years of Service



Dan Feldhaus
Journeyman Lineworker
19 Years of Service



Perry Ptacek
Journeyman Lineworker
19 Years of Service



Gregg Zwart
Journeyman Lineworker/
Electrician
16 Years of Service

FEM ELECTRIC EMPLOYEES



Chad Dutenhoffer
Journeyman Lineworker/Electrical Foreman
16 Years of Service



Logan Gruenstein
Apprentice Lineworker/Electrician
3 Years of Service



Cody Scarrott
Journeyman Lineworker/Electrician
1 Year of Service



Angie Sieh
Accounting Clerk
13 Years of Service



Crystal Thorson
Billing Clerk
13 Years of Service



Sonje Oban
Customer/Member Services
4 Years of Service



Barb Schaefer
Maintenance/Custodian
11 Years of Service

FOLLOW US ON SOCIAL MEDIA

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@fem_electric on 

@FEMelectric on 

We'll post outage updates, safety tips, news and more to keep our members informed on all the latest from FEM Electric.

FEM ELECTRIC EMPLOYEES



Your Touchstone Energy[®]
Cooperative

