

The Unique Power of American Independence



MESSAGE FROM GENERAL MANAGER LEROY T. SKLOSS

THE FOURTH OF JULY IS A FESTIVE DAY on which we celebrate our nation's independence with family and friends. Typically, it is not a day of quiet reflection; we spend a lot of energy having fun, and if we give any thought to our forbearers and their determined efforts to bring about our nation's independence, it's fleeting.

An Independent Spirit Is a Part of Our DNA

However, it is worth reflecting that this uniquely American spirit of independence remains part of our collective DNA. More than 200 years after the United States was formed and the Declaration of Independence was crafted, this sense of independence has served us well.



By working together, Americans can increase energy efficiency and reduce energy consumption to become less reliant on imported energy.

For example, more than 70 years ago, an independent streak inspired groups of farmers across America's countryside to band together and improve their quality of life. Aside from President Franklin Roosevelt's promise of federal aid in the form of low-interest loans and engineering expertise, rural Americans had little help getting electricity to their homes. So, they did it themselves by pulling together and working cooperatively.

For the past 40-plus years, nearly every president since Richard Nixon has talked about the goal of U.S. energy independence—reducing our reliance on imported energy.

Today, we still have a way to go, but we are closer to that goal than ever before. We are exporting more gas and importing less foreign fuel than at any other time in recent memory.

American ingenuity in the form of new technology and innovation is opening up more options and spurring greater efficiency across all forms of energy.

The Road to Energy Independence

The best news is this: Consumers have an important role to play on the road to energy independence. They don't have to wait for Democrats and Republicans to agree, or environmentalists and fossil fuel advocates to reach consensus. Consumers can help by taking action in simple, practical ways—insulating and caulking around windows, doors and electrical outlets; washing clothes in cold water instead of hot; replacing air filters; installing programmable thermostats; and using more energy-efficient appliances and home heating and cooling systems. Efficiency efforts cut costs for individual households, but the collective benefit to our country is even greater.

If we all work together to achieve increased energy efficiency and reduce our overall energy consumption, we can make even more progress on our road toward energy independence. At Karnes Electric Cooperative, we want to be a resource for you in this effort.

Co-ops Provide Renewable Energy Resources

Electric co-ops across the country have been actively engaged in promoting renewable energy resources such as wind, solar, hydropower and biomass. Today, nearly 95 percent of the nation's 900-plus electric co-ops provide electricity produced by renewable sources, all playing a key role in powering rural America while fostering our nation's energy independence.

Recent advances in technology are transforming how we make and move electricity. Over time, these changes will greatly improve not only the efficiency but also the reliability of electric power.

So this Independence Day, as you gaze up at the fireworks lighting up the night sky, reflect on the enduring spirit of independence that is integral to our American character, and remember the ways you can contribute to our nation's energy independence.

GFCIs protect you from an electric shock by switching off the power when a change in the flow of electric current is detected.



A Two-Pronged Approach to Home Electrical Safety

CONSUMERS CAN DEPEND ON A PAIR of important safety devices to protect them from electrical hazards in the home: ground-fault circuit interrupters and arc-fault circuit interrupters. Each device protects against different dangers: GFCIs address shock hazards while AFCIs fight fire hazards.

Get Grounded

GFCIs have cut the number of home electrocutions by half since the inception of their widespread use, according to the Electrical Safety Foundation International. By detecting ground faults—an unintentional electric path between a source of current and a grounded surface—a GFCI protects you from severe or fatal electric shocks.

If you have ever experienced an electric shock, it probably happened because part of your body contacted an electrical current and provided a path for the current to go to ground. If your body provides the path, you could be seriously injured.

GFCIs constantly monitor electricity moving through a circuit. If the current flowing out differs from what's returning, the device quickly switches off power.

Fighting Fire

AFCIs help prevent home fires caused by arcing faults in damaged or deteriorated wires and cords. Home wiring problems are associated with more than 40,000 home fires each year, according to the Consumer Product Safety Commission. These fires kill more than 350 and injure 1,400 victims annually.

Nominal arcs may happen in the brushes of a vacuum sweeper or light switch, producing the small electric shocks that occasionally surprise us. More dangerous arcs can occur in frayed cords. When unwanted arcing occurs, it generates high temperatures that can ignite nearby combustibles such as wood, paper and carpets.

Conventional circuit breakers only respond to overloads and short circuits. By the time a fuse or circuit cuts power to defuse these conditions, a fire may have already started. AFCIs use unique current-sensing circuitry to discriminate between normal and unwanted arcing conditions. In the event of an arcing fault, the AFCI shuts off the electricity flowing through a circuit.

For more information on where to install GFCIs and AFCIs, visit the Consumer Product Safety Commission's website at cpsc.gov.

—ESFI



Karnes Electric Cooperative

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

GENERAL MANAGER

Leroy T. Skloss

BOARD OF DIRECTORS

Arlon Retzlloff, President, *Whitsett*
Paul T. Brysch Jr., Vice President, *Karnes City*
Larry R. Schendel, Secretary-Treasurer, *Runge*
Frank A. Geyer Jr., Assistant Secretary-Treasurer, *Charlotte*
Martin R. Harris Jr., *Tilden*
Shirley Hofmann, *Runge*
Clif Royal, *Pleasanton*

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

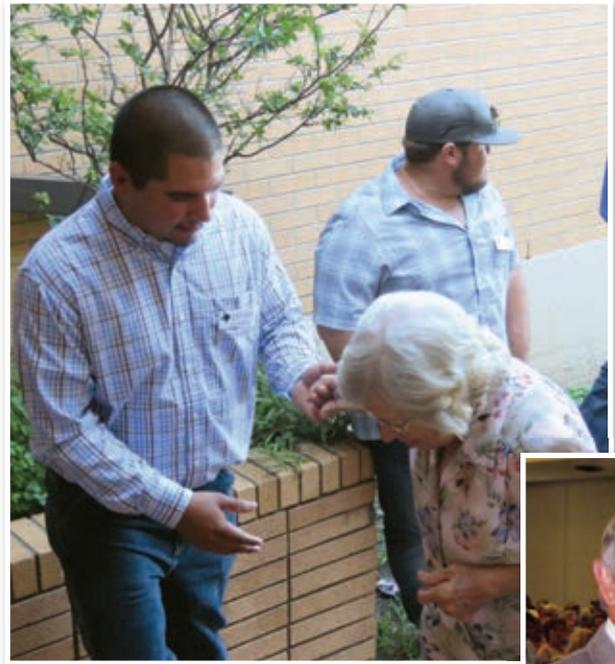
Coy City, Ecleto, Floresville, Gillette, Goliad, Karnes City, Kenedy, Runge, Three Rivers, Tilden and surrounding areas

(830) 569-5538

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

FIND US ON THE WEB
karnesec.org

▼ Future cooperative members help with the drawing for prizes.



▲ Paul Rodriguez lends a helping hand to Mrs. Bron Broll.
General Manager Leroy T. Skloss and Brad Bierstedt, assistant to the general manager ►



Karnes EC 2015 Annual Meeting

KARNES ELECTRIC COOPERATIVE CELEBRATED 77 YEARS of providing electric utility service June 1 at the annual membership meeting at the 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 61 door prizes.

Karnes EC President Arlon Retzloff called the meeting to order at 7 p.m., and Director Paul T. Brysch Jr. opened with an invocation. KEC Secretary-Treasurer Larry Schendel presented the financial report and noted that the cooperative's 2014 annual report could be found in the June 2015 edition of Texas Co-op Power.

Schendel reported that the cooperative remains financially sound, ending the year with a strong equity ratio and total margins of \$12,477,458. The cooperative finished the year with a total outstanding long-term debt of \$29,069,130 and total assets of \$124,732,334.

The cooperative returned capital credits totaling \$500,461. This increases the total amount of capital credits returned to members to \$5,618,356. "This is a benefit of being a member-owner of this cooperative," Schendel said.

Retzloff then presented the president's report, which

detailed the growth that the cooperative is still experiencing after 77 years of doing business. Maintaining an adequate power supply for co-op members is essential, and Karnes EC continues to work closely with its power supplier, South Texas Electric Cooperative, to ensure that the cooperative is able to provide that power at the lowest possible cost.

Making the task of providing affordable energy more difficult for the electric utility industry as a whole are stringent guidelines on carbon dioxide emissions that have been set by the Environmental Protection Agency. The state of Texas has been asked to shoulder a disproportionate share of the burden in reducing the nation's overall carbon dioxide emission levels. It is an uncertain future for the Texas coal industry, and the possible loss of economic benefits would have a significant impact on the state. Karnes EC has always maintained that a combination of power sources is the best approach to meeting the energy needs of the future and must continue to work toward achieving that goal.

Retzloff encouraged members to contact their elected representatives in Austin and Washington, D.C., and urge them to be careful with any legislation that they support or try to change because we, the members, are the ones who will be affected.



◀ President Arlon Retzlaff delivers his annual report.



▲ Members register for the annual meeting.



◀ Mary Lou Miranda, Karen Brysch, Pedro Garcia, Esperanza Cumpian, Darlene Woelfel and Bonnie Wiatrek receive awards for service milestones. Not pictured: Joe Escandon.

The focus of the meeting shifted to the general manager's report, with Leroy T. Skloss reflecting on the growth and changes that he has seen in the 25 years that he has managed the cooperative.

Skloss talked about the continuing effect of the Eagle Ford Shale activity on our system. While the cooperative experienced steady growth from 1991 to 2009, primarily through residential and limited commercial development, the accelerated growth did not begin until 2010, when the drilling activity ramped up, pipelines were laid, gathering facilities popped up and saltwater disposal wells were installed. Along with all that activity, various types of service companies moved in—all needing electricity. While the cooperative has seen some slowdown, it is now receiving requests for service to wells that had previously been using generators and now want to switch to more affordable electrical power.

Skloss reported on the automated meter reading system project that has, unfortunately, taken longer to implement than had been anticipated. He stated that the co-op does hope to have it underway before the end of 2015.

This is the 18th year that the cooperative is awarding scholarships to graduating seniors of KEC members. To date, the co-op has awarded a 180 scholarships totaling \$140,200. The 2015 winners of 10 \$1,000 Karnes Electric Scholarships were recognized. They are: **Chloe Wilson**, Falls City High School; **Kloe Burris** and **Allison Matocha**, Jourdanton High School; **Clara Gotthardt**, **Shannon Hons** and **Jacob Janysek**, Karnes City High

School; **Abby Dumas**, Pleasanton High School; **Jaelynn Guerra**, Poteet High School; **Shelby Yanta**, Poth High School; and **Emily Molina**, Runge High School.

It was announced that the 2015 winner of the Government-in-Action Youth Tour was **Rachel Raabe** of Poth High School. Skloss also recognized last year's winner, **Abby Quintanilla**, and shared a brief video presentation highlighting her trip to our nation's capital.

The following employees were recognized for reaching milestones in their dedicated service to Karnes EC: **Darlene Woelfel**, **Bonnie Wiatrek** and **Mary Lou Miranda**, 30 years; **Karen Brysch** and **Joe Escandon**, 15 years; **Pedro Garcia**, 10 years; and **Esperanza Cumpian**, five years.

Skloss concluded his report by announcing his retirement from Karnes Electric Cooperative, effective June 30, after 42 years of service. He also announced that **Brad Bierstedt** had been named as his successor and introduced him at the meeting. Skloss went on to thank everyone for their support throughout the years.

After a brief intermission, Carl Galant, Karnes EC's attorney, gave the election report, announcing that **Shirley Hofmann** of Runge was re-elected to the Karnes EC Board of Directors to serve District 2; **Paul T. Brysch**, Karnes City, was re-elected in District 5; and **Clif Royal**, Pleasanton, was elected in District 6.

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

Karnes EC Awards 10 Scholarships

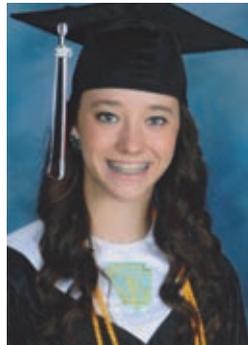
2015 high school graduates selected to receive \$1,000



Kloe Burris



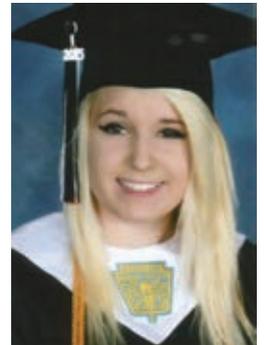
Abby Dumas



Clara Gotthardt



Jaelynn Guerra



Shannon Hons



Jacob Janysek



Allison Matocha



Emily Molina



Chloe Wilson



Shelby Yanta

KARNES ELECTRIC COOPERATIVE is pleased to announce the recipients of KEC's scholarships for high school seniors graduating in 2015. Each scholarship award is in the amount of \$1,000 and is awarded to graduates in Karnes EC's service area. To be eligible, the student must be a child of an active member receiving electric service from Karnes EC and have the desire to further his or her education.

The following 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:

- Kloe Burris** Jourdanton High School
- Abby Dumas** Pleasanton High School

- Clara Gotthardt**
- Jaelynn Guerra**
- Shannon Hons**
- Jacob Janysek**
- Allison Matocha**
- Emily Molina**
- Chloe Wilson**
- Shelby Yanta**

- Karnes City High School
- Poteet High School
- Karnes City High School
- Karnes City High School
- Jourdanton High School
- Runge High School
- Falls City High School
- Poth High School

Karnes EC congratulates these students on their accomplishments and for receiving these scholarships. Congratulations and best wishes for the future endeavors of each and every senior of 2015.

Texas Division of Emergency Management

Hurricane Preparedness Guidelines

Preparing for Hurricane Season: June 1–November 30

RESIDENTS OF TEXAS GULF COAST evacuation zones should BEGIN NOW by making an evacuation plan, preparing an emergency kit and learning evacuation routes well in advance.

If you have special health-care needs, register by dialing 2-1-1: Gulf Coast residents with special health-care needs (including those who are disabled or medically fragile) who live in evacuation zones and do not have friends or family to help in an evacuation should register for assisted transportation in advance by dialing 2-1-1. The 2-1-1 transportation assistance registry must be dialed IN ADVANCE. It is confidential. Do not wait until a storm is in the Gulf to register for assistance.

If you need transportation, register with 2-1-1: If you do not have a car or other vehicle, and you cannot get a ride with friends, neighbors or family, call to register IN ADVANCE for assisted transportation by dialing 2-1-1.

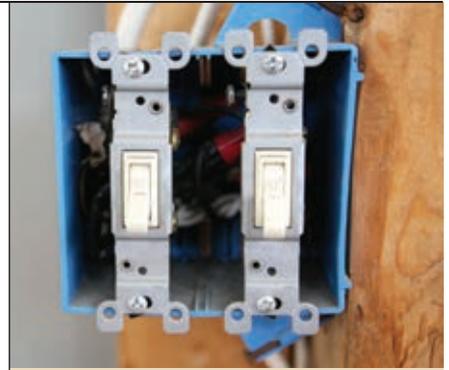
Evacuation zone information: If you are interested in registering and you want to find out whether you are living in an evacuation zone, dial 2-1-1 for information.

Hurricane Preparedness tips online:

Texas Division of Emergency Management: txdps.state.tx.us/dem

Federal Emergency Management Agency: Ready.gov

American Red Cross: redcross.org



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Power Tip

Is your home 40 years old or older? Your wiring may not be up to modern requirements. Consider having a qualified, licensed electrical inspector, an electrician or an electrical contractor perform an inspection of your home.

Division de Administracion de Emergencias de Texas

Directrices para Huracanes

Preparando para la temporada de huracanes durante el 1 de junio hasta el 30 de noviembre

LOS RESIDENTES DE ZONAS DE evacuación de la Costa del Golfo de Texas deberan empezar ahora ha hacer un plan de evacuación, preparando un equipo de emergencia y aprendiendo bien las rutas de evacuación por adelantado.

Si usted tiene necesidad especial de asistencia medica, registre llamando al 2-1-1: Los residentes de la Costa del Golfo con necesidades especiales de asistencia medica (incluyendo los que son incapacitados o medicamento fragil) que viven en zonas de evacuación y no tienen amigos o familiares para ayudar en una evacuación deben registrarse POR ADELANTADO para la asistencia de transporte llamando al 2-1-1. El registro de asistencia de transporte se debe hacer POR ADELANTADO llamando al 2-1-1. Es confidencial. No espere hasta que una tormenta este en el Golfo para registrarse para la ayuda.

Si usted necesita transporte, registre llamando al 2-1-1. Si usted no tiene un coche ni otro tipo de vehiculo, y usted no puede obtener transporte con amigos, vecinos o familiares, registre por adelantado para su traslado e llamando al 2-1-1.

Informacion sobre la zona de evacuación: Si usted esta interesado en registrase y quiere determinar si usted vive en una zona de evacuación, llame al 2-1-1.

Para mayor informacion sobre la preparacion para la temporada de huracanes en el Internet:

listo.gov

cruzrojaamericana.org

txdps.state.tx.us/dem



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Karnes EC will be closed Friday, July 3, in observance of **INDEPENDENCE DAY**

“America was built on courage, on imagination and an unbeatable determination to do the job at hand.”

—Harry S. Truman



GREYSTONE POWER

How Do Transformers Work?

IF YOU WERE ASKED TO describe Karnes Electric Cooperative's system, you might say, "Poles, wires and those round gray things or green box things." Round gray things? Green box things? Those are often the descriptions given for transformers, the pieces of equipment crucial in converting electricity to a voltage that is safe for use in homes and businesses.

So, how do they work? They transform the voltage of the electricity that passes through them.

Electric System 101

Electricity loses voltage as it is transmitted because of the resistance in wires and other components. As a result, higher voltages are used to offset these "line losses," as we call them. It all starts at the power plant. There, generators produce electricity at high voltages and use transformers to step up this voltage. Because the power plants are far away, these high voltages are necessary to survive the trip over the system to where the electricity is needed.

Transmission lines connect to substations filled with transformers and control gear. This is where the transformers step down the voltage to safer, more manageable levels. Depending upon the distance to the farthest member and the amount of load served, distribution voltages can range from 7,200 to 24,900 volts. After a couple more step-downs, the electricity arrives at your home at 440 volts.

Turning Highs Into Lows

Regardless of the shape and size of the transformer, they all work in the same manner. Transformers have two sides, a high-voltage side and a low-voltage side. In normal operation, electricity flows into the transformer on the high-voltage side,

where it goes into a coil of wire that is usually wound around an iron core. As the electricity flows through this coil, it creates a magnetic field that "induces" a voltage in the other coil.

Here is where the magic (aka physics) of transformation takes place: Each coil has a different number of turns. The greater the number of turns, the higher the voltage. The coil on the high side will have more turns than the one on the low side. As the charge travels from the high side to the low, the voltage induced on the low side is less. It leaves the transformer at a level suitable for distribution to homes and businesses.

Transformers at Home

Transformers can be found everywhere in our daily lives, even if they're not so obvious as those on the co-op's system. The best example is a cellphone charger. These small cousins of utility transformers basically perform the same function. Charging your cellphone with 120 volts would fry it instantly, so the charger converts the voltage to a more tolerable 5 volts or so. Take a moment to look around your home and see just how many of these miniature transformers you have. You might be surprised!

It also is important to note that transformers work in both directions. Electricity flowing in on the low side can be stepped up to the voltage of the high side. This is why Karnes EC educates members on proper connection of home generators. A generator feeding 220 volts into a residential transformer will produce whatever high voltage the transformer is rated for, creating a potentially deadly risk for our line crews and your neighbors. So please, connect your generators according to the manufacturer's recommendations. Or give us a call at Karnes EC for advice. It's always best to be safe.

Pole Parole

Attaching objects to poles puts lives on the line—and it's a crime

WHAT DO YARD SALE SIGNS, basketball hoops, deer stands, satellite dishes and birdhouses have in common? They're often found illegally attached to utility poles. But this isn't only a crime of inconvenience. Safety issues caused by unapproved pole attachments place the lives of Karnes Electric Cooperative lineworkers and the public in peril.

Many people may wonder, "What's the big deal?" To them, it may seem like a simple matter of convenience to use a utility pole as a bulletin board or support structure. But to co-op line personnel, an obstruction on a pole is, indeed, a big deal.

Your co-op's line crews climb utility poles at all hours of the day and night, in the worst of conditions. Anything attached to utility poles can create serious hazards for them while they're on the job. Sharp objects like nails, tacks, staples or barbed wire can puncture rubber gloves and other safety equipment, stripping away critical protection from high-voltage electricity. Even a small nail partially driven into an electrical pole can leave a lineman vulnerable to electrocution.

Lineworkers regularly see poles used as community bulletin boards, satellite mounts and even support legs for deer stands, lights and carports. Not only do these attachments put line crews at risk, but also anyone illegally placing these items on poles comes dangerously close to energized power lines with thousands of volts of energy



Signs and objects illegally attached to utility poles can be a safety hazard for line crews that climb these poles.

pulsing overhead. It's always wise to keep yourself and any structure at least 10 feet away from utility poles.

Unauthorized pole attachments also violate the National Electric Safety Code. With this danger in mind, many states make it a crime to attach any unapproved item to a utility pole.

Please help us keep our linemen—and our community—safe. Remove any unauthorized items attached to utility poles. Fixtures not belonging to the cooperative or another utility will be removed by Karnes EC line personnel; the co-op is not responsible for any losses if an item is damaged or destroyed during removal.



Make the Connection

Shop online, pay bills, download music, watch movies—faster!

HIGH-SPEED INTERNET FOR THE KARNES COMMUNITY

Call **800.699.4832** or visit **www.karnesec.net** to get connected today.

karnesec.net