



**2021
ANNUAL
REPORT**

Report of the President and General Manager



**GENERAL
MANAGER**

**BRAD
BIERSTEDT**



PRESIDENT

**PAUL T.
BRYSCH, JR.**

AS KARNES ELECTRIC Cooperative celebrates 84 years of service to our members, we want to thank you for your patience and support throughout a challenging year. The past year has been full of disruption and uncertainty, but it has also offered opportunities to learn and grow.

In September 2021, we completed our new cooperative headquarters building. We are excited to be able to welcome KEC members to our new facility, which features expanded office space for administrative, member service and field personnel; a hardened dispatch center and server room; a multipurpose room for employee training and meetings; increased warehouse capacity; vehicle storage; and a vehicle maintenance area. All of that was accomplished without any additional cost to our members, thanks to long-term financial planning by the board of directors and management.

Just as 2020 brought us the pandemic, 2021 started with challenges of its own. We continue to deal with the effects of inflation, fuel prices and supply chain issues. KEC's cost to provide service has increased as a result. Materials to construct and maintain our infrastructure, repair our service vehicles,

and run our daily operations come with much higher price tags and significantly longer lead times. Prices in some cases have doubled, and we are now seeing lead times on materials in excess of one year. We continue to work with our suppliers to manage our inventory and to make sure we utilize all resources to contain costs.

As always, our membership remains the cooperative's focus. In 2021 we were able to utilize a few new pieces of technology to increase communications with our membership. One of these is an automated phone outage reporting system, which offers our membership the ability to report an outage automatically over the phone. This will be a critical part of Karnes EC's emergency operations plan for storm preparations. Expanding communication efforts will continue into 2022 as we begin to offer text notifications for various events, including power outages, restored power outages and emergency notifications.

Due to the lack of spring rains and dry conditions, we have experienced numerous pole fires across our electric distribution system. The dry conditions enable dirt and dust to accumulate on insulators, which when mixed with fog or drizzle creates a conductive path for electricity to travel from the wire to the pole or crossarm, causing a fire. Normally, periodic rain naturally washes and cleans insulators. Lengthy outages can occur until our service crews assess and repair the damage. Thank you for your patience and understanding if you have experienced a power outage due to a pole fire.

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 mindful about providing affordable electric rates. Power

supply costs make up 74% of our total operating expenses. Therefore, it is critical that we work closely with our wholesale power supplier, South Texas Electric Cooperative, to manage generation resources and ensure that we get the best possible savings for our members. In 2021 the average residential rate members paid for power was 10 cents per kilowatt-hour, based on a monthly usage of 1,000 kWh. This represents an increase of 2.8% per kilowatt-hour compared to 2020. Natural gas prices, which greatly affect KEC's power generation cost, steadily increased, and this has led to the increased cost of energy to our members.

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 August 2021 the board of directors authorized \$2 million in capital credits to be returned to our members. Since 1989, KEC has returned a total of \$20,430,844 in capital credits.

As part of our commitment to support our community, we award scholarships to graduating students pursuing higher education. We are proud to announce that in 2021, we awarded scholarships to 18 students from across our service area in the amount of \$1,500 each—the most scholarships we have awarded to date. Sixteen scholarships were awarded to students attending a qualifying four-year university. Two scholarships were awarded to students attending a two-year or vocational college. Including this year, the cooperative has provided 258 scholarships totaling \$257,200.

We partnered with CoBank, one of our financial lenders, through their Sharing Success program, to support local not-for-profit agencies in our service area. In 2021, KEC proudly awarded \$2,500 in donations to three organizations, with CoBank generously matching each donation for a combined total of \$15,000 in community support.

Those recipients included the Texas Ramp Project, which serves nine of our 12 counties, providing free wheelchair ramps to low-income adults and people with disabilities. Another recipient for 2021 was Jamie's Ranch, which offers various free accessible events and activities for children and adults with special needs in a beautiful ranch setting. The final recipient of the year was Court Appointed Special Advocates (CASA) of South Texas, which acts as the voice for children in court and works to provide a safe, loving home for every child. We look forward to sustaining this partnership with CoBank to continue to empower our communities.

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.

As we remain cautious about the pandemic, we look forward to this year's annual meeting. We will once again offer our members a choice between attending a walk-through or a traditional in-person meeting. Whichever choice you make, we look forward to seeing you at the annual meeting.

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

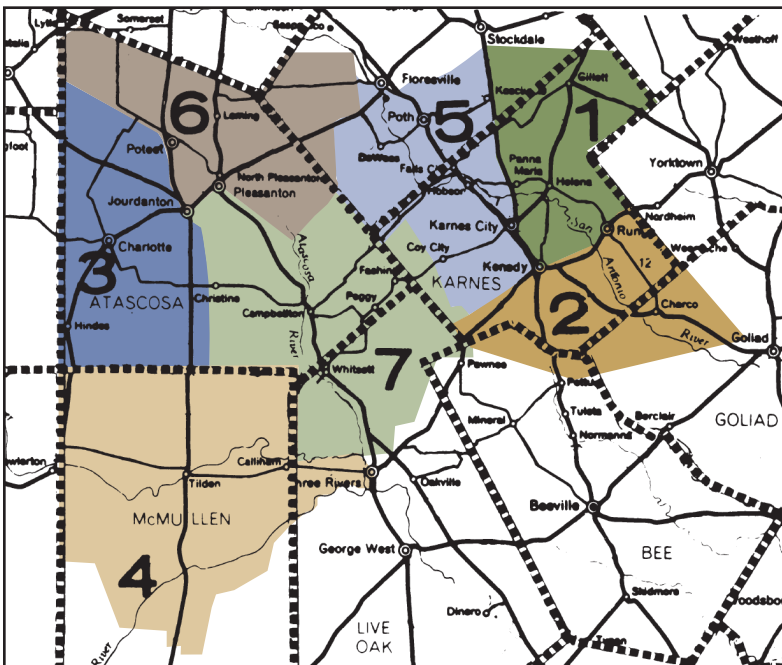


Clif Royal



Larry R. Schendel

Director Districts



DISTRICT	DIRECTOR	TERM EXPIRES
1	Larry R. Schendel	2022
2	Shirley Hofmann	2024
3	Frank A. Geyer, Jr.	2023
4	L. Scott McClaugherty IV	2022
5	Paul T. Brysch, Jr.	2024
6	Clif Royal	2024
7	David R. Nieschwitz	2023

Statement of Income and Patronage Capital

AS OF DECEMBER 31	2021	2020
OPERATING REVENUES		
Residential	\$ 22,503,007	\$ 21,859,472
Irrigation	2,437,623	2,959,746
Commercial and Industrial	72,458,368	67,217,822
Rent From Electric Property and Other Electric Revenue	37,349	41,211
Other	429,112	312,534
Unbilled Revenue	540,000	(270,000)
Total Operating Revenue	\$ 98,405,459	\$ 92,120,785
OPERATING EXPENSES		
Purchased Power	\$ 72,813,526	\$ 66,773,398
Distribution—Operation	2,326,350	2,219,902
Distribution—Maintenance	4,318,224	4,186,553
Consumer Accounts	1,579,006	1,660,893
Administrative and General	3,928,197	3,555,356
Depreciation and Amortization	8,111,241	5,977,670
Taxes	265,751	222,981
Other Interest Expenses	80,027	109,536
Total Operating Expenses	\$ 93,422,322	\$ 84,706,289
OPERATING MARGINS		
Before Fixed Charges	\$ 4,983,137	\$ 7,414,496
Interest on Long-Term Debt	(641,663)	(777,470)
After Fixed Charges	\$ 4,341,474	\$ 6,637,026
Capital Credits—G&T	3,063,993	3,699,573
Capital Credits—Other	233,655	305,295
Net Operating Margins	\$ 7,639,122	\$ 10,641,894
NONOPERATING MARGINS		
Interest Income	\$ 94,628	\$ 479,627
Other Nonoperating Income	(3,445,588)	33,668
Net Nonoperating Margins	\$ (3,350,960)	\$ 513,295
Net Margins	\$ 4,288,162	\$ 11,155,189
COMPREHENSIVE INCOME		
APBO Assumption Change	\$ 0	\$ (1,733,231)
Comprehensive Income	\$ 4,288,162	\$ 9,421,958
Minimum Pension Liability Change	0	1,733,231
Increase in Patronage Capital	\$ 4,288,162	\$ 11,155,189
Patronage Capital—Beginning of Year	150,309,852	140,913,525
Unbilled Revenue Transferred to Other Equities	(540,000)	270,000
Patronage Capital Retired	(2,044,185)	(2,028,862)
Patronage Capital—End of Year	\$152,013,829	\$150,309,852



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, 2021.

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 2021 2020

ASSETS

UTILITY PLANT AT COST

Electric Plant in Service	\$286,203,711	\$273,271,950
Construction Work in Progress	25,884,530	16,316,714
Aid to Construction	(162,419,707)	(157,744,458)
	\$149,668,534	\$131,844,206
Less: Accumulated Provision for Depreciation	28,126,815	22,318,376
	\$121,541,719	\$109,525,830

OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE

Investments in Associated Organizations	\$ 50,633,842	\$ 47,549,732
Life Insurance Cash Surrender Value	291,673	289,922
Other Investments	38,870	18,714
	\$ 50,964,385	\$ 47,858,368

CURRENT ASSETS

Cash—General	\$ 4,907,933	\$ 11,346,021
Short-Term Investments	5,000,000	8,100,000
Accounts and Notes Receivable (Less Allowance for Uncollectibles of \$171,028 in 2021 and \$169,106 in 2020)	7,104,390	6,496,285
Unbilled Revenue	8,550,000	8,010,000
Materials and Supplies at Average Cost	4,708,196	3,900,658
Other Current and Accrued Assets	193,777	196,816
	\$ 30,464,296	\$ 38,049,780
Total Assets	\$202,970,400	\$195,433,978

EQUITIES AND LIABILITIES

EQUITIES

Memberships	\$ 89,080	\$ 87,240
Patronage Capital	152,013,829	150,309,852
Accumulated Comprehensive Income		
Minimum Pension Liability Adjustment	0	(7,795,883)
Other Equities	8,849,608	8,308,222
	\$160,952,517	\$150,909,431

LONG-TERM DEBT

RUS Mortgage Notes Less Current Maturities	\$ 525,508	\$ 575,307
FFB Mortgage Notes Less Current Maturities	10,306,958	10,759,793
CFC Mortgage Notes Less Current Maturities	526,908	551,204
CoBank Mortgage Notes Less Current Maturities	5,367,909	6,187,013
	\$ 16,727,283	\$ 18,073,317

OTHER LONG-TERM LIABILITIES

Deferred Compensation	\$ 38,870	\$ 18,714
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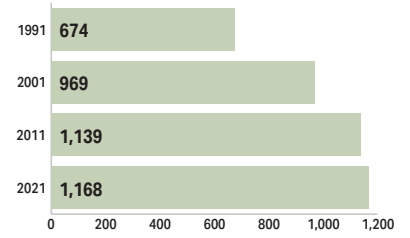
ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS

Minimum Pension Liability	\$ 0	\$ 4,313,900
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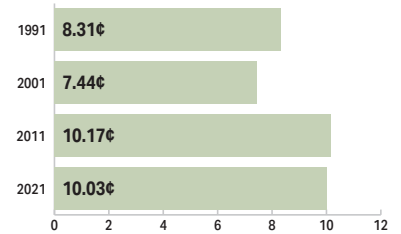
CURRENT LIABILITIES

Current Maturities of Long-Term Debt	\$ 1,385,700	\$ 1,506,000
Short-Term Line of Credit	3,902,000	0
Accounts Payable	401,385	2,786,049
Accounts Payable—Purchased Power	6,541,436	5,997,755
Consumer Deposits and Prepayments	5,130,041	5,061,425
Accrued Taxes	798,503	827,633
Other Current and Accrued Liabilities	752,809	1,083,677
	\$ 18,911,874	\$ 17,262,539
Deferred Credits	\$ 6,339,856	\$ 4,856,077
Total Equities and Liabilities	\$202,970,400	\$195,433,978

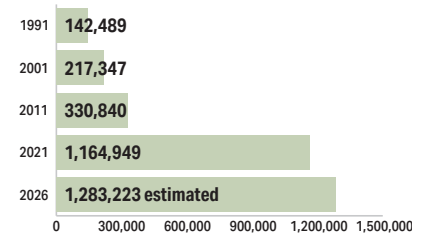
Average Monthly kWh Usage per Consumer (Residential Classification)



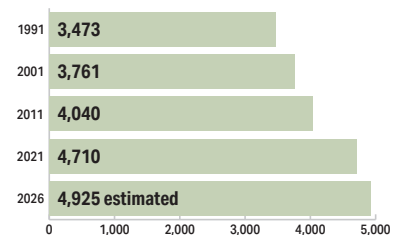
Average Monthly kWh Cost per Consumer (Residential Classification)



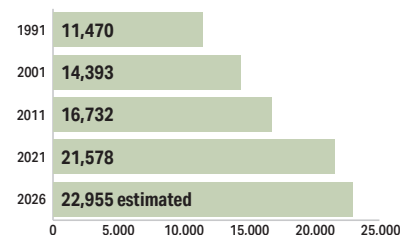
Annual kWh Sales (In Thousands)



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¢
2021	74.0¢	14.9¢	8.2¢	0.7¢	1.4¢	0.8¢

Where Your Revenue Came From

	2014	2015	2016	2017	2018	2019	2020	2021
Farms and Ranches	20.7%	17.6%	15.2%	14.3%	14.4%	14.2%	15.2%	14.5%
Towns and Subdivisions	11.1%	9.5%	8.3%	7.7%	8.0%	7.9%	8.5%	8.5%
Irrigation	3.6%	2.2%	2.2%	2.6%	2.5%	2.5%	3.2%	2.5%
Small Commercial	12.0%	10.2%	8.0%	7.6%	7.6%	7.8%	7.5%	7.2%
Large Commercial	27.0%	32.5%	40.8%	42.5%	41.5%	41.2%	41.9%	41.9%
Public Buildings	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%	0.2%
Oil Wells	24.4%	26.9%	24.7%	24.7%	25.3%	25.7%	23.3%	24.7%
Other Revenue	1.0%	0.9%	0.7%	0.5%	0.5%	0.5%	0.3%	0.5%
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	4
Sonny Barrientez	First-Class Lineman	26
Robert Bazan	Warehouse/Work Order Coordinator	35
Jesse Benavides	Serviceman	6
Jennifer Berger	Member Service Representative I	Less than 1
Bradley Bierstedt	General Manager	11
Karen Brysch	Billing Coordinator	23
Mary Buehring	Administrative Assistant/Staking	10
Leroy Castillo	Warehouse Materials Handler	3
Esperanza Cumpian	Member Service Representative I	13
Fredrick Currie	Line Locate Coordinator	15
Adolfo Delagarza	Warehouse Materials Handler	29
Daniel Diaz	Apprentice, First Class	3
Peter Dragon	Staking Technician III	44
Cory Ebrom	Purchasing Agent	19
Joe Escandon	Construction Foreman	23
Rebecca Frazier	GIS Technician	7
Suzanne Friesenhahn	Consumer Accounting Representative	10
Pedro Garcia	Operations Supervisor	18
Richard Garcia	Staking Technician II	11
Daniel Garza	Apprentice, First Class	3
Jesus Gonzales	Operations Supervisor	20
Justin Gray	Serviceman	12
Kole Hamilton	Groundman	Less than 1
Clifton Henke	IT Systems Analyst	5
Bart Homeyer	Right-of-Way Assistant	Less than 1
Troy Hughey	Groundman	Less than 1
Emily Janysek	Executive Assistant	20
Patrick Janysek	Operations Manager	35
Justin Jarzombek	Staking Technician I	3
Timothy Jendrusch	Mechanic I	9
Steve Jonas	Apparatus and Maintenance Technician	22
Hunter Jurgajtis	Second-Class Lineman	7
Teren Jurgajtis	Maintenance Foreman	16
Glenn Kelley	First-Class Lineman	12
C. Shane Knight	Distribution Services Manager	8
Russell Korzekwa	Staking Superintendent	21
Barbara Kotzur	AMI Support Specialist	15
Thomas Kowalik	Building/Grounds Maintenance Technician	Less than 1
Nathan Krudwig	Groundman	Less than 1
Tammy Labus	Finance and Accounting Manager	37

NAME	TITLE	YEARS OF SERVICE
Alfredo Lopez	Serviceman	7
Hector Lopez	Assistant Fleet Shop Foreman	20
C. Ryan Luttrell	Apprentice, First Class	3
Rebecca Mueller	Lead Member Service Representative	26
Randy Ortiz	Serviceman	10
Stephanie Ortiz	Member Service Representative II	4
Ernest Pacheco	Serviceman	34
Kevin Palermo	Second-Class Lineman	11
Donna Pawelek	Staking Coordinator	36
Gary Pawelek	First-Class Lineman	31
Tosha Pennington	Dispatcher	Less than 1
Irma Pesqueda	Member Service Representative I	1
Brenda Quintanilla	Operations Coordinator	20
Nicolas Quintanilla	Accounting Clerk—Fleet	Less than 1
Candace Reynolds	Accountant	5
Xavier Ribble	IT Technician I	2
Tyler Rockowitz	Groundman	Less than 1
Paul Rodriguez	First-Class Lineman	11
Clint Royal	Serviceman	24
Susanne Ruple	Member Service Manager	4
Cody Salas	Second-Class Lineman	7
Marcos David Salas	Groundman	Less than 1
Raul Salinas	Meter Technician	8
Jacob Sanchez	Staking Technician II	5
Kimberly Sanchez	Member Communications Coordinator	2
Alicia Sandoval	Work Order Clerk	7
John Saucedo	Second-Class Lineman	2
Tommy Shoemake	Dozer Operator	1
Sonya Sizemore	Dispatcher	12
Steve Stanley	Serviceman	6
Matthew Thiele	Business Development Coordinator	5
Rudolfo Torres	Construction Foreman	16
Amanda Turner	Lead Member Service Representative	7
Christopher Vajdos	Meter Technician	10
Vanessa Villanueva	Member Service Representative II	1
Bonnie Wiatrek	Human Resources Coordinator	38
William David Wilson	Technology Manager	9
Darlene Woelfel	Senior Accountant	38
Quintus Woelfel	Fleet Shop Foreman	35
Robert Zuniga	Safety Coordinator	6

Service Awards

EMPLOYEES

Quintus Woelfel	35	Clifton Henke	5
Patrick Janysek	35	Matthew Thiele	5
Robert Bazan	35	Jacob Sanchez	5
Brenda Quintanilla	20	Candace Reynolds	5
Jesse Gonzales	20		
Emily Janysek	20		
Hector Lopez	20		
Barbara Kotzur	15	DIRECTORS	
Fredrick Currie	15	Shirley Hofmann	25
Suzanne Friesenhan	10	Paul T. Brysch, Jr.	10
Randy M. Ortiz	10		
Christopher Vajdos	10		
Mary Ann Buehring	10		

Annual Meeting Program

Monday, June 6

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 2021 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

2021 Minutes

Karnes Electric Cooperative, Inc., Annual Membership Meeting Karnes City, Texas • August 9, 2021

The Annual Membership Meeting of Karnes Electric Cooperative Inc. was held August 9, 2021, at the Karnes City ISD Performing Arts Center in Karnes City. KEC Board President Paul Brysch 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 explained how the annual meeting format has changed to include a walk-through style meeting from 5 to 7 p.m. along with a pre-recorded president's welcome, secretary of treasurer's report and a general manager's report. Those same prerecorded reports were presented for the members attending the in-person meeting. In the president's welcome, Mr. Brysch welcomed all in attendance and introduced the Board of Directors. He expressed how COVID-19 has affected our membership and caused KEC to cancel the 2020 Annual Membership Meeting. Mr. Brysch mentioned how KEC is an essential business and the employees have continued to adapt to the many challenges including Winter Storm Uri. He noted that the cooperative was exposed to three consecutive days of ERCOT mandated outages. During this event, our employees worked as quickly as they safely could to restore power. He reported that despite the event Karnes Electric remains financially strong and does not anticipate any significant increase to the overall cost of power due to the winter storm. He then thanked South Texas Electric Cooperative for their strategic decisions to hedge against market forces to protect KEC from many of the financial repercussions of this extreme weather event.

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 186 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 August 2021 issue of *Texas Co-op Power* magazine, which was mailed to the membership July 27, 2021, 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 3, 2019, Annual Meeting, also published in the August 2021 issue of *Texas Co-op 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. She noted that in March 2021, KEC's Board of Directors voted to amend the Bylaws of the Cooperative to address certain issues that arose due to governmental restrictions related to the COVID-19 pandemic. The cooperative also made other conforming changes consistent with changes in state and federal law since the last bylaw's revision in 2012.

Those revisions included: (1) providing flexibility as to the time and place of the Annual Meeting, (2) provisions relating to events of Force Majeure such as the ability to hold all or parts of the meetings virtually, (3) ability to hold an election without an annual meeting in the event of a Force Majeure event, (4) lowering the required number of signatures for nomination of candidates for directors by petition from 100 to 50, (5) provisions to permit incumbent directors to place their names into nominations if not nominated by committee or petition, (6) to remove the provision for nomination from the floor during the Annual Meeting in order to avoid disruption of the meeting to review floor nominees' qualifications pursuant to the Bylaws, and (7) permitting the board to hold meetings by remote communication.

Mrs. Sykes recognized the Nominating Committee who met on Tuesday, June 15, 2021, and nominated the candidates for districts 2, 3, 4, 5, 6, and 7.

Mrs. Sykes recognized candidates nominated by the committee for District No. 2 and District No. 3 and announced there were no nominations by petition.

Mrs. Sykes recognized candidates nominated by the committee for District No. 4 and recognized the nominee made by written petition.

Mrs. Sykes recognized candidates nominated by the committee for District No. 5, 6, and 7 and announced there were no nominations by petition.

Mrs. Sykes introduced the members appointed to serve on the 2021 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 2021. He reported that the cooperative remains financially sound, ending the year with a very strong equity ratio and total net margins of \$11,155,189. The cooperative finished the year with total assets of \$195,433,978.

The cooperative returned capital credits totaling \$2,024,522. This increases the total amount of capital credits returned to members to date to \$18,219,978.

Mr. Brysch then called on Mr. Bierstedt to give the management report.

Mr. Bierstedt expressed his appreciation to the board and employees for their hard work and dedicated service and to the members during the most extraordinary year in the history of the cooperative. He discussed the cooperative's response to the COVID-19 pandemic and safety protocols implemented to keep members and employees safe and reported that recent technology enhancements have allowed employees to adapt to daily challenges and find new and creative ways to continue serving KEC members. He reported that during this unprecedented time, the board authorized the suspension of disconnects and late fee penalties to help members who were struggling financially.

Mr. Bierstedt then reported on Winter Storm Uri and the record-breaking demand on the Electric Reliability Council of Texas power grid that led to mandated load shed across the state of Texas to avert a catastrophic collapse of the statewide electric grid.

He provided a summary of the events that took place over the three consecutive days of ERCOT mandated rolling blackouts and thanked STEC for their role in protecting KEC from a significant increase in power cost because of the storm.

Mr. Bierstedt discussed the recent completion of the Pleasanton Member Service Center building project and provided an update on the new Karnes City Headquarters facility under construction and the benefit of much-needed space, improved security, updated technology, and increased operational efficiencies.

Mr. Bierstedt then commented on the economic impact of the pandemic and decreased oil production and reiterated that KEC remains financially strong and well positioned to meet the future needs of its Members. He discussed KEC's focus on maintenance programs and ongoing investment in pole testing and remediation, right-of-way clearing and vegetation management, and construction work plan projects aimed at identifying aging electric distribution facilities in need of replacement.

Kimberly Sanchez, Member Communications Coordinator, then reported on concern for community and stated that over the past 20 years the cooperative has awarded a total of 248 scholarships, totaling \$242,200. She then recognized the following 18 winners of \$1,500 scholarships: Anna Bonnet, Karnes City High School; Annalynn Moczygemba, Karnes City High School; Brianna Garcia, Pleasanton High School; Blake Moos, Pleasanton High School; Brooke Gisler, Karnes City High School; Camry Mangum, Homeschool; Heaven Marquez, Pleasanton High School; Jordyn Lyssy, Poth High School; Kaylie Measels, McMullen County ISD; Kylee Rodriguez, Karnes City High School; Madison Maglievaz, Poteet High School; Madison Yow, Jourdanton High School; Mary Pierce, Floresville High School; Matthew Kutz, Goliad High School; Nadine Rapstine, Fall City High School; Paige Tam, Kenedy High School; Rene Ortiz, Jourdanton High School; and Seth Robertson, Charlotte High School.

Mrs. Sanchez announced that the 2020 and 2021 Government-in-Action Youth Tours were canceled due to the pandemic.

Mr. Bierstedt recognized the following employees and directors for their dedicated service to Karnes Electric Cooperative:

Jessie Benavides, Serviceman, 5 years
Steve Stanley, Meter Technician, 5 years
Robert Zuniga, Safety Coordinator, 5 years
Brad Bierstedt, General Manager, 10 years
Richard Garcia, Staking Technician II, 10 years
Matthew Garza, Warehouse Coordinator, 10 years
Kevin Palermo, Second-Class Lineman, 10 years
Paul Rodriguez, First-Class Lineman, 10 years
Teren Jurgajtis, Maintenance Foreman, 15 years
Rudolfo Torres, Construction Foreman, 15 years
Russell Korzekwa, Staking Superintendent, 20 years
Sonny Barrientez, First-Class Lineman, 25 years
Rebecca Mueller, Lead Member Service Representative, 25 years
Gary Pawelek, First-Class Lineman, 30 years
Donna Pawelek, Staking Coordinator, 35 years
David Ross Nieschwitz, Director District 7, 5 years
Larry Schendel, Director District 1, 50 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. There were none.

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. 2	District No. 5
Shirley Hofmann 126	Paul T. Brysch, Jr. 150
Thomas Natho 40	Clifford Spahn 18
District No. 3	District No. 6
Frank A. Geyer, Jr. 137	Cliff Royal 165
Margarito Rodriguez 28	
District No. 4	District No. 7
L. Scott McClaugherty IV 133	David R. Nieschwitz 168
Robert Gonzales 37	

There being no further business, upon motion made, seconded and carried, the meeting adjourned.

Mrs. Sanchez then conducted the drawing for door prizes, which included a combination of 40 gift cards, 20 \$100 bill credits, a \$250 Visa gift card for those registrants that brought in their preprinted registration card and a grand prize of a \$250 Visa gift card.



Paul T. Brysch, Jr.
President



Larry R. Schendel
Secretary-Treasurer