

KILOWATT

EMPOWERING TOMORROW: UNDERSTANDING AND APPROVING AMENDMENTS TO KANDIYOHI POWER COOPERATIVE'S ARTICLES OF INCORPORATION AND BYLAWS

The Kandiyohi Power Cooperative Board of Directors is seeking approval from its members for proposed amendments to the Cooperative's Articles of Incorporation and Bylaws. As a not-for-profit electric cooperative, these foundational documents play a crucial role in guiding the governance and business operations of the Cooperative. These documents require periodic review to keep pace with industry changes, technological advancements, and evolving member needs and expectations. Over the past year, the Board of Directors, Kandiyohi Power Cooperative staff, our attorney, and an independent communications consultant collaborated to conduct a comprehensive review of the Articles of Incorporation and Bylaws. The primary goal was to ensure that these documents remain current, compliant with changes in the law, and aligned with best practices in the industry. The proposed amendments, which have received approval from the current Board of Directors, cannot be placed into effect without approval of the membership. This membership vote will take place in conjunction with the Director elections and Annual Meeting on April 23, 2024.

To make sure you feel educated to place your vote, this month we're answering some frequently asked questions about the proposed amendments:

Where can I review the proposed amendments?

The complete list of proposed amendments to the Articles of Incorporation and

Bylaws can be found online at <https://www.kpcoop.com/articles-and-bylaws>. If you have questions or concerns, please call 800-551-4951 during business hours.

Why are there so many recommended changes?

The bulk of changes proposed reflect an update in language and/or grammar to make the Articles of Incorporation and Bylaws easier to understand. Complicated language has been simplified, discontinued practices have been removed, and various sections were relocated in an order that makes more sense. While the adjustments may look overwhelming on the redline document, the actual proposed changes are not nearly as significant as they appear.

A clean copy of the proposed Articles of Incorporation and Bylaws is also available at <https://www.kpcoop.com/articles-and-by-laws>.

How do the proposed amendments account for modern technology?

As the Cooperative approached the review process, it was a priority to make sure these documents reflect the need to communicate and conduct business electronically. Language related to how Board meetings are held, member communication takes place, and/or how member votes are made has been updated to include the option of using electronic methods. The language proposed clearly connects these practices to the use of technology without limiting the Cooperative to specific methods to provide flexibility in the future as technology continues to evolve.

What are membership responsibilities?

The membership responsibility section of the proposed amendments was updated and expanded to clarify the responsibilities of a member. The responsibilities listed provide clarity of past assumptions and are necessary to maintain the distribution system and provide reliable service. To highlight the primary points of this section, in order to maintain service and the rights of membership you must pay your bill or associated fees and allow the cooperative access to its equipment on your property.

What is the purpose of the new Arbitration section?

The Arbitration section was introduced to expedite and reduce the cost of resolving disputes between a member and the Cooperative. This alternative to a jury trial allows either party to opt for arbitration. Recognizing the longstanding acceptance of arbitration in Minnesota law, the section aligns with practices adopted by many cooperatives in the state.

What does advisory actions mean regarding member meetings?

The advisory actions amendment underscores the Board's pivotal role in governing the Cooperative, stressing the need for thorough research and due diligence in evaluating member advice and recommendations. It promotes a structured decision-making process that considers diverse perspectives while upholding the Board's ultimate responsibility for effective cooperative governance and management.

Continued on page 2

What is the purpose of the proposed changes related to Director qualifications?

The proposed changes aim to provide a clearer delineation of qualifications for directors, ensuring a more transparent and informed selection process. By specifying the qualifications explicitly, the amendment seeks to establish a comprehensive framework aligned with the organization’s goals, values, and the skills essential for effective governance.

What is the purpose of the Disqualification of a Director amendment?

The disqualification of a Director amendment introduces clear criteria and procedures for the potential disqualification of a Director. By doing so, it provides a structured framework to address situations where a Director’s actions, conflicts of interest, or behavior could compromise their ability to fulfill their responsibilities. The amendment aims to maintain the integrity of the Cooperative’s governance by upholding clear standards.

What do the changes in the Board mean?

The Vacancies section outlines transparent and member-involved guidelines for filling Board vacancies. The amendment ensures that in any vacancy, a democratic election will be held, removing the Board’s authority to appoint members and emphasizing a member-driven governance approach for a democratic and inclusive selection process.

Why do proposed amendments require director candidates to disclose campaign financing?

This addition to the Bylaws promotes transparency in governance by ensuring that candidates for the Board of Directors disclose financial backing received from others in support of their campaign efforts.

Why do all the amendments need to be passed together?

The most significant changes are interrelated, so it makes the most sense to get an up-or-down vote on all the revisions at one time. In addition, the process to present a vote on proposed amendments to members is expensive due to considerations of time, printing, postage, etc.

What happens if the amendments don’t pass?

If the proposed amendments don’t pass, the Articles and Bylaws remain as they are today. However, the proposed amendments have been identified as important and necessary, therefore the Board and the Cooperative will need to begin a process of identifying why the proposed amendments did not pass, revisit potential adjustments, and then re-present changes to the membership in the near future. It is crucial to note that implementing changes to these foundational documents is both

an expensive and time-consuming project, as such the Board is unanimously recommending an approval by the membership.

Visit the website or scan the QR code for the proposed amendments to the Article of Incorporation and Cooperative Bylaws.



<https://www.kpcoop.com/articles-and-bylaws>



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NOTICE OF THE ANNUAL MEMBERS’ MEETING
of the
KANDIYOHI POWER COOPERATIVE

NOTICE IS HEREBY GIVEN, that the Annual Meeting of the Members of the Kandiyohi Power Cooperative will be held at Little Crow Golf Resort, 15980 MN-23, Spicer, Minnesota on Tuesday, April 23rd, 2024. The Annual Business Meeting of the Members will be called to order at 9:00a.m. The following business will be transacted:

- 1) To hear, examine, and approve of the reports of the officers, directors, and committees.
- 2) To elect three (3) Directors for said Association for the ensuing term.
- 3) For the transaction of such other and further business as may lawfully be brought before the membership of the Association and as may be deemed to be in the best interest of the Association.
- 4) Results of the proposed amendments to the Kandiyohi Power Cooperative’s Articles of Incorporation and Bylaws.

DATED: Spicer, Minnesota, February 28th, 2024

BY ORDER OF THE BOARD OF DIRECTORS


Dale Anderson, Chairman


Stanley Wubben, Secretary/Treasurer

BOARD DIRECTOR FILING FOR 2024

The filing period for election to the Board of Directors closed on March 4th, 2024. Filings were received for the following seats up for election:

| | | |
|--|---|--------------------------------------|
| <u>District 1:</u> Rollo Campe Ross Erickson | <u>District 2:</u> Rick Nass Todd Post John Wallin | <u>District 3:</u> Kelly Erickson |
|--|---|--------------------------------------|

Article IV, Section 4.2 states “In the event that there is only one candidate for election to a Director position, either through filing or by nomination, the single candidate shall be deemed elected by acclamation as an unopposed candidate and no voting shall be required for such an uncontested Director election.”

Voting for Directors will be for KPC Members in District 1 and District 2. Visit <https://www.kpcoop.com/2024-annual-meeting> for Director Profiles and additional information.

BALLOT COUNTING VOLUNTEERS NEEDED!

As members of KPC, you have a unique opportunity to assist in the crucial democratic process of counting election and amendment ballots. No prior experience is necessary as our attorney will be on site instructing and assisting along the way. We're seeking six volunteers on Monday, April 22nd at 4:00pm.

First come, first serve. Anyone on the ballot or relatives of someone on the ballot will not be allowed to help count. Call Kim for more details and to volunteer (320)796-0989.



MAKE YOUR ANNUAL MEETING RESERVATION

Kandiyohi Power Cooperative is holding our Annual Meeting April 23rd at the Little Crow Golf Resort. The doors will open at 8:30 a.m. with the meeting beginning at 9:00 a.m. sharp with brunch to follow.

Due to limited space, we ask that you please RSVP NO LATER than April 12th if you plan on attending the Annual Meeting.

Contact us at 1-800-551-4951 or by email to contactus@kpcoop.com to make your reservation.

We hope that you will be able to join us and take this opportunity to visit with your Board Directors and hear what is happening at your cooperative. As always, we will have a welcome gift and prize drawing.



BOARD MEETING SUMMARY

February 28, 2024

The Kandiyohi Power Cooperative Board of Directors held their regular monthly meeting. There were seven directors present, two virtual. Chairman, Dale Anderson called the meeting to order.

Additions made to the regular agenda:

- MN House Bill HF3895.
- Member inquiry on bylaws.

The following reports were given:

- CEO Report
 - NLS Solar for Schools Program.
 - UCAP meeting.
 - GRE regional meeting.
 - MN House Bill HF3895.
 - Member inquiry on bylaws.
- Member Services/Communications
 - Youth Tour.
 - Load Control Changeout Project.
 - Tantalus Load Control event.
 - Annual Meeting Registration.
- Engineering Report
 - Safety and services update.
 - Update on current projects.
 - All equipment operational.
- Finance Report
 - Review of financials for January.
 - KPC Holdings Form 1120.
 - MN DOR Property.
- IT/Maintenance
 - Watchguard Firewall.
 - Fire/Security System.

Brady Martz 2023 Audit Report

Ridgewater Impact Award

Upcoming Meetings & Conferences

Great River Energy (GRE) Director's Report by Chair Anderson

Motions made and approved by the Board:

- Regular Agenda.
- January Minutes.
- Commercial Capital Credit Retirement.
- Cogeneration and Small Power Production Rules.
- Adjourn meeting.

Meeting Adjourned Next regular board meeting is March 27, 2024.



**KANDIYOHI POWER
COOPERATIVE**

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Fax: 320-796-0620

Tom McCormick
Electric Inspector: 320-221-2809

Drop boxes available for your convenience
at Cash Wise and our headquarters
building near flag pole.

Ryan Nelson, CEO 320-796-1160
Michele Scheffler,
Member/Communications 320-796-0982
Brent Hatlestad,
Line Superintendent 320-796-1163
Patrick Krueger, CFO 320-796-0991

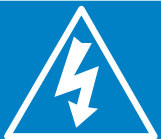
BOARD OF DIRECTORS: District
Dale Anderson, Chair - 320-894-1687 1
Rollo Campe - 320-894-1601 1
Larry Powers - 320-212-7960 1
Dan Pomranke - 320-894-7113 2
Todd Post, VC - 320-212-1119 2
Stan Wubben, Secretary - 320-905-8325 2
Kelly Erickson - 320-894-2930 3
Diane Helgeson - 320-220-3745 3
Darrell Fostervold - 320-212-4824 3

KILOWATT STAFF:
Michele Scheffler, Editor

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1-800-551-4951

The Cooperative will attempt to furnish continuous
service but will not guarantee uninterrupted service.

LINEWORKER APPRECIATION DAY ON APRIL 8TH



Lineworkers are ranked as one of the 10 most dangerous jobs in the country. The lineworkers at Kandiyohi Power Cooperative work rain or shine, in often challenging conditions to ensure you have reliable electricity. We're celebrating Lineworker Appreciation Day on April 8, 2024. Please join us in showing appreciation for everything our crews do!

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