

Liberty and a Better Life for All



MESSAGE FROM GENERAL MANAGER LEROY T. SKLOSS

Every July, we take time to reflect on our country's history and remember how the actions of a few helped shape the way we live today. I think back on the rich history of the electric cooperative movement and how a small group of determined individuals were able to improve the quality of life for themselves and their descendants.

Every day, Karnes Electric Cooperative's members and employees build on the legacy of our cooperative founders. Because we are a part of an electric cooperative, we know that we have the power to shape our present and the future, just like those who came before us.

Through grassroots advocacy efforts, electric co-ops help influence policy decisions that will affect our communities now and for years to come. We are the catalyst for change in our communities. We leverage our collective power to get things done.

We work together, partnering with other co-ops, local businesses and community organizers to achieve economic development goals. We create better opportunities and improve the quality of life for our families and communities—just as our founding co-op members did.

We understand that the decisions we make today could greatly affect how future generations live, so we invest in energy-efficiency programs that protect our future generations while still providing high-quality, affordable electric power.

Cooperatives are helping to build the next generation of leadership through our Government-in-Action Youth Tour program—sending high school students to Washington, D.C., to meet with lawmakers and get an up-close view of how our govern-

ment functions. Youth Tour participants leave our nation's capital feeling energized and inspired to make a difference in their communities. We also support local youths by offering scholarships to help them afford quality educations.

These things, plus so much more, are what make up the cooperative difference. This Fourth of July, we think about the future of electric cooperatives and how we will continue to shape our country and our society. Karnes EC remembers what it took to bring power to our communities, and we will let the determination of those who came before us guide us.



For many homes, it began with a single lightbulb. Today, Karnes EC continues to improve the quality of life of our members—following in the footsteps of co-op founders.



How you use your thermostat is key to energy efficiency.

Summer Energy Efficiency: Myth vs. Fact

MYTH: When I'm not home, keeping my air conditioner at a lower temperature throughout the day means it doesn't have to run harder to cool my home when I return.

FACT: To save energy, set your thermostat to a higher temperature (85 degrees is recommended) when no one is home, and lower it to 78 degrees when you return home.

MYTH: Running ceiling fans will help keep empty rooms cooler.

FACT: Ceiling fans generate a wind-chill effect, cooling people, not rooms. Just like the lights, you should turn ceiling fans off when you exit a room.

MYTH: Time of day doesn't matter when it comes to running my appliances.

FACT: Time of day does matter when running electrical loads. To avoid peak times of use and save energy, take advantage of the delay setting and run your dishwasher at night.

MYTH: Bigger is always better when it comes to cooling equipment.

FACT: Too often, cooling equipment isn't sized properly and leads to higher electric bills. A unit that's too large for your home will not cool evenly and might produce higher humidity indoors.

Energy-Saving Tips for Summertime

The average home requires hundreds of dollars a year to pay for energy costs. Smart habits can lower your energy bills and help save the environment.

- ▶ Turn up your thermostat. Set your thermostat to 78 degrees when you are home and 85 degrees or off when you are away. Using ceiling or room fans allows you to set the thermostat higher because the air movement cools the room. Always take into account health considerations and be sure to drink plenty of fluids in warm weather.
- ▶ To help minimize peak loads for your electric cooperative, avoid running your appliances during peak hours, 4 to 6 p.m.
- ▶ Do your laundry efficiently by using the warm- or cold-water setting for washing your clothes. Always use cold water to rinse clothes.
- ▶ Line-dry clothes whenever you can. When you need to use the dryer, run full loads, use the moisture-sensing setting, and clean the lint trap after each use.
- ▶ Operate swimming pool filters and cleaning sweeps efficiently. Reduce the operating time of your pool filter and automatic cleaning sweep to four to five hours during off-peak time.



Using a microwave oven instead of the stove cuts cooking time and energy costs.

- ▶ Turn off appliances, lights and equipment when not in use.
- ▶ Unplug electronic devices and chargers when they aren't in use—most new electronics use electricity even when switched off. Turn computers and printers off at a power strip.
- ▶ Unplug and recycle any spare refrigerator in the garage if you don't really need it.
- ▶ Opt for a microwave. Nothing is more energy efficient for cooking than your microwave. It uses two-thirds less energy than your stove.
- ▶ Push a button to wash your dishes. It may come as a surprise to know that your dishwasher can use less water than washing dishes by hand. But remember to only wash full loads and then let dishes air-dry to save even more.
- ▶ Fill up the fridge. Having lots of food in your fridge keeps it from warming up too fast when the door is open, so your fridge doesn't have to work as hard to stay cool. The same is true for the freezer, too.



Karnes Electric Cooperative

P.O. Box 7, Karnes City, TX 78118

GENERAL MANAGER

Leroy T. Skloss

BOARD OF DIRECTORS

Arlon Retzlöff, President, *Whitsett*
Martin R. Harris Jr., Vice President, *Tilden*
Larry R. Schendel, Secretary-Treasurer, *Runge*
Frank A. Geyer Jr., Assistant Secretary-Treasurer, *Charlotte*
Paul T. Brysch Jr., *Karnes City*
David C. Davidson, *Poteet*
Shirley Hofmann, *Runge*

COOPERATIVE OFFICES

Main Office

1007 N. Highway 123, Karnes City

District Office

1824 W. Goodwin, Pleasanton

Pay your bill, submit meter readings and view your account summary at karnesec.org.



Contact Us

For information and outages during office hours

(830) 780-3952 Karnes City

(830) 569-5538 Pleasanton

1-888-807-3952 Toll-free

To report a power outage after 5 p.m. and on weekends and holidays

(830) 780-3952

Coy City, Ecleto, Floresville, Gillette, Goliad, Karnes City, Kenedy, Runge, Three Rivers, Tilden and surrounding areas

(830) 569-5538

Charlotte, Christine, Pleasanton, Poteet, Verdi and surrounding areas

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karnesec.org



▲ Cory Ebrom, Ernest Pacheco, Leroy Camber, Joe Reyes, Adolfo De La Garza, Peter Dragon, and Lee Roy Kerlick Jr. received service awards.



Karnes Electric Cooperative 2014 Annual Meeting

Karnes Electric Cooperative, Inc., celebrated 76 years of providing electric utility service at the June 2 annual membership meeting held at Karnes City High School Auditorium. Members and guests gathered to exercise their rights as member-owners of the cooperative, and also had a chance at receiving one of 60 door prizes awarded.

KEC President Arlon Retzloff called the meeting to order at 7 p.m. Director David C. Davidson opened with an invocation. KEC Secretary-Treasurer Larry Schendel presented the financial report and noted that the cooperative's 2013 annual report could be found in the June 2014 edition of Texas Co-op Power.

Mr. Schendel reported that the cooperative remains financially sound, ending the year with a very strong equity ratio and total margins of \$7,480,802. The cooperative finished the year with a total outstanding long-term debt of \$30,522,161 and total assets of \$115,173,547.

Karnes EC refunded capital credits in 2013 in the amount of \$415,352. This increases the total amount of capital credits

returned to members to \$5,117,470. Mr. Schendel reminded those present that "This is a benefit of being a member-owner of this cooperative."

Mr. Arlon Retzloff then presented the president's report and gave an update on the national and local generation activities of our business. The national focus right now is on President Obama's plans to combat climate change, specifically the effect that proposed stringent emission standards will have on the coal and gas generation plants in operation today and the building of energy plants in the future. Today roughly 40 percent of the nation's electricity is generated by coal. The U.S. Energy Information Agency reports that the United States has 236 years remaining in recoverable coal reserves.

Mr. Retzloff urged members to help fight the EPA's proposal to regulate greenhouse emissions at power plants by joining with the Cooperative Action Network at action.coop and helping with the fight to keep our electric bills affordable.

The cooperative's power supplier, South Texas Electric Cooperative, Inc., is continually looking for ways to meet the

▼ Members register for the meeting.



▲ Government-In-Action Youth Tour winner, Abby Quintanilla, with Kevin Bazan, Loss Control Program scholarship recipient.



power demands of all its member cooperatives.

The focus of the meeting shifted to the general manager’s report with Leroy T. Skloss, general manager, reiterating the cooperative’s commitment to providing reliable and affordable power.

Mr. Skloss talked about the continuing impact of the Eagle Ford Shale activity on our system. Since 2010, Karnes EC has built seven substations and is looking at building two more; it has added 241 miles of new line and 2,593 new accounts. In addition, it has rebuilt 393 miles of existing power line.

Mr. Skloss reported on the automated meter reading system project that will be implemented in the near future. The plan is to have all 18,500 meters replaced within 15 months or less once the project gets underway.

This is the 17th year that the cooperative has awarded scholarships to graduating seniors who are children of KEC members. To date, the co-op has awarded 170 scholarships totaling \$130,200. The 2014 winners of 10 \$1,000 Karnes Electric Scholarships were recognized. This year’s winners are: Cheyenne Bandy, Adam Hill and Alexandra Roane, Pleasanton High School; Shianne Brysch, Alyssa Dziuk and Taylor Dziuk, Falls City High School; Chase Harrison, Jourdanton High School; Blake Lyssy and Audrey Raabe, Poth High School; and Leslee Ramon, Poteet High School.

Mr. Skloss also recognized this year’s winner of the Texas Electric Cooperatives Association Loss Control Program educational scholarship in the amount of \$600, Kevin Bazan of Pleasanton High School.

Mr. Skloss also announced that this year’s winner of the Government-in-Action Youth Tour contest is Abby Quintanilla of Karnes City High School.

The management report concluded with the recognition of the following employees for their dedicated service to Karnes Electric Cooperative: Mr. Skloss and LeeRoy Kerlick Jr., 40 years; Peter Dragon, Leroy Camber and Joe Reyes, 35 years; Ernest Pacheco, 25 years; Adolfo De La Garza, 20 years; Clint Royal, 15 years; and Cory Ebrom, 10 years.

Directors Martin R. Harris Jr. and Retzlöff also were recognized for their service to the cooperative: 25 and 35 years, respectively.

After a brief intermission, Mr. Shawn P. St. Clair, KEC attorney, gave the report of election of directors, announcing that Mr. Frank A. Geyer Jr., of Charlotte had been re-elected to serve District No. 3; and Mr. Retzlöff of Whitsett had been re-elected to serve District No. 7.

Thanks to all the members who attended this year’s meeting and helped make it a success. We look forward to seeing you again next year!

Karnes Electric Cooperative Awards Scholarships



Cheyenne Bandy



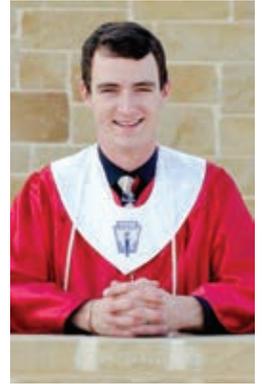
Shianne Brysch



Alyssa Dziuk



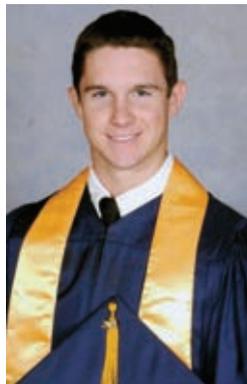
Taylor Dziuk



Chase Harrison



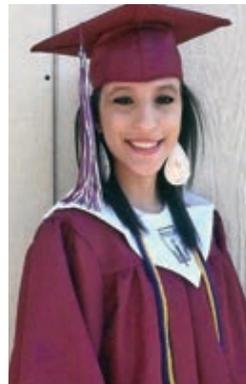
Adam Hill



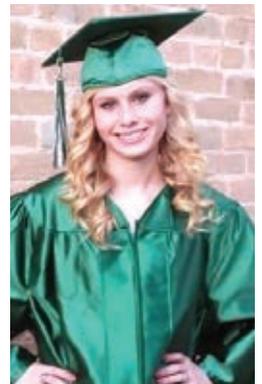
Blake Lyssy



Audrey Raabe



Leslee Ramon



Alexandra Roane

Karnes Electric Cooperative is pleased to announce the recipients of the 2014 KEC Scholarship Program for high school graduating seniors. This year, the scholarships will be awarded in the amount of \$1,000 each to the winners, who are all high school graduating seniors in Karnes EC's service area. To be eligible, each student must be the child of an active member receiving electric service from Karnes Electric Cooperative and have the desire to further their education.

This year, these 10 recipients were chosen from a field of highly qualified candidates. This award will assist these students in making their dreams of further education a reality.

Karnes Electric Cooperative wishes to congratulate these students on their accomplishments and for receiving these scholarships. We extend our congratulations and best wishes for the future endeavors of each and every senior of 2014.

SCHOLARSHIP RECIPIENTS

Cheyenne Bandy	Pleasanton
Shianne Brysch	Falls City
Alyssa Dziuk	Falls City
Taylor Dziuk	Falls City
Chase Harrison	Jourdanton
Adam Hill	Pleasanton
Blake Lyssy	Poth
Audrey Raabe	Poth
Leslee Ramon	Poteet
Alexandra Roane	Pleasanton

Preventing House Fires

Keep your home safe from fires all summer by taking a few easy steps to prevent them:

▶ Check your appliances for electrical cords that are loose or damaged. Sometimes you can have them repaired, but often the wear and tear that damages cords indicates it's time for new models.

▶ If you are hiding extension cords under carpets, remove them. Walking on cords can cause damage. Damaged cords can overheat and catch fire.

▶ Extension cords are not sturdy enough for year-round use. They're designed to temporarily add some reach to a regular-length cord for a few days or weeks, not for good. If you don't have enough easy-to-reach plugs, consider having an electrician install some more.

▶ Childproof your home's electrical receptacles with tamper-resistant plugs. Or replace your old outlets with new tamper-resistant models that prevent children from inserting objects into them.

▶ Don't overload your outlets. Just because a power strip has enough room for six to eight appliances doesn't mean the single outlet can handle the load.

▶ If an outlet or light switch feels warm when you touch it, or if turning on appliances and lights trips your circuits, call an electrician to resolve the problem.

▶ If your home is older, it might not have ground-fault circuit interrupters. Have them installed in bathrooms, the kitchen, laundry room, basement and outdoors—anywhere water might mix with electricity.



Even heavy-duty extension cords should only be used temporarily.



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This nation will remain the land of the free only so long as it is the home of the brave.

—Elmer Davis

★ ★ ★ ★ ★ ★ ★ ★

Our offices will be closed Friday, July 4, in observance of Independence Day.

Interested in a Wind Turbine?

Questions you should ask before you buy

The idea of generating your own electric power with a “backyard” renewable energy system is appealing to many. Small wind turbines are one of the most popular choices. Carefully research an installation and know the facts before buying one of these systems. You should get all details from the salesperson in writing and not depend on him or her as your sole source of information. Ask these questions before you commit:

1. How reliable is the rated energy output? How did you calculate the output? What wind speeds did you use?

Experts advise ignoring peak output provided by vendors. Rather, find out the turbine’s monthly or annual energy out-

from the turbine to alternating-current power on the grid) is not Underwriters Laboratories-listed, find another vendor. Most electric co-ops require that an inverter carry a UL 1741 certification for grid interconnection.

3. What is the estimated total installed cost? What does the turbine cost? What does the tower cost? How much is installation? How much will interconnection cost? How much maintenance will be required and what will it cost?

Budget for labor expenses as well as the cost of equipment rental, concrete and rebar, electrical components, shipping and sales tax. It adds up fast.

4. How long is the warranty? What does it cover? Parts? Labor? Can it be extended? If so, what will it cost?

Warranties usually range from one to five years. The longer the warranty, the better. Make sure the warranty covers labor and parts. Ask owners of wind systems purchased from the same vendor about performance and reliability before making a decision on an extended warranty, if available.

If you live in an area prone to lightning strikes, you should strongly consider the option of lightning protection.

5. How long has the vendor been in business? How many turbines have they sold? Have their turbines been certified? Can they perform maintenance, or is there another licensed repair technician in the area?

Look for vendors that have been in business for at least five years and ask for the names of at least two people who have installed similar-model wind turbines. Check with the references to ensure that they are happy. Ask them if there was anything they wish they had known before investing in a turbine.

6. What are your electric co-op’s interconnection policies? What will the co-op pay for any excess energy you may produce?

Electric cooperatives must provide all of their members with safe, reliable, affordable electric service. Most co-ops have interconnection policies designed to permit interested members to own their own generation without affecting the quality or cost of service received by other members. Knowing what those policies are before purchasing a wind turbine will help you better evaluate the full costs and benefits of the investment.

7. What local zoning laws, electrical codes, homeowners’ association requirements or other local laws and standards apply to wind turbines?

Some local zoning ordinances and homeowners’ association policies restrict the height of wind turbines or require that they be set back a specified distance from the property line. Those restrictions may prevent you from taking advantage of the best wind resources or may require extra time to pursue a waiver or exemption. Local electrical or building codes may also impose additional time or expense.

CENTRAL RURAL ELECTRIC COOPERATIVE/OKLAHOMA



This small wind turbine stands about 46 feet tall. Utility-scale wind turbines reach 300-foot heights.

put—in kilowatt-hours—for the average wind speed that you expect or have measured at your site.

2. Is the inverter UL-listed?

If the inverter (required to convert direct-current power



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