

Karnes Electric Cooperative 2019 Annual Report



Report of the President and General Manager



**GENERAL
MANAGER**
**BRAD
BIERSTEDT**



PRESIDENT
**PAUL T.
BRYSCH JR.**

DUE TO COVID-19 pandemic precautions, and out of concern for the health and safety of our members and employees, the Karnes Electric Cooperative Board of Directors made the decision to cancel the 2020 annual meeting. This is not the first time in our 82-year history that the cooperative has had to cancel its annual meeting. Cancellations occurred in 1943, 1944 and 1945, due to the rationing of gasoline and tires during World War II, which restricted travel for all Americans. All business matters that were slated for this year's meeting will be postponed until the 2021 annual meeting.

We continue to work hard for you, our members, and are especially proud of our cooperative staff and their efforts during the pandemic. We are an essential business, and during this unprecedented time, our employees have done a tremendous job adapting to daily challenges and working safely to keep the lights on for our members. We are exposed to the same issues that you and your family face daily and understand the hardships that are occurring because of the pandemic. We thank all of our employees for their dedication and service, and we thank you, our members, for your patience.

As we reflect on 2019, it's clear that the cooperative experienced a year of exceptional growth. As you will see in the annual financial report, Karnes EC remains financially strong and well positioned to meet the needs of our members. In August 2019 the board of directors authorized \$3.4 million in capital credits retirements to our members. A capital credits retirement is a benefit you receive for buying electricity from the cooperative. Since 1989 KEC has returned a total of \$16,364,531 in capital credits to our members.

And as our kilowatt-hour sales continue to grow at a record pace, we are working closely with South Texas Electric Cooperative, our wholesale power supplier, to keep power costs affordable for our members and to make sure we have the necessary power supply to meet members' needs in the future.

Improving the resiliency of our electric distribution grid is a high priority for us. Our focus is on maintenance programs that improve the safety and reliability of our system. We continue to invest in pole testing and remediation, right-of-way clearing and vegetation management, and construction work plan projects aimed at identifying older electric distribution facilities in need of replacement in our service territory.

We have been busy this past year with several building and technology projects that will meet the needs of our members for years to come. We are excited about the recent completion of our new Member Service Center in Pleasanton. This 16,000-square-foot facility consists of an expanded member service lobby, a drive-thru window and a 24/7 self-service payment kiosk, allowing KEC to quickly and efficiently assist members. The facility also includes a hardened dispatch center and server room, multipurpose room for employee training and meetings, materials warehouse, and vehicle storage area and maintenance shop. The new facility will allow KEC to store more materials in the western half of our service territory

for regularly scheduled maintenance activities and new construction and will allow the cooperative to deploy more quickly during storms.

After conducting a facility needs assessment in 2018 to address current and future operational needs, KEC designed and has started construction on a new Karnes City Headquarters building. The new facility will be located just north of Karnes City on Highway 181. This facility will consist of a 24,314-square-foot office building that includes a hardened dispatch center and server room, multipurpose room for employee training and meetings, materials warehouse, and vehicle storage and maintenance areas. Having more warehouse space will allow for inventory and equipment to be housed properly and safely.

The new facility will provide much-needed space, improved security, updated technology and operational efficiencies within the cooperative. This facility is designed to serve KEC and its members for a minimum of 40–50 years, with room to expand in the future if the need arises. Completion is scheduled for summer 2021.

Several technology projects were implemented in 2019 to provide operational efficiencies and improve service. Our new outage management system and network model tie into our automated metering system and enable KEC to discover, locate and resolve power outages in a more informed, orderly, efficient and timely manner. The OMS gives members the ability to view and report outages online or by using the SmartHub app on a mobile device.

KEC recently implemented a new mobile mapping and staking solution called MapWise, which creates a detailed geographic information system model of our distribution system. MapWise integrates directly with our billing and accounting systems to help visualize and identify data trends so that we can accurately update our field assets. We are also implementing Document Vault, a digital imaging system that allows us to create digital replicas and images of all member service records and to securely index, archive, retrieve and access images electronically.

We are a proud supporter of our area youth. This year the cooperative awarded 10 \$1,500 scholarships to students from across our service area. Since 1988 the cooperative has provided 230 scholarships totaling \$215,200. Each year we also sponsor a student for the Government-in-Action Youth Tour, coordinated by the National Rural Electric Cooperative Association. Youth Tour is a 10-day trip to Washington, D.C., that allows our youth to witness firsthand how our government works. Unfortunately this year's Youth Tour was canceled due to the COVID-19 pandemic, but we look forward to sending a student in 2021.

Our dedicated employees and board of directors work hard to provide for the needs of the cooperative and will continue to strive to improve all aspects of our business—from the safety of our employees and members to electric reliability, member service, technology and financial performance.

We look forward to seeing you at our 2021 annual meeting. Meanwhile stay safe and healthy, and we will get through this together—the cooperative way.

Paul T. Brysch Jr.
President

Brad Bierstedt
General Manager

Board of Directors



PAUL T. BRYSCH JR.



FRANK A. GEYER JR.



LEONARD SCOTT
MCCLAUGHERTY IV



SHIRLEY HOFMANN



DAVID R. NIESCHWITZ

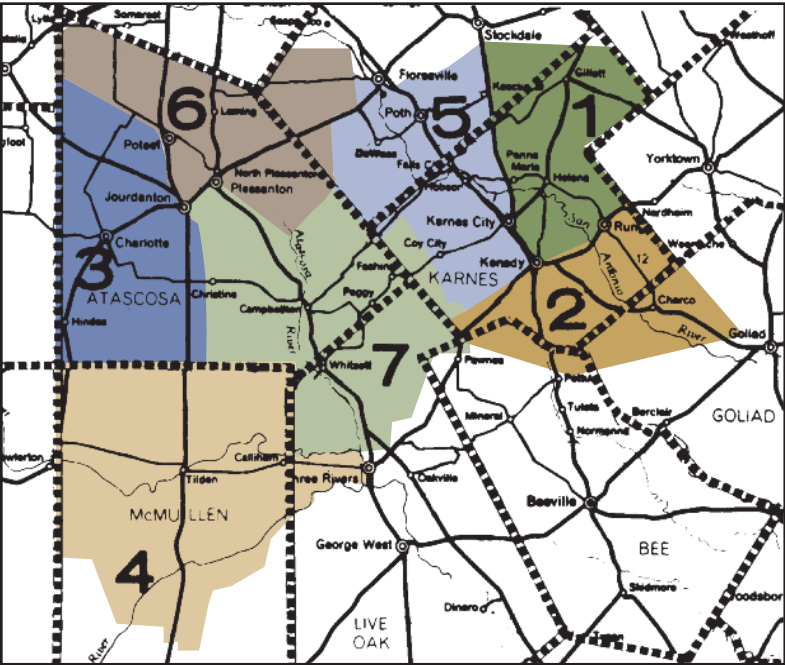


CLIF ROYAL



LARRY R. SCHENDEL

Director Districts



DISTRICT	DIRECTOR	TERM EXPIRES
1	Larry R. Schendel	2022
2	Shirley Hofmann	2021
3	Frank A. Geyer Jr.	2020
4	L. Scott McClaugherty IV*	2022
5	Paul T. Brysch Jr.	2021
6	Clif Royal	2021
7	David R. Nieschwitz	2020

*Appointed to fill the unexpired term until the next election of directors, at which time the position shall be filled by election for the remainder of the term.

Statement of Income and Patronage Capital

AS OF DECEMBER 31

2019

2018

OPERATING REVENUES

Residential	\$ 21,395,175	\$ 21,374,560
Irrigation	2,391,575	2,354,898
Commercial and Industrial	72,781,788	71,363,697
Rent From Electric Property and Other Electric Revenue	31,308	38,309
Other	429,461	398,992
Unbilled Revenue	170,000	356,000
Total Operating Revenue	\$ 97,199,307	\$ 95,886,456

OPERATING EXPENSES

Purchased Power	\$ 67,152,923	\$ 66,926,606
Distribution—Operation	1,713,208	1,782,366
Distribution—Maintenance	3,270,682	2,441,127
Consumer Accounts	1,866,432	2,207,313
Administrative and General	3,336,781	2,850,081
Depreciation and Amortization	5,384,458	4,997,612
Taxes	232,780	236,168
Other Interest Expenses	92,883	41,302
Total Operating Expenses	\$ 83,050,147	\$ 81,482,575

OPERATING MARGINS

Before Fixed Charges	\$ 14,149,160	\$ 14,403,881
Interest on Long-Term Debt	(874,208)	(947,313)
After Fixed Charges	\$ 13,274,952	\$ 13,456,568
Capital Credits—G&T	4,820,398	3,784,117
Capital Credits—Other	251,141	180,740
Net Operating Margins	\$ 18,346,491	\$ 17,421,425

NONOPERATING MARGINS

Interest Income	\$ 929,324	\$ 698,100
Other Nonoperating Income	55,616	309,478
Net Nonoperating Margins	\$ 984,940	\$ 1,007,578
Net Margins	\$ 19,331,431	\$ 18,429,003

COMPREHENSIVE INCOME

APBO Assumption Change	\$ 333,513	\$ (287,317)
Pension Benefit Amortization	0	(65,282)
Comprehensive Income	\$ 19,664,944	\$ 18,076,404
Minimum Pension Liability Change	(333,513)	352,599
Increase in Patronage Capital	\$ 19,331,431	\$ 18,429,003
Patronage Capital—Beginning of Year	125,229,386	110,008,838
Unbilled Revenue Transferred to Other Equities	(170,000)	(356,000)
Patronage Capital Retired	(3,477,292)	(2,852,455)
Patronage Capital—End of Year	\$140,913,525	\$ 125,229,386



MESSAGE
FROM
SECRETARY-
TREASURER

LARRY R.
SCHENDEL

To the members of Karnes
Electric Cooperative
Karnes City

The accounting firm of Bolinger,
Segars, Gilbert & Moss LLP
performed an audit of our
financial statements for the
year ended December 31, 2019.

We received a clean opinion
on that audit. The complete
audit report is on file at the
headquarters office of Karnes
Electric Cooperative.

Larry R. Schendel
Secretary-Treasurer
Karnes Electric Cooperative

Balance Sheet

YEARS ENDED DECEMBER 31

2019

2018

ASSETS

UTILITY PLANT AT COST

Electric Plant in Service	\$241,350,116	\$219,063,017
Construction Work in Progress	16,007,162	3,803,740
Aid to Construction	(145,956,271)	(130,535,900)
	\$111,401,007	\$ 92,330,857
Less: Accumulated Provision for Depreciation	18,365,443	13,080,450
	\$ 93,035,564	\$ 79,250,407

OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE

Investments in Associated Organizations	\$ 43,652,839	\$ 38,712,461
Life Insurance Cash Surrender Value	282,612	282,612
	\$ 43,935,451	\$ 38,995,073

CURRENT ASSETS

Cash—General	\$ 19,477,484	\$ 24,259,621
Short-Term Investments	17,100,000	17,200,000
Accounts and Notes Receivable (less allowance for uncollectibles of \$174,536 in 2019 and \$167,315 in 2018)	6,836,888	6,508,972
Unbilled Revenue	8,280,000	8,110,000
Materials and Supplies at Average Cost	4,404,001	4,884,499
Other Current and Accrued Assets	291,435	332,270
	\$ 56,389,808	\$ 61,295,362
Total Assets	\$193,360,823	\$179,540,842

EQUITIES AND LIABILITIES

EQUITIES

Memberships	\$ 85,815	\$ 84,560
Patronage Capital	140,913,525	125,229,386
Accumulated Comprehensive Income		
Minimum Pension Liability Adjustment	(6,062,652)	(6,396,165)
Other Equities	8,576,420	8,406,046
	\$143,513,108	\$127,323,827

LONG-TERM DEBT

RUS Mortgage Notes Less Current Maturities	\$ 626,598	\$ 675,136
FFB Mortgage Notes Less Current Maturities	14,227,783	14,719,681
CFC Mortgage Notes Less Current Maturities	696,490	839,618
CoBank Mortgage Notes Less Current Maturities	7,064,376	8,008,474
	\$ 22,615,247	\$ 24,242,909
Less: RUS Cushion of Credit	(3,228,900)	(3,078,168)
	\$ 19,386,347	\$ 21,164,741

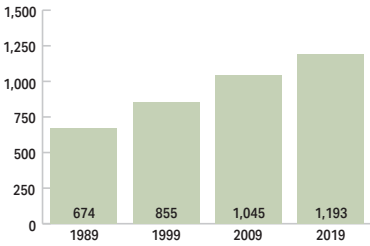
ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS

Minimum Pension Liability	\$ 1,853,649	\$ 1,668,531
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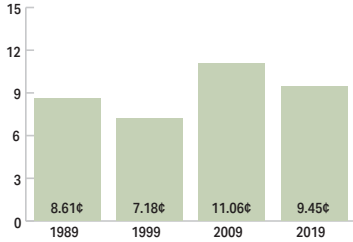
CURRENT LIABILITIES

Current Maturities of Long-Term Debt	\$ 1,614,900	\$ 1,555,100
Accounts Payable	1,430,760	1,339,298
Accounts Payable—Purchased Power	5,790,062	5,772,420
Consumer Deposits and Prepayments	4,957,752	4,952,151
Accrued Taxes	574,853	783,989
Other Current and Accrued Liabilities	819,664	530,205
	\$ 15,187,991	\$ 14,933,163
Deferred Credits	\$ 13,419,728	\$ 14,450,580
Total Equities and Liabilities	\$193,360,823	\$179,540,842

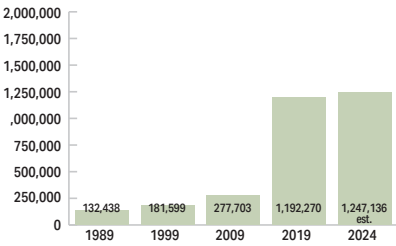
Average Monthly kWh Usage Per Consumer (Residential Classification)



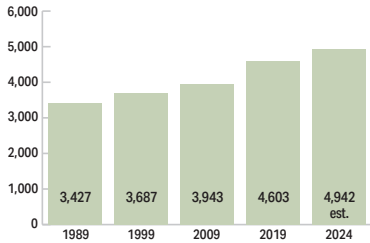
Average Monthly kWh Cost Per Consumer (Residential Classification)



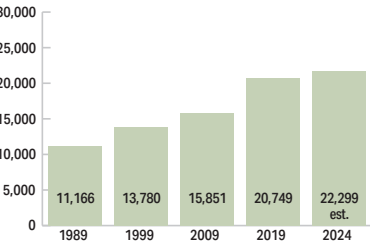
Annual kWh Sales In Thousands (000)



Miles of Line



Number of Meters



Where Your Dollar Went



YEAR	PURCHASED POWER	OPERATIONS AND MAINTAINING SYSTEMS	DEPRECIATION	INTEREST	TAXES AND INSURANCE	MEMBERS' CAPITAL CREDITS AND MARGINS
1999	64.8¢	16.6¢	8.5¢	5.4¢	2.4¢	2.3¢
2000	66.6¢	16.8¢	8.3¢	5.7¢	2.2¢	0.4¢
2001	66.7¢	16.0¢	7.5¢	4.9¢	2.0¢	2.9¢
2002	63.8¢	14.8¢	7.3¢	4.0¢	2.4¢	7.7¢
2003	65.0¢	15.8¢	7.4¢	3.7¢	2.4¢	5.7¢
2004	69.0¢	15.5¢	7.3¢	3.7¢	2.4¢	2.1¢
2005	70.5¢	13.3¢	6.4¢	4.1¢	2.1¢	3.6¢
2006	70.8¢	13.4¢	6.0¢	4.4¢	2.0¢	3.4¢
2007	70.6¢	14.8¢	6.5¢	5.1¢	1.8¢	1.2¢
2008	76.4¢	12.2¢	5.5¢	4.3¢	1.5¢	0.1¢
2009	70.7¢	12.2¢	5.3¢	4.4¢	1.4¢	6.0¢
2010	67.9¢	13.0¢	5.4¢	4.3¢	1.4¢	8.0¢
2011	67.2¢	14.1¢	5.3¢	4.0¢	1.4¢	8.0¢
2012	66.2¢	14.6¢	5.2¢	3.7¢	1.4¢	8.9¢
2013	69.4¢	12.7¢	4.3¢	2.6¢	1.1¢	9.9¢
2014	70.5¢	10.8¢	3.1¢	1.8¢	1.0¢	12.8¢
2015	67.6¢	9.4¢	4.0¢	1.6¢	1.1¢	16.3¢
2016	68.3¢	9.3¢	5.2¢	1.3¢	1.1¢	14.8¢
2017	68.8¢	9.4¢	5.3¢	1.1¢	1.1¢	14.3¢
2018	69.8¢	9.0¢	5.2¢	1.0¢	1.0¢	14.0¢
2019	69.1¢	9.8¢	5.5¢	1.0¢	1.0¢	13.6¢

Where Your Revenue Came From

	2012	2013	2014	2015	2016	2017	2018	2019
Farms and Ranches	32.8%	26.0%	20.7%	17.6%	15.2%	14.3%	14.4%	14.2%
Towns and Subdivisions	17.6%	13.8%	11.1%	9.5%	8.3%	7.7%	8.0%	7.9%
Irrigation	4.7%	4.4%	3.6%	2.2%	2.2%	2.6%	2.5%	2.5%
Small Commercial	12.8%	13.8%	12.0%	10.2%	8.0%	7.6%	7.6%	7.8%
Large Commercial	13.9%	19.0%	27.0%	32.5%	40.8%	42.5%	41.5%	41.2%
Public Buildings	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%
Oil Wells	16.7%	21.7%	24.4%	26.9%	24.7%	24.7%	25.3%	25.7%
Other Revenue	1.2%	1.1%	1.0%	0.9%	0.7%	0.5%	0.5%	0.5%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employees

NAME	TITLE	YEARS OF SERVICE	NAME	TITLE	YEARS OF SERVICE
Jacob Asebedo	Apprentice, 2nd Class	2	Tammy Labus	Finance and Accounting Manager	35
Sonny Barrientez	First-Class Lineman	24	Alfredo Lopez	Serviceman	5
Robert Bazan	Pleasanton Warehouse/WO Coordinator	33	Hector Lopez	Mechanic II	18
Barbara Benavides	Member Service Representative III	38	Yolanda Lott	Member Service Representative III	25
Jesse Benavides	Serviceman	4	Charles Luttrell	Groundman	1
Kelly Benton	Member Service Representative II	3	Rebecca Mueller	Member Service Representative II	24
Bradley Bierstedt	General Manager	9	Randy Ortiz	Serviceman	8
Karen Brysch	Billing Coordinator	21	Stephanie Ortiz	Member Service Representative I	2
Mary Buehring	Administrative Assistant/Staking	8	Ernest Pacheco	Serviceman	32
Leroy Castillo	Warehouse Materials Handler	1	Nicholas Pacheco	First-Class Lineman	7
Esperanza Cumpian	Member Service Representative I	11	Kevin Palermo	Second-Class Lineman	9
Fredrick Currie	Line Location Coordinator	13	Donna Pawelek	Staking Coordinator	34
James Dedear	Apprentice, 2nd Class	2	Gary Pawelek	First-Class Lineman	29
Adolfo De La Garza	Warehouse Materials Handler	27	Brenda Quintanilla	Operations Coordinator	18
Daniel Diaz IV	Groundman	1	Thelma Reyna	Member Service Representative I	8
Peter Dragon	Staking Technician III	42	Candace Reynolds	Accountant	3
Cory Ebrom	Purchasing Agent	17	Xavier Ribble	IT Technician I	Less than 1
Joe Escandon	Construction Foreman	21	Paul Rodriguez	First-Class Lineman	9
Rebecca Frazier	GIS Technician	5	Clint Royal	Serviceman	22
Suzanne Friesenhahn	Consumer Accounting Representative	8	Susanne Ruple	Member Service Manager	2
Pedro Garcia	Operations Supervisor—Pleasanton	16	Cody Salas	Second-Class Lineman	5
Richard Garcia	Staking Technician II	9	Raul Salinas	Meter Technician	6
Daniel Garza	Groundman	1	Jacob Sanchez	Staking Technician II	3
Matthew Garza	Warehouse Coordinator	9	Kimberly Sanchez	Member Communications Coordinator	Less than 1
Jesus Gonzales	Operations Supervisor—Karnes City	18	Alicia Sandoval	Work Order Clerk	5
Justin Gray	First-Class Lineman	10	Peter Scheffler	Staking Technician III	34
Clifton Henke	IT Systems Analyst	3	Sonya Sizemore	Dispatcher	10
Matthew Janacek	Apprentice, 1st Class	9	Steve Stanley	Serviceman	4
Emelia Janysek	Executive Assistant	18	Zaine Strader	Groundman	1
Patrick Janysek	Operations Manager	33	Matthew Thiele	Business Development Coordinator	3
Justin Jarzombek	ROW Assistant	1	Rudolfo Torres	Construction Foreman	14
Timothy Jendrusch	Mechanic I	7	Amanda Turner	Member Service Representative II	5
Steve Jonas	Apparatus and Maintenance Technician	20	Christopher Vajdos	Meter Technician	8
Hunter Jurgajtis	Second-Class Lineman	5	Bonnie Wiatrek	Human Resources Coordinator	36
Teren Jurgajtis	Maintenance Foreman	14	William Wilson	Technology Manager	7
Glenn Kelley	First-Class Lineman	10	Darlene Woelfel	Senior Accountant	36
Christopher Knight	Distribution Services Manager	6	Quintus Woelfel	Fleet Shop Foreman	33
Russell Korzekwa	Staking Superintendent	19	Justin Yanta	Dozer Operator	5
Barbara Kotzur	AMI Support Specialist	13	Robert Zuniga	Safety Coordinator	4

Service Awards

EMPLOYEES

Tammy Labus	35
Yolanda Lott	25
Steve Jonas	20
Sonya Sizemore	10
Justin Gray	10
Glenn Kelley	10
Alicia Sandoval	5
Rebecca Frazier	5
Justin Yanta	5
Amanda Turner	5
Cody Salas	5
Alfredo Lopez	5
Hunter Jurgajtis	5

DIRECTORS

Frank A Geyer Jr.	30
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Karnes City Headquarters Facility—completion scheduled summer 2021



2019 Minutes

Karnes Electric Cooperative, Inc., Annual Membership Meeting
Karnes City, Texas • June 3, 2019

The Annual Membership Meeting of Karnes Electric Cooperative, Inc. was held at the Karnes City ISD Performing Arts Center in Karnes City, Texas, on Monday, June 3, 2019.

President Paul T. Brysch Jr. awarded three punctuality prizes to open the meeting.

Mr. Brysch then called the meeting to order and called on Minister James Schendel to give the invocation.

Mr. Brysch then led the Membership in the Pledge of Allegiance.

Mr. Brysch welcomed all in attendance and provided an overview of the cooperative's accomplishments from the past year. He reported that the largest source of growth continues to be in the Eagle Ford Shale oil and gas sector, which in turn creates a challenge for the cooperative to keep up with the high demand for power. He thanked all the employees and the network of engineers and contractors for their hard work and dedication. He noted that the cooperative continues to work closely with South Texas Electric Cooperative, KEC's power generation and transmission provider, to ensure that power, from various power generation resources, is available to its members now and in the future. He then reported that the population of the state of Texas continues to grow and with it, so does the demand for power across the state. ERCOT, the state's electric grid operator, predicts record power usage this summer. Mr. Brysch urged members to conserve energy during peak usage periods to help avoid the possibility of rolling blackouts. He then thanked everyone for their attendance and support.

Mr. Brysch then called on General Manager Brad Bierstedt who introduced several special guests in attendance and then asked all, past and present, military personnel to stand and be recognized.

Secretary-Treasurer Larry R. Schendel was given the floor and announced that 241 members were registered and that a quorum was present. He then turned the floor back over to Mr. Brysch.

Mr. Brysch asked those in attendance if they wished to dispense with the reading of the Official Notice of the Annual Meeting that was published in the June 2019 issue of *Texas Co-op Power* magazine, which was mailed to the membership on May 24, 2019, or have it read now. A motion was made, and seconded, to dispense with the reading of the Official Notice of the Annual Meeting. Motion carried.

Mr. Brysch then asked those in attendance if they wished to dispense with the reading of the minutes from the June 4, 2018, Annual Meeting, also published in the June 2019 issue of *Texas Coop Power* magazine or have them read now. A motion was made, and seconded, to dispense with the reading of the minutes and approve them as published. Motion carried.

Attorney Melissa Sykes was then given the floor to conduct the election of directors.

Mrs. Sykes recognized the candidates for director of District No. 1 and asked if there were any nominations from the floor for that district. She announced that there were no nominations made by petition. There being no further nominations, motion was made, seconded, and carried to accept the nominees placed on the ballot by the Nominating Committee.

Mrs. Sykes then recognized the candidates for director of District No. 4 and asked if there were any nominations from the floor for that district. She announced that there were no nominations made by petition. There being no further nominations, motion was made, seconded, and carried to accept the nominees placed on the ballot by the Nominating Committee.

Mrs. Sykes then read the names of the members appointed to serve on the Canvassing Committee and instructed all the voting members to mark their ballots. The ballots were collected by Mrs. Sykes and the Canvassing Committee, who then retired to count the votes.

Mr. Schendel then gave the Treasurer's Report for the year 2018. He reported that the cooperative remains financially sound, ending the year with a very strong equity ratio and total net margins of \$18,429,003. The cooperative finished the year with total assets of \$179,540,842.

The cooperative refunded capital credits totaling \$2,852,455. This increases the total amount of capital credits, returned to members to date, to \$12,718,442.

Mr. Brysch then called on Mr. Bierstedt to give the Management Report.

Mr. Bierstedt then presented the Management Report which focused on growth, technology and planning for the future.

Mr. Bierstedt reported that the cooperative continues to experience a very large demand for electric service due to the Eagle Ford Shale Development that cuts directly through the center of KEC's service territory. In keeping up with the demand, over 612 miles of new power line has been constructed over the past ten years, increasing the distribution network to over 4,535 miles. Emphasis was placed on the challenge of maintaining this infrastructure and investments made in system maintenance projects to increase service reliability.

Mr. Bierstedt reported that kilowatt-hour sales continue to increase. In 2018 the cooperative experienced total sales of over 1.1 billion kilowatt-hours, compared to 265 million kilowatt-hours 10 years ago, making KEC one of the fastest growing cooperatives in the state. The fast growth has led to the hiring of more employees and a need for updated facilities. He reported that a facility needs assessment was conducted by Cooperative Building Solutions, a firm that provides turn-key solutions exclusively for electric cooperatives. As a result of the study, the Board approved the construction of the Pleasanton Member Service Center, scheduled for completion in January 2020, and is in the planning stages of a new headquarters facility on property purchased on Highway 181, near Karnes City. Due to signifi-

cant growth in McMullen County, the cooperative also purchased a material warehouse facility in Tilden, Texas.

Mr. Bierstedt then discussed mapping, staking and outage management technology programs that are being implemented this year. The continuing rollout of SmartHub™, an online portal and app that helps members manage their account, was also mentioned. He commended the co-op's dedicated IT team that is tasked with monitoring and protecting the co-op's computer and network system from the growing threat of cyberattacks.

Mr. Bierstedt then reported on community and educational initiatives over the past year. Karnes EC partnered with CoBank to donate \$5,000 to the McMullen County PALS (Partners for the Accelerated Learning of Students) and \$5,000 to the Poth Education Foundation. KEC employees participated in the Karnes and Atascosa County's American Cancer Society Relay For Life as well as raising funds for the Fallen Lineman Association. The cooperative also sponsored various county livestock shows throughout the service territory.

Mr. Bierstedt continued his report by stating that over the past 20 years the cooperative has awarded a total of 220 scholarships, totaling \$200,200. He then recognized the following ten 2019 winners of \$1,500 scholarships:

Serah Blair, Jourdanton High School
Shelby Henson, Pleasanton High School
Aileen Krause, Karnes City High School
Chelsea Kruse, Poth High School
Laken McAda, Pleasanton High School
Colton McCartney, McMullen County ISD
Mia Ortiz, Poteet High School
Erin Soward, Jourdanton High School
Crystal Tam, Kenedy High School
Taylor Voelkel, Karnes City High School

Mr. Bierstedt recognized the following two students who received a \$750 Educational Scholarship from Texas Electric Cooperatives Loss Control Division:

Terrell Benton, Jourdanton High School
Kimberly Mueller, Jourdanton High School

Mr. Bierstedt announced that this year's winner of the Government-In-Action Youth Tour was Shelby Green of Poteet, Texas.

Mr. Bierstedt recognized the following employees for their dedicated service to Karnes Electric Cooperative:

Darlene Woelfel, Sr. Accountant, 35 Years
Bonnie Wiatrek, HR Coordinator, 35 Years
Karen Brysch, Billing Supervisor, 20 Years
Joe A. Escandon, Construction Foreman, 20 Years
Pedro M. Garcia, Service Supervisor, 15 Years
Esperanza Cumpian, Member Service Representative III, 10 Years
Brenda G. Orszulak, GIS Administrator, 5 Years
Raul Salinas, II, Meter Technician, 5 Years
Christopher Shane Knight, AML Manager, 5 Years

In conclusion, Mr. Bierstedt thanked all the Cooperative employees for their hard work and dedication, the Board for their service, and the Members for the opportunity to serve them.

Mr. Brysch then opened the meeting up for Member comments. Members were asked to limit their comments to five minutes or less. Mr. Weldon Coldiron addressed the membership and took the opportunity to speak about the proper disposal of plastic trash bags, straws, cardboard, tires, and glass on roadways and in the ocean. He explained we have become a throwaway society and that plastic bags get caught in fences and cause harm to cattle, costing farmers and ranchers money. He respectfully asked everyone to be good stewards of the environment and to do their part to properly dispose of these items.

Mr. Brysch then asked if there was any unfinished business to come before the meeting. There being none, Mr. Brysch asked if there was any new business. There was none.

Mr. Brysch now called upon Mrs. Sykes to report the official election results:

District No. 1	Larry R. Schendel	187
	Randy Deming	38
District No. 4	Martin R. Harris Jr.	189
	Chris Turner	45

There being no further business, upon motion made, seconded, and carried, the meeting adjourned.

Janet Scheffler, Executive Assistant to the General Manager, then conducted the drawing for door prizes, which included a combination of 50 household appliances and gift cards, 10 \$100 bill credits, a \$100 Visa gift card for those registrants that brought in their preprinted registration card, and a Grand Prize of a 50-inch 4K UHD TV.



Paul T. Brysch Jr.
President



Larry R. Schendel
Secretary-Treasurer