

KARNES ELECTRIC COOPERATIVE, INC.

ANNUAL MEETING OF MEMBERS

MONDAY, JUNE 4, 2012 • 7 P.M.

PROGRAM

- | | | |
|----------------------------------|---|----------------------------------|
| 1. Drawing of Punctuality Prizes | Present/Reading of Notice | 12. President's Annual Report |
| 2. Call Meeting to Order | 8. Approval of 2011 Annual Meeting Minutes | 13. Manager's Report |
| 3. Invocation | 9. Election of Directors/Nominations from Floor | 14. Other Business |
| 4. National Anthem | 10. Naming of Canvassing Committee | 15. <i>Intermission</i> |
| 5. Welcome Address | 11. Treasurer's Report | 16. Report of Election Results |
| 6. Introduction of Guests | | 17. Adjournment of Meeting |
| 7. Secretary's Report of Number | | 18. Drawing of Attendance Prizes |

EMPLOYEES

EMPLOYEE	TITLE	YEARS OF SERVICE	EMPLOYEE	TITLE	YEARS OF SERVICE
Barrientez, Sonny Joe	1st Class Lineman	15	Labus, Tammy D.	Data Processing Director	26
Bazan, Robert	Serviceman	24	Lopez, Hector D.	Mechanic B	9
Benavides, Barbara	Billing Clerk	29	Lott, Yolanda G.	Cashier (Pleasanton)	16
Biela, Brenda	Cashier	26	Miranda, Mary Lou	Receptionist	27
Bierstedt, Bradley	Assistant to the General Manager	*	Moczygemba, Suzanne	General Office Clerk III	*
Broll, Harvey J.	Apparatus Maint./Serviceman	16	Moy, Edwin J.	Staking Superintendent	26
Brysch, Karen	Billing Clerk	12	Mueller, Rebecca D.	General Office Clerk I	15
Camber, Leon Roy	Purchasing Agent	33	Pacheco, Ernest	Serviceman	23
Cumpian, Esperanza	General Office Clerk III	2	Palacios, Spencer W.	Maintenance Helper	*
Currie, Fredrick T.	Staking Assistant	4	Palermo, Kevin A.	Construction Helper	*
De La Garza, Adolfo	Warehouse Clerk	18	Pawelek, Alvin E.	Meter Reader	17
Dragon, Peter J.	Construction Foreman	33	Pawelek, Donna Kay	General Office Clerk I (Engineering)	25
Ebrom, Cory J.	Material & W.O. Clerk	8	Pawelek, Gary W.	Construction Foreman	20
Escandon, Joe A.	Construction Foreman	12	Quintanilla, Brenda	General Office Clerk I - (Purchasing)	9
Garcia, Pedro Michael	2nd Class Lineman	7	Reyes, Joe M.	Meter Reader	33
Garcia, Richard James	Maintenance Helper	*	Reyna, Thelma L.	General Office Clerk III	*
Garza, Fernando	Meter Reader	4	Rodriguez, Paul A.	Apprentice Lineman	*
Garza, Matthew B.	Construction Helper	*	Royal, Clint D.	Serviceman	13
Gonzales, Jesse	Aerial Basket Operator	9	Sauceda, Daniel	District Manager	34
Gray, Justin S.	Digger & Trench Machine Operator	1	Scheffler, Janet	Office Manager	39
Hilbig, Judy L.	General Office Clerk III	*	Scheffler, Peter C.	Staking Technician	25
Janacek, Matthew J.	Construction Helper	*	Serna, Olga R.	Billing Supervisor	45
Janysek, Emily R.	Member Records Clerk	9	Sizemore, Sonya	General Office Clerk II	1
Janysek, Patrick G.	Line Superintendent	24	Skloss, Leroy T.	General Manager	38
Jonas, Steve A.	1st Class Lineman	11	Stulting Jr., Howard	Dozer Operator	7
Jurgajtis, Teren	Digger & Trench Machine Operator	5	Torres, Rudolfo	Aerial Basket Operator	5
Kelley, Glenn F.	Apprentice Lineman	1	Villareal Jr., Eliseo	Meter Reader	*
Kerlick Jr., Lee Roy	Operations Superintendent/ Safety Coordinator	38	Wiatrek, Bonnie	Administrative Assistant	27
Korzekwa, Russell	Aerial Basket Operator	10	Woelfel, Darlene R.	Accountant	27
Kotzur, Barbara	General Office Clerk II	4	Woelfel, Quintus K.	Shop Foreman	24

* Indicates less than 1 year of service on 12/31/2011

EMPLOYEE SERVICE AWARDS

Olga R. Serna 45 Years	Gary W. Pawelek..... 20 Years	Russell Korzekwa 10 Years
Director Larry R. Schendel..... 40 Years	Director David C. Davidson 20 Years	Rudolfo Torres..... 5 Years
Donna Kay Pawelek 25 Years	Rebecca D. Mueller..... 15 Years	Teren Jurgajtis..... 5 Years
Peter C. Scheffler..... 25 Years	Sonny Joe Barrientez 15 Years	

REPORT OF THE PRESIDENT AND GENERAL MANAGER

Looking back at 2011, we see that our nation's economy struggled with high unemployment figures, increased fuel prices and limited job growth. Locally, the Karnes Electric Cooperative service area experienced one of the most severe droughts on record.

The extreme drought conditions that started in the latter part of 2010 kept a tight grip on the area through 2011. These conditions were burdensome and hard for our members and employees, plus they created a tremendous strain on the cooperative's electrical system, generating plants and high-voltage transmission systems throughout the state. However, they did have a positive effect on the cooperative's sales.

Another major occurrence in 2011 was the increased activity in the Eagle Ford Shale development throughout the cooperative's service area. This development runs through the heart of our system, beginning in the southwest corner of McMullen County and extending to the northeast corner of Karnes County.

We are working with a large number of prominent and successful oil and gas companies that are requesting new service to all types of oil and gas field loads. To try to minimize the lead time on new service installations, we are employing 12 contract construction crews to assist our cooperative's own crews with new line construction, and we are also using two contract right-of-way crews, as well. We appreciate the cooperation we have gotten from our members who have provided new easements, allowing for the upgrade of existing lines and the construction of lines to all the new facilities in our service area.

During 2011, the cooperative added four substations, 60 miles of overhead line and seven miles of underground line. Service was extended to 677 new locations, bringing the total number of meters served by KEC to 16,732, with 4,040 miles of distribution line. With these investments, the total utility plant has increased to \$65,349,561.

All this activity led the cooperative to establish a system peak demand of 82.4 megawatts and set an all-time record of 330,840,137 kilowatt-hours sold, a 19.21 percent increase over 2010. The average rate our members paid for power in 2011 was 9.97 cents per kWh, compared with 11.10 cents per kWh in 2010.

After all operating expenses, debt service and construction costs were paid, the cooperative experienced a healthy margin. The cooperative continues to be a strong and financially sound electric utility.

As a result of this strong financial position, the board of directors authorized the refund of \$314,503 in capital credits to the membership. This refund is an added bonus that cooperative members receive for buying electricity from an



ARLON RETZLOFF
President



LEROY T. SKLOSS
General Manager

electric cooperative. KEC has refunded \$3,828,554 to its membership since 1989.

In 1998, KEC formed a partnership with Guadalupe Valley Electric Cooperative to provide Internet service to our memberships and the public within our service areas. What started out as dial-up service has transformed into a high-speed Internet service company. The company continues to look for new technology that will allow us to provide high-speed service to areas that do not currently have it available. At the end of 2011, dial-up and wireless high-speed service was provided to 5,347 accounts throughout the KEC and GVEC service areas.

KEC strives to be a leader in the communities it serves. We are locally owned and spend most of our money where it is generated, returning it to our local economy. Our employees and directors are involved in numerous activities in their counties, communities, schools, churches, stock shows, Little League, etc. They are the same people you will see when you pay your bill, have new service installed or have an outage repaired. We're from here and proud of it!

As we continue to prepare for the future, the board of directors and employees would like to thank all of you, our members, for the support you have given us over the past 74 years and ask for your continued support and cooperation as we move forward. Our ultimate goal is to always provide you with the best possible service at the most reasonable cost.

The 2012 annual meeting will be held Monday, June 4, 2012, at 7 p.m. at the Karnes City High School Auditorium. Please mark your calendar. We hope to see you there!


ARLON RETZLOFF, *President*


LEROY T. SKLOSS, *General Manager*

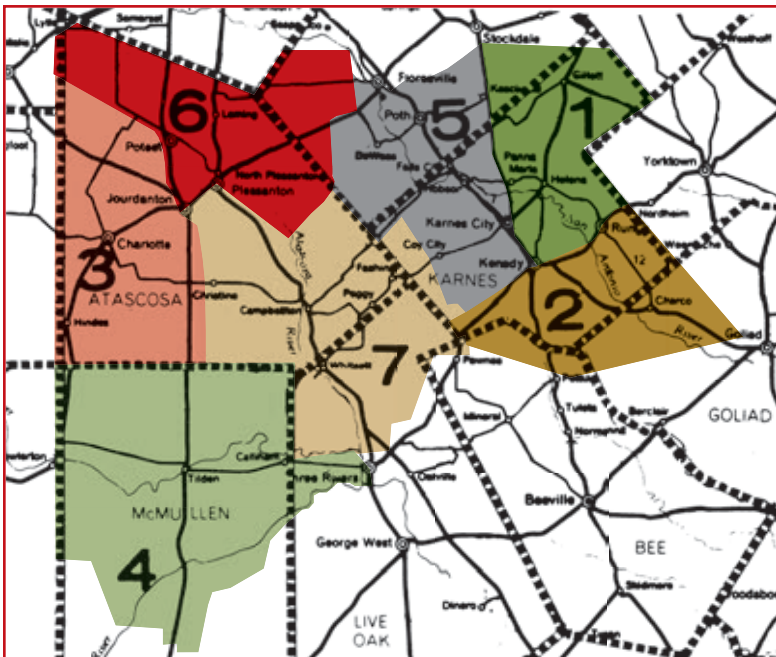
KARNES ELECTRIC COOPERATIVE

BOARD OF DIRECTORS



FROM LEFT, BACK ROW: FRANK A. GEYER JR., MARTIN R. HARRIS JR., DAVID C. DAVIDSON AND SHIRLEY HOFMANN. FRONT ROW: ARLON RETZLOFF AND LARRY R. SCHENDEL.

DIRECTOR DISTRICTS



DISTRICT	DIRECTOR	TERM EXPIRES
1	LARRY R. SCHENDEL	2013
2	SHIRLEY HOFMANN	2012
3	FRANK A. GEYER JR.	2014
4	MARTIN R. HARRIS JR.	2013
5	ALFRED MOCZYGEMBA	2012
6	DAVID C. DAVIDSON	2012
7	ARLON RETZLOFF	2014

KARNES ELECTRIC COOPERATIVE

FINANCIAL INFORMATION

KARNES ELECTRIC COOPERATIVE, INC. STATEMENT OF INCOME AND PATRONAGE CAPITAL

Years Ended December 31, 2011 and 2010

	YEARS ENDED DECEMBER 31	
	2011	2010
	AMOUNT	AMOUNT
OPERATING REVENUES		
Residential	\$19,552,605	\$19,789,130
Irrigation	2,161,295	1,122,087
Commercial and Industrial	11,279,305	9,903,505
Rent from Electric Property and Other Electric Revenue	36,190	39,556
Other	<u>390,149</u>	<u>377,362</u>
Total Operating Revenues	<u>\$33,419,544</u>	<u>\$31,231,640</u>
OPERATING EXPENSES		
Purchased Power	\$22,470,316	\$21,197,680
Distribution—Operation	661,757	537,049
Distribution—Maintenance	1,229,211	1,136,099
Consumer Accounts	1,404,968	1,302,981
Administrative and General	1,747,484	1,431,211
Depreciation and Amortization	1,782,368	1,680,521
Taxes	102,514	104,441
Other Interest Expense	<u>3,409</u>	<u>5,896</u>
Total Operating Expenses	<u>\$29,402,027</u>	<u>\$27,395,878</u>
OPERATING MARGINS		
Before Fixed Charges	<u>\$ 4,017,517</u>	<u>\$ 3,835,762</u>
FIXED CHARGES		
Interest on Long-Term Debt	<u>\$ 1,334,914</u>	<u>\$ 1,339,261</u>
OPERATING MARGINS		
After Fixed Charges	\$ 2,682,603	\$ 2,496,501
Capital Credits	<u>1,625,578</u>	<u>1,719,332</u>
NET OPERATING MARGINS	<u>\$ 4,308,181</u>	<u>\$ 4,215,833</u>
NONOPERATING MARGINS		
Interest Income	\$ 157,909	\$ 157,218
Other Nonoperating Income (Loss)	<u>163,188</u>	<u>102,713</u>
NET MARGINS	<u>\$ 4,629,278</u>	<u>\$ 4,475,764</u>
COMPREHENSIVE INCOME		
Minimum Pension Liability	<u>(764,107)</u>	<u>(245,275)</u>
COMPREHENSIVE INCOME (LOSS)	\$ 3,865,171	\$ 4,230,489
Minimum Pension Liability	<u>(764,107)</u>	<u>(245,275)</u>
INCREASE IN PATRONAGE CAPITAL	\$ 4,629,278	\$ 4,475,764
PATRONAGE CAPITAL—Beginning of Year	37,216,605	33,016,191
PATRONAGE CAPITAL RETIRED	<u>(314,502)</u>	<u>(275,350)</u>
PATRONAGE CAPITAL—End of Year	<u>\$41,531,381</u>	<u>\$37,216,605</u>

KARNES ELECTRIC COOPERATIVE

FINANCIAL INFORMATION



LARRY R. SCHENDEL
Secretary-Treasurer

*To the Members of
Karnes Electric Cooperative, Inc.
Karnes City, Texas*

The accounting firm of Bolinger, Segars, Gilbert & Moss, LLP, performed an audit of our financial statements for the year ended December 31, 2011. We received a clean opinion on that audit. The complete audit report is on file at the headquarters office.

Karnes Electric Cooperative, Inc.

Larry R. Schendel
LARRY R. SCHENDEL
Secretary-Treasurer

KARNES ELECTRIC COOPERATIVE, INC.

BALANCE SHEET

As of December 31, 2011 and 2010

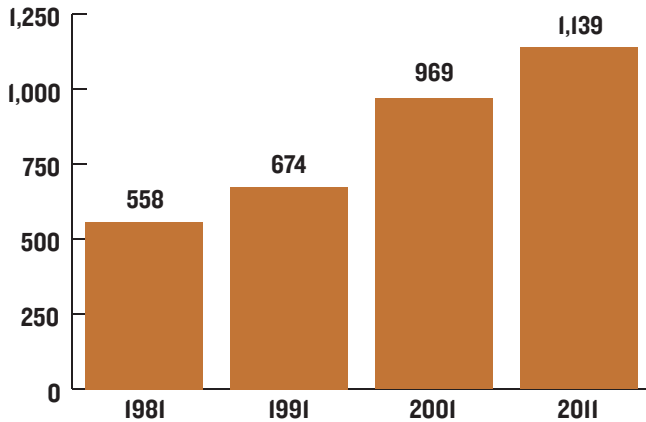
	DECEMBER 31	
	2011	2010
ASSETS		
UTILITY PLANT AT COST		
Electric Plant in Service	\$62,910,435	\$59,600,615
Construction Work in Progress	<u>2,439,126</u>	<u>547,240</u>
	\$65,349,561	\$60,147,855
Less: Accumulated Provision for Depreciation	<u>10,431,087</u>	<u>9,771,310</u>
	<u>\$54,918,474</u>	<u>\$50,376,545</u>
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE		
Investments in Associated Organizations	\$16,620,421	\$15,093,720
Investments in Affiliated Company	444,070	361,269
Other Investments	<u>200,000</u>	<u>175,000</u>
	<u>\$17,264,491</u>	<u>\$15,629,989</u>
CURRENT ASSETS		
Cash—General	\$15,838,256	\$ 9,272,969
Temporary Cash Investments	800,000	200,000
Short-Term Investments	3,000,000	0
Accounts and Notes Receivable (less allowance for uncollectibles of \$10,795 in 2011 and \$26,456 in 2010)	2,133,655	2,082,326
Materials and Supplies at Average Cost	931,913	834,677
Other Current and Accrued Assets	<u>91,677</u>	<u>83,344</u>
	<u>\$22,795,501</u>	<u>\$12,473,316</u>
DEFERRED CHARGES	<u>\$ 27,569</u>	<u>\$ 32,950</u>
TOTAL ASSETS	<u>\$95,006,035</u>	<u>\$78,512,800</u>
EQUITIES AND LIABILITIES		
EQUITIES		
Memberships	\$ 88,015	\$ 85,965
Patronage Capital	41,531,381	37,216,605
Accumulated Comprehensive Income (Loss) Minimum Pension Liability Adjustment	(2,573,023)	(1,808,916)
Other Equities	<u>280,031</u>	<u>280,031</u>
	<u>\$39,326,404</u>	<u>\$35,773,685</u>
LONG-TERM DEBT		
RUS Mortgage Notes Less Current Maturities	\$10,915,911	\$12,034,782
FFB Mortgage Notes Less Current Maturities	14,957,285	11,062,102
CFC Mortgage Notes Less Current Maturities	1,941,297	2,130,822
CoBank Mortgage Notes Less Current Maturities	<u>1,585,009</u>	<u>1,692,575</u>
	<u>\$29,399,502</u>	<u>\$26,920,281</u>
ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	<u>\$ 2,817,735</u>	<u>\$ 2,072,975</u>
Minimum Pension Liability	<u>\$ 2,817,735</u>	<u>\$ 2,072,975</u>
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,240,400	\$ 1,391,800
Accounts Payable	8,388,631	7,563,830
Accounts Payable—Purchased Power	1,943,181	1,784,985
Consumer Deposits and Prepayments	2,063,812	1,538,834
Accrued Taxes	266,823	236,518
Other Current and Accrued Liabilities	<u>64,987</u>	<u>65,414</u>
	<u>\$13,967,834</u>	<u>\$12,581,381</u>
DEFERRED CREDITS	<u>\$ 9,494,560</u>	<u>\$ 1,164,478</u>
Total Equities and Liabilities	<u>\$95,006,035</u>	<u>\$78,512,800</u>

KARNES ELECTRIC COOPERATIVE

HOW YOUR CO-OP HAS GROWN

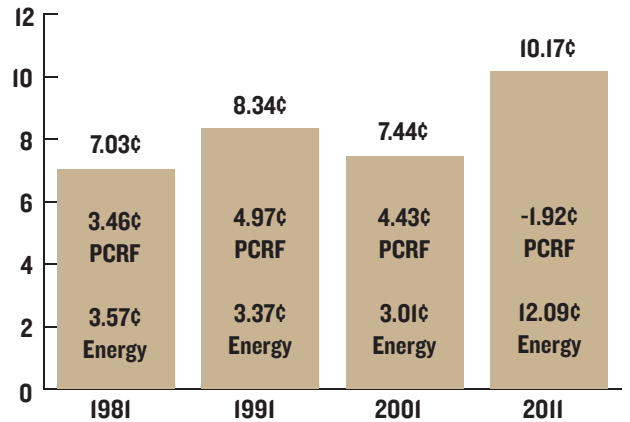
AVERAGE MONTHLY KWH USAGE PER CONSUMER

(Residential Classification)

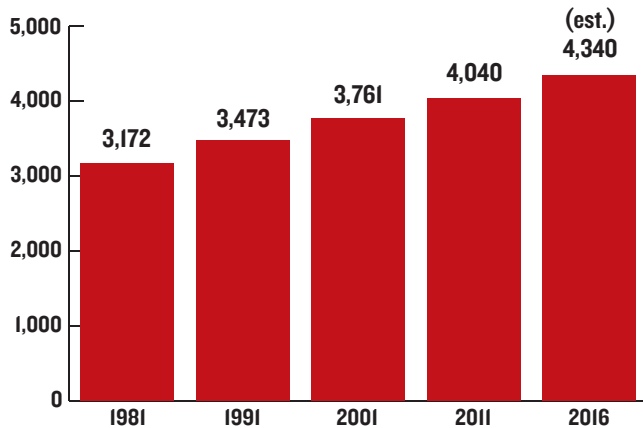


AVERAGE MONTHLY KWH COST PER CONSUMER

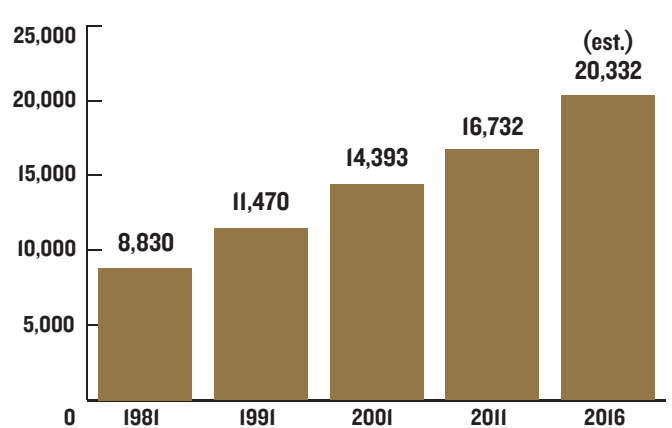
(Residential Classification)



MILES OF LINE

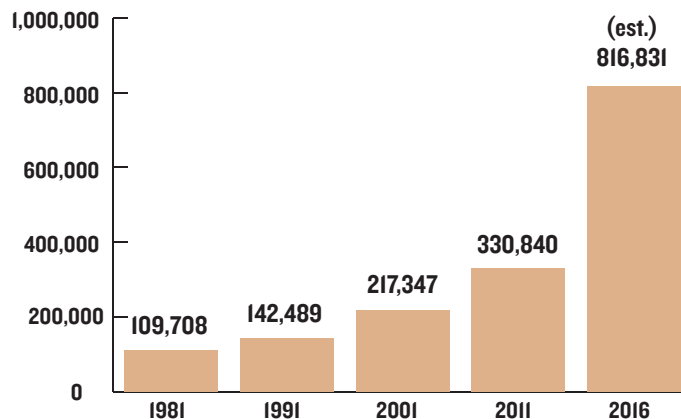


NUMBER OF METERS



ANNUAL KWH SALES

In Thousands (000)



KARNES ELECTRIC COOPERATIVE

WHERE YOUR DOLLAR WENT



YEAR	PURCHASED POWER	OPERATIONS AND MAINTAINING SYSTEMS	DEPRECIATION	INTEREST	TAXES AND INSURANCE	MEMBERS' CAPITAL CREDITS AND MARGINS
1991	67.9¢	15.4¢	8.0¢	6.0¢	1.8¢	0.9¢
1992	67.4¢	15.5¢	7.5¢	5.6¢	2.0¢	2.0¢
1993	67.4¢	15.9¢	7.6¢	4.9¢	2.1¢	2.1¢
1994	67.2¢	15.7¢	7.5¢	4.8¢	2.2¢	2.6¢
1995	68.5¢	15.1¢	7.4¢	5.0¢	2.1¢	1.9¢
1996	69.0¢	14.5¢	7.1¢	4.9¢	2.0¢	2.5¢
1997	67.1¢	15.8¢	7.9¢	5.2¢	2.2¢	1.8¢
1998	65.6¢	16.4¢	8.1¢	5.2¢	2.3¢	2.4¢
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¢

WHERE YOUR REVENUE CAME FROM

	2004	2005	2006	2007	2008	2009	2010	2011
Farm and Ranch	42.5%	43.5%	43.5%	42.6%	40.3%	40.6%	40.7%	38.1%
Towns and Subdivisions	23.6%	23.5%	23.4%	24.1%	22.2%	22.1%	22.7%	20.3%
Irrigation	1.1%	2.7%	4.1%	1.9%	4.6%	5.1%	3.6%	6.5%
Small Commercial	4.8%	7.5%	7.7%	7.7%	7.3%	7.0%	7.1%	8.7%
Large Commercial	20.2%	12.9%	11.1%	12.1%	13.7%	13.3%	13.3%	12.6%
Public Buildings	0.2%	0.1%	0.3%	0.3%	0.3%	0.4%	0.4%	0.3%
Oil Wells	6.1%	8.2%	8.5%	9.7%	10.1%	10.2%	11.0%	12.2%
Other Revenue	1.5%	1.6%	1.4%	1.6%	1.5%	1.3%	1.2%	1.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

2011 MINUTES

KARNES ELECTRIC COOPERATIVE, INC. ANNUAL MEMBERSHIP MEETING

Karnes City, Texas • June 6, 2011

The Annual Membership Meeting of Karnes Electric Cooperative, Inc. was held at the Karnes City High School Auditorium in Karnes City, Texas, on Monday, June 6, 2011.

President Arlon Retzlöff awarded three punctuality prizes to open the meeting.

President Retzlöff then called the meeting to order. He announced that 189 members were registered and that a quorum was present.

Director David C. Davidson then gave the invocation. A video of the National Anthem followed.

President Retzlöff then welcomed everyone and introduced the special guests in attendance.

Secretary-Treasurer Larry R. Schendel then read the official notice of the meeting.

President Retzlöff then asked those in attendance if they wished to dispense with the reading of the minutes from the June 7, 2010, Annual Meeting or have them read at this time. Upon motion made and seconded, the members voted to dispense with the reading of the minutes and to accept the minutes as mailed. Motion carried.

At this time President Retzlöff turned the meeting over to Attorney Robert L. Busselmann to conduct the election of directors.

Attorney Busselmann recognized the candidates for director of District No. 3 and asked if there were any nominations from the floor for that district. He 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.

Attorney Busselmann then recognized the candidates for director of District No. 7 and asked if there were any nominations from the floor for that district. He 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.

President Retzlöff recognized the Canvassing Committee and instructed all the voting members to mark their ballots. The ballots were collected by Attorney Busselmann and the Canvassing Committee, who then retired to count the votes.

Secretary-Treasurer Schendel then gave the Cooperative's Treasurer's Report for the year 2010. He reported that the Cooperative remains financially sound and that it ended the year with an equity ratio of 52.9%, total margins of \$4,475,765, outstanding long-term debt of \$28,312,081, and total assets of \$78,168,928. He also reported that the Cooperative refunded Capital Credits in 2010 in the amount of \$294,975, bringing the total refunded to date to \$3,995,151.

President Retzlöff presented his annual management report. He focused on the looming electricity generation shortage facing our nation and the tighter governmental regulations and the high cost of complying with those regulations. He also mentioned the ongoing battle between the U.S. Environmental Protection Agency and the Texas Commission on Environmental Quality over the air permitting process in Texas.

General Manager Skloss then presented his annual management report. He took the opportunity to highlight the activity in Karnes Electric's own service territory. He spoke about the rolling blackouts

that occurred in February, the increased theft of copper from the Cooperative's electric system, and the oil activity created by the Eagle Ford Shale discovery throughout the Cooperative's service area. He also mentioned that the Internet partnership with Guadalupe Valley Electric Cooperative, Inc. continues to do very well.

General Manager Skloss continued his report by stating that over the past 14 years the Cooperative has awarded a total of 140 scholarships totaling \$100,200. He then recognized the 2011 winners of 10 \$1,000 Karnes Electric Scholarships. This year's winners are:

Peyten (Maggie) Holz	<i>Falls City High School</i>
Brady Labus	<i>Karnes City High School</i>
Dayna Revae Leal	<i>Poteet High School</i>
Kaylee D. Lyssy	<i>Poth High School</i>
Amy Marie Orth	<i>Poth High School</i>
Courtney Schaub	<i>Pleasanton High School</i>
Kalyn Sisti	<i>Floresville High School</i>
Elizabeth Stulting	<i>Falls City High School</i>
James Boyd Vaughan	<i>Karnes City High School</i>
Megan Zunker	<i>Falls City High School</i>

He also recognized this year's winners of the Texas Electric Cooperatives Loss Control Program education scholarship in the amount of \$325 each: Nicole Biela and Brady Labus of Karnes City; Matt Wiatrek of Falls City; Bianca Lopez of Pleasanton; and Cody Royal of Uvalde.

The management report concluded with the recognition of the following employees for their dedicated service to Karnes Electric Cooperative: Brenda Biela, Tammy Labus, and Edwin Moy—25 years; Harvey Broll and Yolanda Lott—15 years; Steve Jonas—10 years.

Director Frank A. Geyer Jr. was also recognized for 20 years of dedicated service to the cooperative.

General Manager Skloss then thanked the membership for their support, the Board of Directors for their guidance, and the Karnes City ISD for the use of its facilities.

President Retzlöff then asked if there was any other business to come before the meeting. There being no further business to come before the meeting, President Retzlöff recessed the meeting for a short intermission.

The meeting reconvened. President Retzlöff called upon Attorney Robert L. Busselmann to report the official election results:

District No. 3	Frank A. Geyer Jr.	159
	Margarito Rodriguez	23
District No. 7	Arlon Retzlöff	158
	H.H. (Harvey) Harkins	21

President Retzlöff then asked if there was any additional business to come before the meeting. There being no further business, upon motion made, seconded, and carried, the meeting adjourned.

President Retzlöff then conducted the drawing for door prizes. A combination of 60 household appliances, hand tools and gift certificates were awarded.



ARLON RETZLOFF
President



LARRY R. SCHENDEL
Secretary-Treasurer