



**Karnes Electric Cooperative
2020 Annual Report**

Report of the President and General Manager



GENERAL
MANAGER

BRAD
BIERSTEDT



PRESIDENT

PAUL T.
BRYSCH JR.

THIS PAST YEAR was one of the most unusually challenging in the history of Karnes Electric Cooperative. Between the pandemic that has affected us in so many ways and the winter storm-induced rolling outages, I think we can safely say we are all looking forward to better years ahead. We thank our members for their patience and support throughout these challenging events.

We know many of our members were and continue to be affected by COVID-19. Our cooperative continues to do everything we can to protect and help our members and employees. The pandemic forced us to cancel our 2020 annual meeting due to health and safety concerns, and as we approach this year's annual meeting, we continue to be cautious about gathering. Because of the residual effects of the pandemic, our annual meeting will be different from those of years past.

Members can choose between attending a walk-through meeting or traditional in-person meeting. Whichever choice you make, we welcome you and look forward to seeing you.

Beginning in March 2020, our business operations changed dramatically as we followed state public health pandemic disaster declarations and implemented COVID-19

safety protocols to keep our members and employees safe. We closed our lobby and conducted business over the phone and through our drive-thru windows to ensure the safety of everyone.

Technology that we had adopted allowed several of our employees to work from home to continue serving our members. We suspended service disconnects, waived late-fee penalties and worked with members who were struggling financially. We are an essential business, and during this unprecedented time, our employees have done a tremendous job adapting to daily challenges, working safely, and finding new and creative ways to provide the service our members expect.

In February, a polar vortex rolled through Texas, and our members were exposed to three days of rolling outages mandated by the Electric Reliability Council of Texas. The events surrounding this historic storm were extremely difficult to comprehend as many Texans experienced rolling outages and extended outages due to a lack of generation capacity and the extreme weather conditions. All of us were frustrated by February's grid-mandated outages. Many of us were left in the dark, just like you, as our employees answered calls and worked as quickly as they safely could to restore power. We apologize for any inconvenience the outages may have caused.

Despite that extreme weather event, Karnes EC is not in danger of financial instability and does not anticipate any significant increase to the overall cost of the electricity we provide. Our generation and transmission cooperative, South Texas Electric Cooperative, made prudent long-term decisions to hedge against market forces, extreme weather events, and other expected and unexpected circumstances—decisions that protected Karnes EC from many of the ramifications of this extreme weather event.

We have been busy the past two years with several building projects aimed at meeting the current and future needs of our membership.

After conducting a facility needs assessment in 2018 to address current and future operational needs, we are excited about the 2020 completion of our new Member Service Center in Pleasanton as well as construction on the new Karnes City headquarters facility. This new facility will be located just north of Karnes City, on Highway 181, and will consist of a 23,900-square-foot office building that will house member service and field personnel, a hardened dispatch center and server room, and a multipurpose room for employee training and meetings. The remainder of the facility will consist of a materials warehouse, a vehicle storage area and a vehicle maintenance area.

Having more warehouse space will allow for inventory and equipment to be housed properly and safely. Constructing 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 50 years, with room to expand in the future if the need arises. Completion is scheduled for August.

As you will see in the annual financial report, the cooperative remains financially strong and well positioned to meet the needs of our members. In May 2020 the board of directors authorized \$2 million in capital credits returned to our members. Since 1989, KEC has refunded a total of \$18,388,916 in capital credits.

As our kilowatt-hour sales decreased last year due to the economic impact of the pandemic, we are optimistic that conditions will recover. We continue to work closely with South Texas EC, our wholesale power supplier, to keep power costs affordable for our members and to make sure we have the necessary power supply to meet our members' needs in the future.

Improving the resiliency of our electric distribution grid is a major 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 are a proud supporter of our area youth. This year the cooperative awarded eighteen \$1,500 scholarships to students from across our service area. Including this year's scholarships, the cooperative has provided 248 scholarships totaling \$242,200.

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 the 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

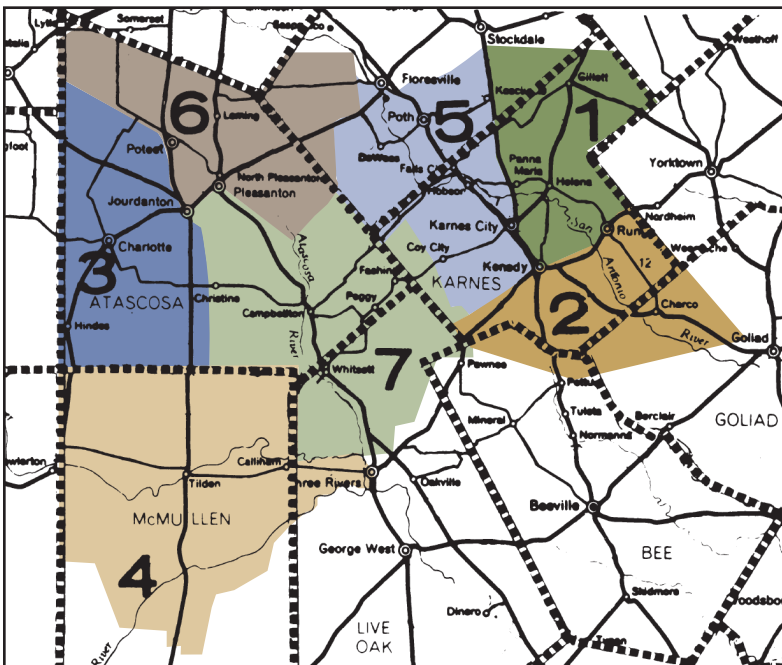


Clif Royal



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 an 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	2020	2019
OPERATING REVENUES		
Residential	\$ 21,859,472	\$ 21,395,175
Irrigation	2,959,746	2,391,575
Commercial and Industrial	67,217,822	72,781,788
Rent From Electric Property and Other Electric Revenue	41,211	31,308
Other	312,534	429,461
Unbilled Revenue	(270,000)	170,000
Total Operating Revenue	\$ 92,120,785	\$ 97,199,307
OPERATING EXPENSES		
Purchased Power	\$ 66,773,398	\$ 67,152,923
Distribution—Operation	2,219,902	1,713,208
Distribution—Maintenance	4,186,553	3,270,682
Consumer Accounts	1,660,893	1,866,432
Administrative and General	3,555,356	3,336,781
Depreciation and Amortization	5,977,670	5,384,458
Taxes	222,981	232,780
Other Interest Expenses	109,536	92,883
Total Operating Expenses	\$ 84,706,289	\$ 83,050,147
OPERATING MARGINS		
Before Fixed Charges	\$ 7,414,496	\$ 14,149,160
Interest on Long-Term Debt	(777,470)	(874,208)
After Fixed Charges	\$ 6,637,026	\$ 13,274,952
Capital Credits—G&T	3,699,573	4,820,398
Capital Credits—Other	305,295	251,141
Net Operating Margins	\$ 10,641,894	\$ 18,346,491
NONOPERATING MARGINS		
Interest Income	\$ 479,627	\$ 929,324
Other Nonoperating Income	33,668	55,616
Net Nonoperating Margins	\$ 513,295	\$ 984,940
Net Margins	\$ 11,155,189	\$ 19,331,431
COMPREHENSIVE INCOME		
APBO Assumption Change	\$ (1,733,231)	\$ 333,513
Comprehensive Income	\$ 9,421,958	\$ 19,664,944
Minimum Pension Liability Change	1,733,231	(333,513)
Increase in Patronage Capital	\$ 11,155,189	\$ 19,331,431
Patronage Capital—Beginning of Year	140,913,525	125,229,386
Unbilled Revenue Transferred to Other Equities	270,000	(170,000)
Patronage Capital Retired	(2,028,862)	(3,477,292)
Patronage Capital—End of Year	\$150,309,852	\$140,913,525



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, 2020.

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 2020 2019

ASSETS

UTILITY PLANT AT COST

Electric Plant in Service	\$273,271,950	\$241,350,116
Construction Work in Progress	16,316,714	16,007,162
Aid to Construction	(157,744,458)	(145,956,271)
	\$131,844,206	\$111,401,007
Less: Accumulated Provision for Depreciation	22,318,376	18,365,443
	\$109,525,830	\$ 93,035,564

OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE

Investments in Associated Organizations	\$ 47,549,732	\$ 43,652,839
Life Insurance Cash Surrender Value	289,922	282,612
Other Investments	18,714	0
	\$ 47,858,368	\$ 43,935,451

CURRENT ASSETS

Cash—General	\$ 11,346,021	\$ 19,477,484
Short-Term Investments	8,100,000	17,100,000
Accounts and Notes Receivable (Less Allowance for Uncollectibles of \$169,106 in 2020 and \$174,536 in 2019)	6,496,285	6,836,888
Unbilled Revenue	8,010,000	8,280,000
Materials and Supplies at Average Cost	3,900,658	4,404,001
Other Current and Accrued Assets	196,816	291,435
	\$ 38,049,780	\$ 56,389,808
Total Assets	\$195,433,978	\$ 193,360,823

EQUITIES AND LIABILITIES

EQUITIES

Memberships	\$ 87,240	\$ 85,815
Patronage Capital	150,309,852	140,913,525
Accumulated Comprehensive Income		
Minimum Pension Liability Adjustment	(7,795,883)	(6,062,652)
Other Equities	8,308,222	8,576,420
	\$150,909,431	\$143,513,108

LONG-TERM DEBT

RUS Mortgage Notes Less Current Maturities	\$ 575,307	\$ 626,598
FFB Mortgage Notes Less Current Maturities	10,759,793	14,227,783
CFC Mortgage Notes Less Current Maturities	551,204	696,490
CoBank Mortgage Notes Less Current Maturities	6,187,013	7,064,376
	\$ 18,073,317	\$ 22,615,247
Less: RUS Cushion of Credit	0	(3,228,900)
	\$ 18,073,317	\$ 19,386,347

OTHER LONG-TERM LIABILITIES

Deferred Compensation	\$ 18,714	\$ 0
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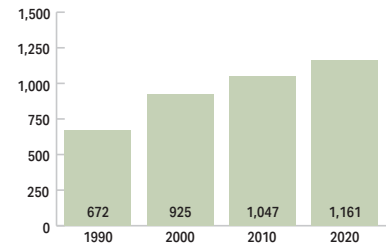
ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS

Minimum Pension Liability	\$ 4,313,900	\$ 1,853,649
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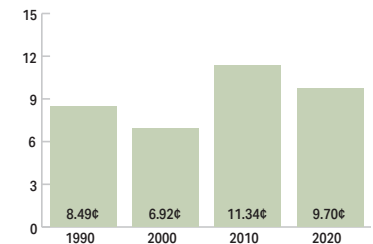
CURRENT LIABILITIES

Current Maturities of Long-Term Debt	\$ 1,506,000	\$ 1,614,900
Accounts Payable	2,786,049	1,430,760
Accounts Payable—Purchased Power	5,997,755	5,790,062
Consumer Deposits and Prepayments	5,061,425	4,957,752
Accrued Taxes	827,633	574,853
Other Current and Accrued Liabilities	1,083,677	819,664
	\$ 17,262,539	\$ 15,187,991
Deferred Credits	\$ 4,856,077	\$ 13,419,728
Total Equities and Liabilities	\$195,433,978	\$ 193,360,823

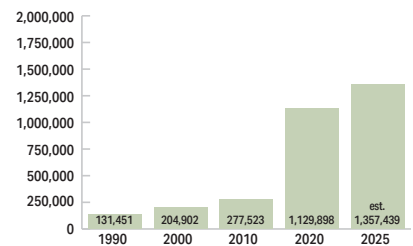
Average Monthly kWh Usage Per Consumer (Residential Classification)



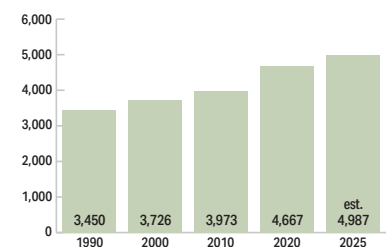
Average Monthly kWh Cost Per Consumer (Residential Classification)



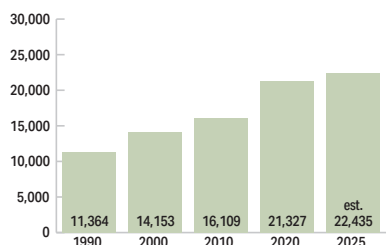
Annual kWh Sales (In Thousands)



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
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¢
2020	72.5¢	11.4¢	6.5¢	1.0¢	1.5¢	7.1¢

Where Your Revenue Came From

	2013	2014	2015	2016	2017	2018	2019	2020
Farms and Ranches	26.0%	20.7%	17.6%	15.2%	14.3%	14.4%	14.2%	15.2%
Towns and Subdivisions	13.8%	11.1%	9.5%	8.3%	7.7%	8.0%	7.9%	8.5%
Irrigation	4.4%	3.6%	2.2%	2.2%	2.6%	2.5%	2.5%	3.2%
Small Commercial	13.8%	12.0%	10.2%	8.0%	7.6%	7.6%	7.8%	7.5%
Large Commercial	19.0%	27.0%	32.5%	40.8%	42.5%	41.5%	41.2%	41.9%
Public Buildings	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%
Oil Wells	21.7%	24.4%	26.9%	24.7%	24.7%	25.3%	25.7%	23.3%
Other Revenue	1.1%	1.0%	0.9%	0.7%	0.5%	0.5%	0.5%	0.3%
TOTAL	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Employees

NAME	TITLE	YEARS OF SERVICE
Jacob Asebedo	Second-Class Lineman	3
Sonny Barrientez	First-Class Lineman	25
Robert Bazan	Pleasanton Warehouse/WO Coordinator	34
Jesse Benavides	Serviceman	5
Bradley Bierstedt	General Manager	10
Karen Brysch	Billing Coordinator	22
Mary Buehring	Administrative Assistant/Staking	9
Leroy Castillo	Warehouse Materials Handler	2
Esperanza Cumpian	Member Service Representative I	12
Fredrick Currie	Line Locate Coordinator	14
James Dedear	Apprentice, First-Class	3
Adolfo De La Garza	Warehouse Materials Handler	28
Daniel Diaz IV	Apprentice, First-Class	2
Peter Dragon	Staking Technician III	43
Cory Ebrom	Purchasing Agent	18
Joe Escandon	Construction Foreman	22
Rebecca Frazier	GIS Technician	6
Suzanne Friesenhahn	Consumer Accounting Representative	9
Pedro Garcia	Operations Supervisor	17
Richard Garcia	Staking Technician II	10
Daniel Garza	Second-Class Apprentice	2
Matthew Garza	Warehouse Coordinator	10
Jesus Gonzales	Operations Supervisor	19
Justin Gray	First-Class Lineman	11
Clifton Henke	IT Systems Analyst	4
Emelia Janysek	Executive Assistant	19
Patrick Janysek	Operations Manager	34
Justin Jarzombek	Staking Technician I	2
Trenton Jaskinia	Intern	Less than 1
Timothy Jendrusch	Mechanic I	8
Steve Jonas	Apparatus and Maintenance Technician	21
Hunter Jurgajtis	Second-Class Lineman	6
Teren Jurgajtis	Maintenance Foreman	15
Glenn Kelley	First-Class Lineman	11
Christopher Knight	Distribution Services Manager	7
Russell Korzekwa	Staking Superintendent	20
Barbara Kotzur	AMI Support Specialist	14
Tammy Labus	Finance and Accounting Manager	36
Alfredo Lopez	Serviceman	6
Hector Lopez	Mechanic II	19

NAME	TITLE	YEARS OF SERVICE
Yolanda Lott	Member Service Representative III	26
Charles Luttrell	Apprentice, Second-Class	2
Rebecca Mueller	Lead Member Service Representative	25
Randy Ortiz	Serviceman	9
Stephanie Ortiz	Member Service Representative II	3
Ernest Pacheco	Serviceman	33
Nicholas Pacheco	First-Class Lineman	8
Kevin Palermo	Second-Class Lineman	10
Donna Pawelek	Staking Coordinator	35
Gary Pawelek	First-Class Lineman	30
Tosha Pennington	Dispatcher	Less than 1
Irma Pesqueda	Member Service Representative—Trainee	Less than 1
Trey Pusser	Groundman	Less than 1
Brenda Quintanilla	Operations Coordinator	19
Thelma Reyna	Member Service Representative I	9
Candace Reynolds	Accountant	4
Xavier Ribble	IT Technician I	1
Paul Rodriguez	First-Class Lineman	10
Clint Royal	Serviceman	23
Susanne Ruple	Member Service Manager	3
Cody Salas	Second-Class Lineman	6
Raul Salinas	Meter Technician	7
Jacob Sanchez	Staking Technician II	4
Kimberly Sanchez	Member Communications Coordinator	1
Alicia Sandoval	Work Order Clerk	6
John Saucedo	Apprentice, First-Class	1
Tommy Shoemake	Dozer Operator	Less than 1
Sonya Sizemore	Dispatcher	11
Steve Stanley	Serviceman	5
Matthew Thiele	Business Development Coordinator	4
Rudolfo Torres	Construction Foreman	15
Amanda Turner	Lead Member Service Representative	6
Christopher Vajdos	Meter Technician	9
Vanessa Villanueva	Member Service Representative I	Less than 1
Bonnie Wiatrek	Human Resources Coordinator	37
William Wilson	Technology Manager	8
Darlene Woelfel	Senior Accountant	37
Quintus Woelfel	Fleet Shop Foreman	34
Robert Zuniga	Safety Coordinator	5

Service Awards

EMPLOYEES

Donna Pawelek	35	Richard Garcia	10
Gary Pawelek	30	Matthew Garza	10
Sonny Barrientez	25	Kevin Palermo	10
Rebecca Mueller	25	Paul Rodriguez	10
Russell Korzekwa	20	Jesse Benavides	5
Teren Jurgajtis	15	Steve Stanley	5
Rudolfo Torres	15	Robert Zuniga	5
Bradley Bierstedt	10		

DIRECTORS

Larry R. Schendel	50
David Ross Nieschwietz	5

Annual Meeting Program

Monday, August 9

In-Person Meeting 7–8 p.m.

1. Call Meeting to Order
2. Invocation
3. Welcome Address
4. Introduction of Guests
5. Secretary's Report of Number Present/Reading of Official Notice
6. Approval of 2019 Annual Meeting Minutes
7. Election of Directors
8. Naming of Canvassing Committee
9. Treasurer's Report
10. Annual Management Report
11. Unfinished Business
12. New Business
13. Report of Election
14. Adjournment of Meeting
15. Drawing of Attendance Prizes

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, AMI 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