

# KARNES ELECTRIC COOPERATIVE, INC. ANNUAL MEETING OF MEMBERS

Monday, June 2, 2014 • 7 p.m.

## PROGRAM

- |                                  |   |                                   |                                  |
|----------------------------------|---|-----------------------------------|----------------------------------|
| 1. Drawing of Punctuality Prizes | 6. Secretary's Report of Number Present/Reading of Notice | 9. Naming of Canvassing Committee | 14. Intermission                 |
| 2. Call Meeting to Order         | 7. Approval of 2013 Annual Meeting Minutes                | 10. Treasurer's Report            | 15. Report of Election           |
| 3. Invocation                    | 8. Election of Directors/Nominations from Floor           | 11. President's Annual Report     | 16. Adjournment of Meeting       |
| 4. Welcome Address               |   | 12. Manager's Report              | 17. Drawing of Attendance Prizes |
| 5. Introduction of Guests        |   | 13. Other Business                |                                  |

## EMPLOYEES

EMPLOYEE	TITLE	YEARS OF SERVICE	EMPLOYEE	TITLE	YEARS OF SERVICE
Arrieta, Michael	Apprentice Lineman	*	Kerlick Jr., Lee Roy	Operations Superintendent/Safety Coordinator	40
Barrientez, Sonny	1st Class Lineman	17	Korzekwa, Russell	Serviceman	12
Bazan, Robert	Serviceman	26	Kotzur, Barbara	Billing Clerk	6
Benavides, Barbara	Billing Clerk	31	Labus, Tammy D.	Data Processing Director	28
Biela, Brenda	Lead Member Service Representative	28	Lopez, Hector	Mechanic B.	11
Bierstedt, Bradley	Assistant to the General Manager	2	Lott, Yolanda G.	Lead Member Service Representative	18
Broll, Harvey J.	Apparatus Maintenance/Serviceman	18	Miranda, Mary Lou	Member Support Representative	29
Brysch, Karen	Billing Supervisor	14	Moy, Edwin J.	Staking Superintendent	28
Buehring, Mary Ann	Engineering Assistant	1	Mueller, Rebecca D.	Member Service Representative I.	17
Camber, Leon Roy	Purchasing Agent	35	Orszulak, Brenda G.	Mapping Technician	*
Cardaway Jr., Allen	Groundman	*	Ortiz, Randy M.	Apprentice Lineman	1
Cepedia, Demetrio	Meter Reader	1	Pacheco, Ernest	Serviceman	25
Cumpian, Esperanza	Member Service Representative III	4	Pacheco, Nicholas	Apprentice Lineman	*
Currie, Fredrick T.	ROW Location Coordinator	6	Palacios, Spencer	Groundman	2
De La Garza, Adolfo	Warehouse Clerk	20	Palermo, Kevin	Apprentice Lineman	2
Dragon, Peter J.	Construction Foreman	35	Pawelek, Donna	Engineering Information Coordinator	27
Ebrom, Cory, J.	Material and W.O. Clerk	10	Pawelek, Gary W.	Construction Foreman	22
Escandon, Joe	Construction Foreman	14	Quintanilla, Brenda	Work Order Clerk	11
Freisenhahn, Suzanne	Member Records Clerk II.	1	Reyes, Joe M.	Meter Reader	36
Gandy, Bryan L.	Right-of-Way Assistant	*	Reyna, Thelma	Member Service Representative III.	1
Garcia, Pedro M.	Aerial Basket Operator	9	Rodriguez, Paul A.	Apprentice Lineman	2
Garcia, Richard J.	Apprentice Lineman	2	Royal, Clint D.	Serviceman	15
Garza, Fernando	Meter Reader	6	Sauceda, Daniel	District Manager-Pleasanton	36
Garza, Matthew B.	Groundman	2	Scheffler, Janet	Office Manager	41
Gonzales, Jesse	Serviceman	11	Scheffler, Peter	Staking Technician	27
Gray, Justin	2nd Class Lineman	3	Sizemore, Sonya	Member Service Representative II.	3
Hilbig, Judy Lynn	Member Service Representative III.	1	Skloss, Leroy	General Manager	40
Hill, Travis Charles	Groundman	1	Stulting Jr., Howard A.	Dozer Operator	9
Janacek, Matthew	Apprentice Lineman	2	Torres, Rudolfo	Aerial Basket Operator	7
Janysek, Emily	Member Records Clerk I	11	Vajdos, Christopher	Warehouse Clerk	1
Janysek, Patrick G.	Line Superintendent	26	Villareal, Eliseo Jr.	Meter Reader	2
Jaskinia, Joshua B.	Apprentice Lineman	*	Wiatrek, Bonnie	Administrative Assistant	29
Jendrusch, Timothy	Mechanic B.	*	Wilson, William David	IT Coordinator	*
Jonas, Steve	1st Class Lineman	13	Woelfel, Darlene	Accountant	29
Jurgaitis, Teren	2nd Class Lineman	7	Woelfel, Quintus	Shop Foreman	26
Kelley, Glenn	2nd Class Lineman	3			

\* Indicates less than 1 year of service on 12/31/2013

## EMPLOYEE AND DIRECTOR SERVICE AWARDS

Lee Roy Kerlick Jr. .... 40 Years	Arlon Retzloff, Director ..... 35 Years	Adolfo De La Garza ..... 20 Years
Leroy T. Skloss ..... 40 Years	Joe Reyes ..... 35 Years	Clint Royal ..... 15 Years
Leroy Camber ..... 35 Years	Martin R. Harris Jr., Director . 25 Years	Cory Ebrom ..... 10 Years
Peter Dragon ..... 35 Years	Ernest Pacheco ..... 25 Years	

## REPORT OF THE PRESIDENT AND GENERAL MANAGER



**ARLON RETZLOFF**  
*President*



**LEROY T. SKLOSS**  
*General Manager*

We would like to invite you to your 76th annual meeting of Karnes Electric Cooperative, Inc. It is hard to believe that it's been a year since we celebrated our 75th anniversary. Even though time passes faster than we all would like, our main priority of providing safe, reliable electricity at an affordable price has not changed. Karnes Electric has only had two rate increases since 1975. The latest increase came during 2009.

Because you belong to a cooperative, you can be sure that the cost of your electric service is based solely on the cost of power, service and necessary capital improvements. After all financial obligations, including debt service, were met in a timely manner, and all operating expenses and construction costs were paid, the cooperative realized a healthy margin. The cooperative continues to be a strong and financially sound electric utility.

The cooperative continues to work with a large number of prominent and successful companies who have arrived to develop the Eagle Ford Shale throughout the cooperative's service area. In addition to the oil field-related requests for service, we have experienced an increase in residential and commercial growth.

In the last couple of years, we have added seven new substations and, during 2013, new service was extended to 1,000 new locations, bringing the total number of meters served to 18,315. We added 110 miles of overhead and underground lines for a total of 4,187 miles of energized line.

The cooperative established a record system peak demand of 119,884 megawatts and an all-time record of 505,145,301 kilowatt-hours sold—a 35.6 percent increase over 2012. The average rate you paid for power in 2013 was 9.48 cents per kWh, compared to 9.76 cents per kWh in 2012.

In September 2013, the board of directors authorized the retirement of \$415,352 in capital credits. Since 1989, your

cooperative has returned \$4,636,127 in capital credits to the membership.

In November, the National Rural Electric Cooperative Association awarded KEC the National Safety Accreditation distinction. The program involves an on-site facility inspection, a review of compliance and loss-control sample documents and a six-year traceable history of safety training, safe work practices, and public education and training. This was the cooperative's eighth National Safety Accreditation Award. This Safety Accreditation benefits our employees, our members and the public.

In December, the cooperative's employees successfully reached 300,000 hours of work without any lost-time accidents. The last lost-time accident was recorded in October 2011. Our safety program has been helpful in the cooperative's effort to make KEC an accident-free workplace. It not only helps ensure the safety of our employees, but also the public.

On behalf of the board of directors, management and employees, we would like to express our appreciation to you for allowing the cooperative to serve you for the past 76 years.

The 2014 annual meeting will be held Monday, June 2, 2014, at 7 p.m. at the Karnes City High School Auditorium in Karnes City. We look forward to seeing you there!

A handwritten signature in blue ink that reads "Arlon Retzloff".

**ARLON RETZLOFF**, *President*

A handwritten signature in blue ink that reads "Leroy T. Skloss".

**LEROY T. SKLOSS**, *General Manager*

## BOARD OF DIRECTORS



PAUL T. BRYSCH JR.



DAVID C. DAVIDSON



FRANK A. GEYER JR.



MARTIN R. HARRIS JR.



SHIRLEY HOFMANN

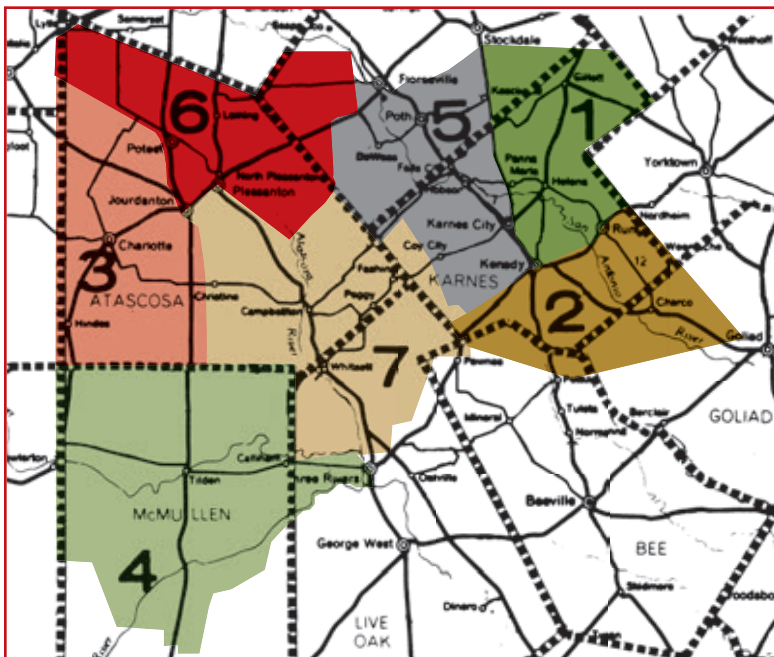


ARLON RETZLOFF



LARRY R. SCHENDEL

## DIRECTOR DISTRICTS



DISTRICT	DIRECTOR	TERM EXPIRES
1	LARRY R. SCHENDEL	2016
2	SHIRLEY HOFMANN	2015
3	FRANK A. GEYER JR.	2014
4	MARTIN R. HARRIS JR.	2016
5	PAUL T. BRYSCH JR.	2015
6	DAVID C. DAVIDSON	2015
7	ARLON RETZLOFF	2014

## FINANCIAL INFORMATION

### STATEMENT OF INCOME AND PATRONAGE CAPITAL

*Years Ended December 31, 2013 and 2012*



**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, 2013. We received a clean opinion on that audit. The complete audit report is on file at the headquarters office.

**LARRY R. SCHENDEL**  
*Secretary-Treasurer*  
Karnes Electric Cooperative, Inc.

	YEARS ENDED DECEMBER 31	
	2013 AMOUNT	2012 AMOUNT
<b>OPERATING REVENUES</b>		
Residential .....	\$19,231,949	\$18,543,424
Irrigation .....	2,105,363	1,726,544
Commercial and Industrial .....	26,547,004	16,096,428
Rent from Electric Property and Other Electric Revenue .....	36,190	36,190
Other .....	<u>461,615</u>	<u>430,090</u>
Total Operating Revenues .....	<u>\$48,382,121</u>	<u>\$36,832,676</u>
<b>OPERATING EXPENSE</b>		
Purchased Power .....	\$33,576,949	\$24,385,144
Distribution—Operation .....	910,213	678,831
Distribution—Maintenance .....	2,021,073	1,702,567
Consumer Accounts .....	1,901,755	1,653,205
Administrative and General .....	1,716,385	1,766,083
Depreciation and Amortization .....	2,093,881	1,911,277
Taxes .....	130,572	114,376
Other Interest Expense .....	<u>3,367</u>	<u>2,887</u>
Total Operating Expenses .....	<u>\$42,354,195</u>	<u>\$32,214,370</u>
<b>OPERATING MARGINS</b>		
Before Fixed Charges .....	<u>\$ 6,027,926</u>	<u>\$ 4,618,306</u>
<b>FIXED CHARGES</b>		
Interest on Long-Term Debt .....	<u>\$ 1,235,507</u>	<u>\$ 1,343,034</u>
<b>OPERATING MARGINS</b>		
After Fixed Charges .....	\$ 4,792,419	\$ 3,275,272
Capital Credits .....	<u>2,341,672</u>	<u>2,064,966</u>
NET OPERATING MARGINS .....	<u>\$ 7,134,091</u>	<u>\$ 5,340,238</u>
<b>NONOPERATING MARGINS</b>		
Interest Income .....	\$ 180,062	\$ 190,101
Other Nonoperating Income (Loss) .....	<u>166,649</u>	<u>140,250</u>
.....	<u>\$ 346,711</u>	<u>\$ 330,351</u>
NET MARGINS .....	<u>\$ 7,480,802</u>	<u>\$ 5,670,589</u>
<b>COMPREHENSIVE INCOME</b>		
Minimum Pension Liability .....	<u>533,938</u>	<u>(31,685)</u>
COMPREHENSIVE INCOME (LOSS) .....	\$ 8,014,740	\$ 5,638,904
Minimum Pension Liability .....	<u>(533,938)</u>	<u>31,685</u>
INCREASE IN PATRONAGE CAPITAL .....	\$ 7,480,802	\$ 5,670,589
PATRONAGE CAPITAL—Beginning of Year .....	46,810,448	41,531,381
PATRONAGE CAPITAL RETIRED .....	<u>(417,791)</u>	<u>(391,522)</u>
PATRONAGE CAPITAL—End of Year .....	<u>\$53,873,459</u>	<u>\$46,810,448</u>

## FINANCIAL INFORMATION

### BALANCE SHEET

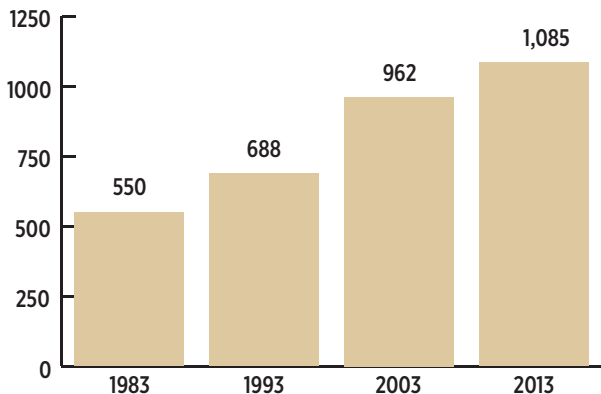
*As of December 31, 2013 and 2012*

	2013	DECEMBER 31 2012
<b>ASSETS</b>		
UTILITY PLANT AT COST		
Electric Plant in Service .....	\$126,692,700	\$105,215,587
Construction Work in Progress .....	6,083,047	6,007,012
Aid-to-Construction .....	<u>(54,584,195)</u>	<u>(35,811,961)</u>
	\$ 78,191,552	\$ 75,410,638
Less: Accumulated Provision for Depreciation .....	<u>8,599,910</u>	<u>10,332,652</u>
	<u>\$ 69,591,642</u>	<u>\$ 65,077,986</u>
OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE		
Investments in Associated Organizations .....	\$ 20,651,075	\$ 18,597,407
Investments in Affiliated Company .....	750,334	583,895
Other Investments .....	<u>250,000</u>	<u>225,000</u>
	<u>\$ 21,651,409</u>	<u>\$ 19,406,302</u>
CURRENT ASSETS		
Cash—General .....	\$ 3,353,588	\$ 1,339,959
Cash—Aid-to-Construction .....	2,875,454	13,698,323
Temporary Cash Investments .....	11,500,000	
Short-Term Investments .....	200,000	2,200,000
Accounts and Notes Receivable (less allowance for uncollectibles of \$4,475 in 2013 and \$20,441 in 2012) .....	3,986,895	2,567,536
Materials and Supplies at Average Cost .....	1,537,623	1,638,517
Other Current and Accrued Assets .....	<u>476,936</u>	<u>95,512</u>
	<u>\$ 23,930,496</u>	<u>\$ 21,539,847</u>
DEFERRED CHARGES .....		<u>\$ 38,864</u>
TOTAL ASSETS .....	<u>\$115,173,547</u>	<u>\$106,062,999</u>
<b>EQUITIES AND LIABILITIES</b>		
EQUITIES		
Memberships .....	\$ 88,555	\$ 88,010
Patronage Capital .....	53,873,459	46,810,448
Accumulated Comprehensive Income (Loss)		
Minimum Pension Liability Adjustment .....	(2,070,770)	(2,604,708)
Other Equities .....	<u>279,378</u>	<u>280,378</u>
	<u>\$ 52,170,622</u>	<u>\$ 44,574,128</u>
LONG-TERM DEBT		
RUS Mortgage Notes Less Current Maturities .....	\$ 7,027,385	\$ 7,395,276
FFB Mortgage Notes Less Current Maturities .....	16,941,570	14,719,522
CFC Mortgage Notes Less Current Maturities .....	1,502,112	1,703,083
CoBank Mortgage Notes Less Current Maturities .....	<u>3,633,294</u>	<u>4,221,299</u>
	<u>\$ 29,104,361</u>	<u>\$ 28,039,180</u>
ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS .....		
Minimum Pension Liability .....	<u>\$ 1,887,331</u>	<u>\$ 2,594,459</u>
	<u>\$ 1,887,331</u>	<u>\$ 2,594,459</u>
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt .....	\$ 1,417,800	\$ 1,335,000
Accounts Payable .....	4,353,963	11,674,148
Accounts Payable—Purchased Power .....	3,608,858	2,294,957
Consumer Deposits and Prepayments .....	3,042,282	2,445,877
Accrued Taxes .....	322,797	292,174
Other Current and Accrued Liabilities .....	<u>60,705</u>	<u>234,189</u>
	<u>\$ 12,806,405</u>	<u>\$ 18,276,345</u>
DEFERRED CREDITS .....	19,204,828	12,578,887
Total Equities and Liabilities .....	<u>\$115,173,547</u>	<u>\$106,062,999</u>

## HOW YOUR CO-OP HAS GROWN

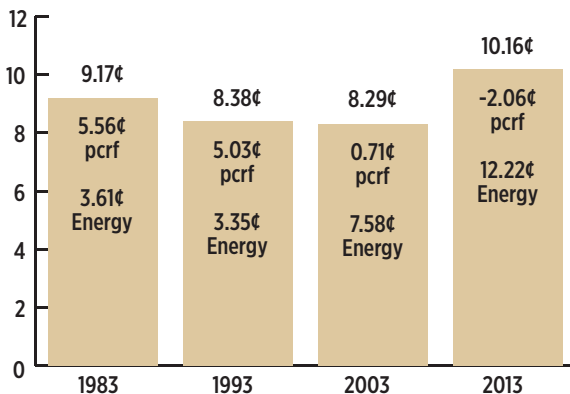
### AVERAGE MONTHLY KWH USAGE PER CONSUMER

(Residential Classification)



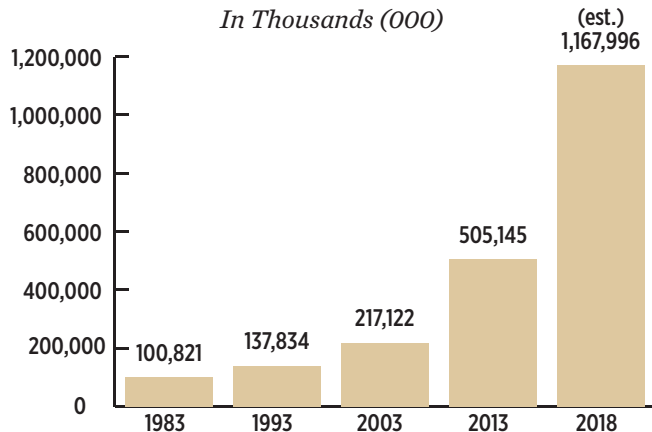
### AVERAGE MONTHLY KWH COST PER CONSUMER

(Residential Classification)

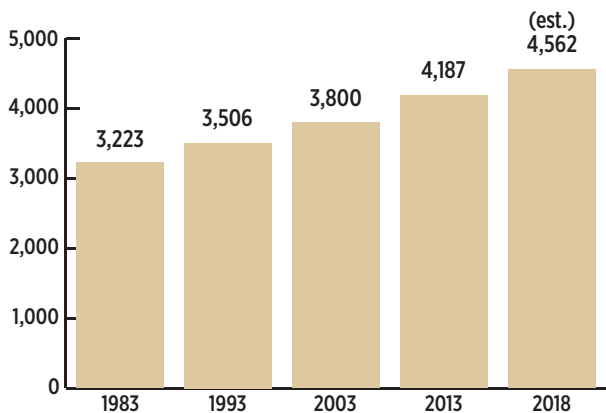


### ANNUAL KWH SALES

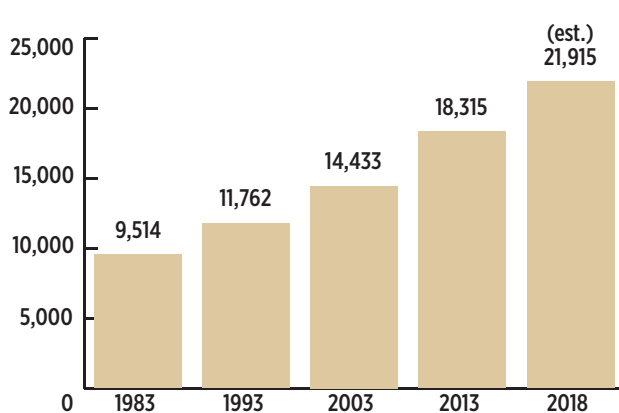
In Thousands (000)



### 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
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¢
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¢

## WHERE YOUR REVENUE CAME FROM

	2006	2007	2008	2009	2010	2011	2012	2013
Farm and Ranch	43.5%	42.6%	40.3%	40.6%	40.7%	38.1%	32.8%	26.0%
Towns and Subdivisions	23.4%	24.1%	22.2%	22.1%	22.7%	20.3%	17.6%	13.8%
Irrigation	4.1%	1.9%	4.6%	5.1%	3.6%	6.5%	4.7%	4.4%
Small Commercial	7.7%	7.7%	7.3%	7.0%	7.1%	8.7%	12.8%	13.8%
Large Commercial	11.1%	12.1%	13.7%	13.3%	13.3%	12.6%	13.9%	19.0%
Public Buildings	0.3%	0.3%	0.3%	0.4%	0.4%	0.3%	0.3%	0.2%
Oil Wells	8.5%	9.7%	10.1%	10.2%	11.0%	12.2%	16.7%	21.7%
Other Revenue	1.4%	1.6%	1.5%	1.3%	1.2%	1.3%	1.2%	1.1%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## 2013 MINUTES

### KARNES ELECTRIC COOPERATIVE, INC., ANNUAL MEMBERSHIP MEETING

*Karnes City, Texas • June 3, 2013*

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 3, 2013.

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

Mr. Retzlloff then called the meeting to order and announced that 183 members were registered and that a quorum was present.

Director David C. Davidson then gave the invocation.

A video entitled "Purpose" then followed.

Mr. Retzlloff welcomed everyone and introduced the special guests in attendance.

Secretary-Treasurer Larry R. Schendel was given the floor and read the official notice of the meeting.

Mr. Retzlloff then asked those in attendance if they wished to dispense with the reading of the minutes from the June 4, 2012, annual meeting or have them read at this time. Mr. Weldon Coldiron, a KEC member, asked to be recognized and stated that he wanted the 2012 minutes corrected to reflect his statement from last year "that his civil rights were being violated by the policies of the cooperative." He then made a motion to include his statement in the minutes. The motion failed due to the lack of a second. A motion was then made, and seconded, to dispense with the reading of the minutes and approve them as mailed. Motion carried.

At this time Mr. Retzlloff recognized the Canvassing Committee and turned the meeting over to Attorney Shawn P. St. Clair to conduct the election of directors.

Mr. St. Clair recognized the candidates for director of District No. 1 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 as placed on the ballot by the Nominating Committee.

Mr. St. Clair then recognized the candidates for director of District No. 4 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 as placed on the ballot by the Nominating Committee.

Mr. St. Clair instructed all the voting members to mark their ballots. The ballots were collected by Mr. St. Clair and the Canvassing Committee, who then retired to count the votes.

Mr. Schendel then gave the Cooperative Treasurer's Report for the year 2012. He reported that the Cooperative remains financially sound and ended the year with an equity ratio of 57.9 percent and total margins of \$5,670,589. The Cooperative finished the year with a total outstanding long-term debt of \$28,039,180 and total assets of \$106,062,999. He also reported that the Cooperative refunded Capital Credits in 2012 in the amount of \$390,077, bringing the total refunded to date to \$4,700,792.

President Retzlloff presented his annual report and focused on the efforts of two individuals, Romeo Korth and Benedict (Ben) Urbanczyk, who, along with others, were instrumental in the formation of Karnes Electric Cooperative, Inc. On September 17, 1938, the first board of directors was elected and the first lights were turned on at the home of H.B. Armstrong on February 1, 1940. He also mentioned that the cooperative's power supplier has announced the construction of a new 225-megawatt gas generation project that will be built in the Rio Grande Valley.

Mr. Skloss then presented his annual management report. He talked about the impact the Eagle Ford Oil activity is having on our system. During the past two years we have built seven new substations, 104 miles of new line, and 1,557 new accounts have been added. In addition, we have upgraded or rebuilt 86 miles of existing power lines. He thanked the membership and employees for their cooperation in making these changes and additions possible.

Mr. Skloss continued his report by stating that over the past 16 years the Cooperative has awarded a total of 160 scholarships, totaling \$120,200. He then recognized the following ten 2013 winners of \$1,000 Karnes Electric Scholarships:

Gabriella Brooks, Pleasanton High School

Kaleigh Jarzombek, Poth High School

Molly Jarzombek, Poth High School

Luke Jimerson, Falls City High School

Hailey Johnson, Karnes City High School

Kelli Kolodziej, Poth High School

Robert Molina, Runge High School

Sarah Pruski, East Central High School

Preston H. Weden, Jourdanton High School

Katy Wiatrek, Falls City High School

He then recognized this year's winners of the Texas Electric Cooperatives Loss Control Program educational scholarships in the amount of \$500 each: Lucas Janysek, Joseph Pacheco and Lani Pitts, all of Karnes City High School.

The management report concluded with the recognition of the following employees for their dedicated service to Karnes Electric Cooperative:

Janet Scheffler, 40 years

Daniel Saucedo, 35 years

Barbara Benavides, 30 years

Quint Woelfel, Patrick Janysek and Robert Bazan, 25 years

Brenda Quintanilla, Jesse Gonzales, Emily Janysek and Hector Lopez, 10 years

Barbara Kotzur, Fred Currie and Fernando Garza, 5 years

Director Shirley Hofmann was recognized for 15 years of service to the cooperative.

Mr. 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 Retzlloff then asked if there was any other business to come before the meeting. Mr. Coldiron once again asked to be given the floor. Mr. Coldiron thanked the meter readers and servicemen for their work and then went on to suggest that future annual meetings be taped and video-recorded instead of just using written minutes to record the meeting. Mr. Retzlloff stated that the board would take his suggestion under advisement.

There being no further business to come before the meeting, Mr. Retzlloff recessed the meeting for a short intermission.

The meeting reconvened. Mr. Retzlloff called upon Mr. St. Clair to report the official election results:

<b>District No. 1</b>	<b>Larry R. Schendel</b>	148
	<b>Daniel Leal</b>	26
<b>District No. 4</b>	<b>Martin R. Harris Jr.</b>	144
	<b>David M. Longan</b>	23

Mr. Retzlloff 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.

Brad Bierstedt, Assistant to the General Manager, then conducted the drawing for door prizes. A combination of 57 household appliances and hand tools were awarded.



**Arlon Retzlloff**  
President



**Larry R. Schendel**  
Secretary-Treasurer