



2022 ANNUAL REPORT



KARNES
ELECTRIC COOPERATIVE, INC.

A Touchstone Energy
Cooperative



Report of the President and General Manager

are taking



**GENERAL
MANAGER**
**BRAD
BIERSTEDT**

KARNES ELECTRIC COOPERATIVE'S board of directors and the co-op's employees **want to take** this opportunity to personally invite you to this year's annual meeting. The annual meeting gives us the opportunity to bring members together to learn more about how the cooperative is working to serve current and future needs. As KEC celebrates 85 years of service to our members, we continue to strive to offer reliable electric service at the lowest possible cost while remaining financially strong.

Moving into the third year of the pandemic, 2022 added new challenges to the already complex and quickly changing electric industry landscape. Inflation and supply chain delays added to this complexity. Over the past year, we have seen unprecedented disruptions in the supply chain for critical electrical equipment. Backlogs exist across the board with transformers, meters, conductors, utility poles, service vehicles and equipment parts—essentially, all the things needed to keep the system running efficiently. Manufacturers have not been able to keep pace with a significant increase in demand coming out of the pandemic. Lead times for ordering

transformers jumped from one or two months to as long as two years. These disruptions, combined with substantial price increases, have presented significant operational challenges.

Our board and staff stay active in policy affairs, monitoring legislation and regulations that impact electric cooperatives across the state. Together with Texas Electric Cooperatives, the statewide association of electric cooperatives, and South Texas Electric Cooperative, the generation and transmission cooperative that is KEC's wholesale power supplier, we continue to provide constructive input to our state legislators and the Electric Reliability Council of Texas concerning market reform issues, grid stability and the rising cost of transmission rates in the aftermath of the February 2021 winter storm.

We continue to grow, and so does our commitment to providing affordable and reliable electric service to our membership. Annual kilowatt-hour sales totaled 1,303,137,821 kWh, a 15% increase over 2021 sales. This sales milestone helped us to overcome increases in materials and operating and maintenance costs. KEC has not increased its base rates in 14 years, since our last cost-of-service study in 2009. What has increased is our power supply costs, which are passed through to members through the power cost recovery factor. Power costs make up 78% of our total operating expenses. Therefore, it is critical that we work closely with South Texas EC to manage generation resources and ensure that we get the best possible savings for our members. Wholesale power costs were greater than expected primarily due to the increase in the market price of natural gas, which is used for power generation. In 2022, the average residential rate members paid for power, based on a monthly usage of 1,000 kWh, was 11.4 cents per kilowatt-hour, compared to 10.1 cents per kilowatt-hour in 2021.

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 October 2022 the board of directors authorized a total of \$1,454,099 in capital credits to be returned to our members. A capital credits return is a benefit you receive for buying electricity from a cooperative. Since 1989, KEC has returned a total of \$21,714,902 in capital credits.

Improving the resilience of our electric distribution grid is a major priority for KEC. 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. Due to the high demand of service requests in northeastern Atascosa County, STEC began construction on the new Loxley substation that will allow KEC to build distribution line feeders to meet future power demand in the Verdi, Fairview and Leming areas. The Loxley substation is scheduled to be completed in 2024.

As your electric provider, we are committed to providing you with safe and reliable service. We continue to regularly inspect and maintain equipment and complete preventive maintenance work on regular cycles. Our emphasis on safety and security remains high and at the forefront of everything we do. In 2022, KEC was evaluated through the Rural Electric Safety Achievement Program, a comprehensive systemwide inspection program to improve safety. In a true testament to our focus, KEC once again improved scores overall compared to previous inspections. The RESAP evaluation reviews all areas of KEC's safety program, including work site inspections, facility inspections and one-on-one employee interviews.

As always, our membership remains the cooperative's focus. In 2022, we were able to utilize a few pieces of technology to not only increase communications with our members but also improve the accessibility of doing business with KEC. One of these advances is digital signing, also known as e-sign, which enables members to sign a membership agreement using a desktop computer or mobile device. This feature facilitates transferring and reconnecting existing services. Another benefit we are excited to offer our members is text notifications for power outages and emergency alerts. This service will provide up-to-date information about power outages and various emergency events, such as a hurricane or other weather emergency, directly to a mobile device. We continue to make improvements to these notifications with the valuable feedback we get from our members.

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 2022, we awarded scholarships to 10 students from across our service area in the amount of \$1,500 each. Eight scholarships were awarded to students attending a qualifying four-year university, and two scholarships were awarded to students attending a two-year or vocational college. Including this year, the cooperative has provided 268 scholarships totaling \$272,200.

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 2022, 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 Children's Alliance of South Texas, a nonprofit child advocacy center that provides free counseling from licensed professionals for child victims of abuse. Another recipient for 2022 was the Kenedy Education Foundation, which offers resources to teachers to support programs that enhance the academic performance of students in the Kenedy Independent School District. The final recipient of the year was McMullen County Partners for the Accelerated Learning of Students, which offers access to quality resources for educational and extracurricular activities. We look forward to sustaining this partnership with CoBank to continue to empower our communities.

Our dedicated board of directors and employees 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.

We hope you will join us at this year's annual meeting. Once again, we will 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.

Paul T. Brysch Jr.
Paul T. Brysch Jr.
President

Brad Bierstedt
Brad Bierstedt
General Manager

Board of Directors



Paul T. Brysch Jr.



Frank A. Geyer Jr.



L. Scott
McClaugherty IV



Shirley Hofmann



David R. Nieschwitz



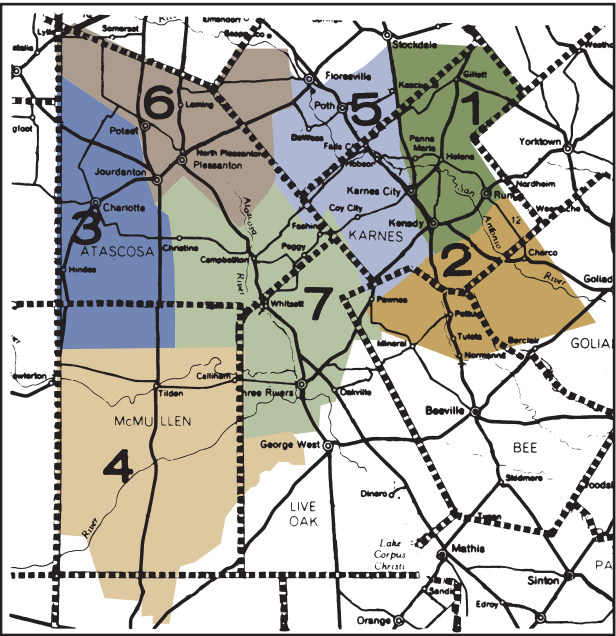
Clif Royal



Larry R. Schendel

Center bottom
row

Director Districts



DISTRICT	DIRECTOR	TERM EXPIRES
1	Larry R. Schendel	2025
2	Shirley Hofmann	2024
3	Frank A. Geyer Jr.	2023
4	L. Scott McClaugherty IV	2025
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

2022

2021

OPERATING REVENUES

Residential	\$ 25,690,499	\$ 22,503,007
Irrigation	4,537,820	2,437,623
Commercial and Industrial	93,818,226	72,458,368
Rent From Electric Property and Other Electric Revenue	37,349	37,349
Other	595,776	429,112
Unbilled Revenue	2,550,000	540,000
Total Operating Revenue	\$127,229,670	\$ 98,405,459

OPERATING EXPENSES

Purchased Power	\$ 99,851,468	\$ 72,813,526
Distribution—Operation	2,585,202	2,326,350
Distribution—Maintenance	3,210,704	4,318,224
Consumer Accounts	1,678,673	1,579,006
Administrative and General	4,404,082	3,928,197
Depreciation and Amortization	9,283,543	8,111,241
Taxes	308,062	265,751
Other Interest Expenses	26,450	80,027
Total Operating Expenses	\$121,348,184	\$ 93,422,322

OPERATING MARGINS

Before Fixed Charges	\$ 5,881,486	\$ 4,983,137
Interest on Long-Term Debt	(686,508)	(641,663)
After Fixed Charges	\$ 5,194,978	\$ 4,341,474
Capital Credits—G&T	2,870,355	3,063,993
Capital Credits—Other	183,022	233,655
Net Operating Margins	\$ 8,248,355	\$ 7,639,122

NONOPERATING MARGINS

Interest Income	\$ 140,604	\$ 94,628
Other Nonoperating Income	1,400,238	(3,445,588)
Net Nonoperating Income (Loss)	\$ 1,540,842	\$ (3,350,960)
Net Margins	\$ 9,789,197	\$ 4,288,162

NET MARGINS

Patronage Capital—Beginning of Year	\$152,013,829	150,309,852
Unbilled Revenue Transferred to Other Equities	(2,550,000)	(540,000)
Patronage Capital Retired	(1,475,885)	(2,044,185)
Patronage Capital—End of Year	\$157,777,141	\$152,013,829



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, 2022.

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

2022

2021

ASSETS

UTILITY PLANT AT COST

Electric Plant in Service	\$323,442,323	\$ 286,203,711
Construction Work in Progress	3,202,817	25,884,530
Aid to Construction	(171,209,095)	(162,419,707)
	\$155,436,045	\$ 149,668,534
Less: Accumulated Provision for Depreciation	33,986,315	28,126,815
	\$121,449,730	\$ 121,541,719

OTHER PROPERTY AND INVESTMENTS AT COST OR STATED VALUE

Investments in Associated Organizations	\$ 53,567,478	\$ 50,633,842
Other Investments	346,753	330,543
	\$ 53,914,231	\$ 50,964,385

CURRENT ASSETS

Cash—General	\$ 14,084,647	\$ 4,907,933
Short-Term Investments	3,000,000	5,000,000
Accounts and Notes Receivable (Less Allowance for Uncollectibles of \$139,159 in 2022 and \$171,028 in 2021)	8,243,458	7,104,390
Unbilled Revenue	11,100,000	8,550,000
Materials and Supplies at Average Cost	6,716,212	4,708,196
Other Current and Accrued Assets	221,029	193,777
	\$ 43,365,346	\$ 30,464,296
Total Assets	\$218,729,307	\$202,970,400

EQUITIES AND LIABILITIES

EQUITIES

Memberships	\$ 90,530	\$ 89,080
Patronage Capital	157,777,141	152,013,829
Other Equities	11,414,541	8,849,608
	\$169,282,212	\$ 160,952,517

LONG-TERM DEBT

RUS Mortgage Notes Less Current Maturities	\$ 471,626	\$ 525,508
FFB Mortgage Notes Less Current Maturities	9,916,897	10,306,958
CFC Mortgage Notes Less Current Maturities	5,362,689	526,908
CoBank Mortgage Notes Less Current Maturities	4,662,016	5,367,909
	\$ 20,413,228	\$ 16,727,283

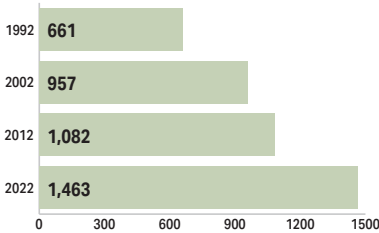
OTHER LONG-TERM LIABILITIES

Deferred Compensation	\$ 53,782	\$ 38,870
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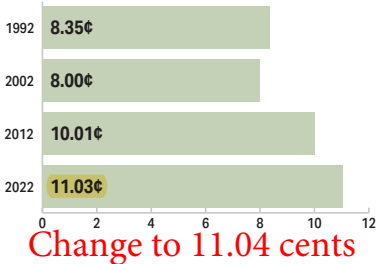
CURRENT LIABILITIES

Current Maturities of Long-Term Debt	\$ 1,295,000	\$ 1,385,700
Short-Term Line of Credit	0	3,902,000
Accounts Payable	207,729	401,385
Accounts Payable—Purchased Power	8,826,112	6,541,436
Consumer Deposits and Prepayments	5,097,057	5,130,041
Accrued Taxes	872,903	798,503
Other Current and Accrued Liabilities	740,967	752,809
	\$ 17,039,768	\$ 18,911,874
Deferred Credits	\$ 11,940,317	\$ 6,339,856
Total Equities and Liabilities	\$218,729,307	\$202,970,400

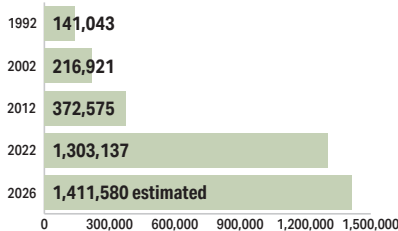
Average Monthly kWh Usage per Consumer (Residential Classification)



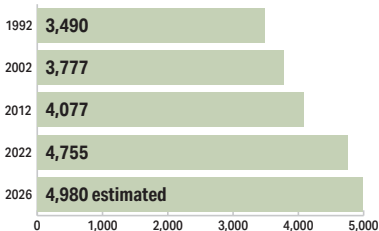
Average Monthly kWh Cost per Consumer (Residential Classification)



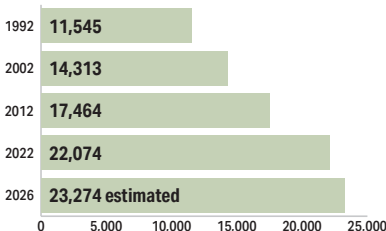
Annual kWh Sales (In Thousands)



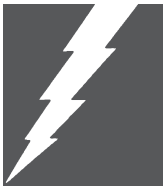
Miles of Line



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¢
2022	78.0¢	9.3¢	7.0¢	0.6¢	1.1¢	4.0¢

Where Your Revenue Came From

	2015	2016	2017	2018	2019	2020	2021	2022
Farms and Ranches	17.6%	15.2%	14.3%	14.4%	14.2%	15.2%	14.5%	12.4%
Towns and Subdivisions	9.5%	8.3%	7.7%	8.0%	7.9%	8.5%	8.5%	8.2%
Irrigation	2.2%	2.2%	2.6%	2.5%	2.5%	3.2%	2.5%	3.6%
Small Commercial	10.2%	8.0%	7.6%	7.6%	7.8%	7.5%	7.2%	9.3%
Large Commercial	32.5%	40.8%	42.5%	41.5%	41.2%	41.9%	41.9%	42.9%
Public Buildings	0.2%	0.1%	0.1%	0.2%	0.2%	0.1%	0.2%	0.1%
Oil Wells	26.9%	24.7%	24.7%	25.3%	25.7%	23.3%	24.7%	23.0%
Other Revenue	0.9%	0.7%	0.5%	0.5%	0.5%	0.3%	0.5%	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 II	5
Sonny Barrientez	First-Class Lineman	27
Robert Bazan	Warehouse/Work Order Coordinator	36
Jesse Benavides	Serviceman	7
Jennifer Berger	Member Service Representative II	2
Bradley Bierstedt	General Manager	12
Karen Brysch	Billing Coordinator	24
Mary Buehring	Administrative Assistant/Staking	11
Leroy Castillo	Warehouse Materials Handler	4
Esperanza Cumpian	Member Service Representative I	14
Fredrick Currie	Line Locate Coordinator	16
Adolfo De La Garza	Warehouse Materials Handler	30
George De Los Santos	Apprentice Lineman I	1
Peter Dragon	Staking Technician III	45
Cory Ebrom	Purchasing Agent	20
Joe Escandon	Construction Foreman	24
Michael Espinoza	Second-Class Lineman I	1
Rebecca Frazier	GIS Technician	8
Suzanne Friesenhahn	Consumer Accounting Representative	11
Pedro Garcia	Operations Supervisor	19
Richard Garcia	Staking Technician II	12
Alejandro Gonzales	Warehouse Materials Handler	1
Jesus Gonzales	Operations Supervisor	21
Leslie Gonzales	Member Service Representative I	1
Justin Gray	Serviceman	13
Kole Hamilton	Apprentice Lineman I	1
Clifton Henke	Technology Manager	6
Bart Homeyer	Dozer Operator	1
Troy Hughey	Apprentice Lineman I	1
Emelia Janysek	Executive Assistant	21
Patrick Janysek	Operations Manager	36
Cody Jarzombek	Mechanic II	1
Justin Jarzombek	Staking Technician I	4
Steve Jonas	Apparatus and Maintenance Technician	23
Hunter Jurgajtis	Second-Class Lineman II	8
Teren Jurgajtis	Maintenance Foreman	17
Glenn Kelley	Aerial Basket Operator	13
Christopher Knight	Distribution Services Manager	9
Russell Korzekwa	Engineering Manager	22
Barbara Kotzur	AMI Support Specialist	16
Thomas Kowalik	Building/Grounds Maintenance Technician	2
Nathan Krudwig	Apprentice Lineman I	1
Tammy Labus	Finance and Accounting Manager	38

NAME	TITLE	YEARS OF SERVICE
Alfredo Lopez	Serviceman	8
Hector Lopez	Assistant Fleet Shop Foreman	21
Charles Luttrell	Apprentice Lineman II	4
Rebecca Mueller	Lead Member Service Representative	27
Gabriel Ochoa	Groundman	Less than 1
Randy Ortiz	Serviceman	11
Stephanie Ortiz	Member Service Representative II	5
Ernest Pacheco	Serviceman	35
Kevin Palermo	Second-Class Lineman II	12
Ryan Pate	Groundman	Less than 1
Donna Pawelek	Staking Coordinator	37
Gary Pawelek	First-Class Lineman	32
Tosha Pennington	Dispatcher	2
Irma Pesqueda	Member Service Representative II	2
Brenda Quintanilla	Operations Coordinator	21
Nicolas Quintanilla	Accounting Clerk—Fleet	1
Candace Reynolds	Accountant	6
Xavier Ribble	IT Technician I	3
Paul Rodriguez	Aerial Basket Operator	12
Andrew Rojas	Groundman	1
Clint Royal	Serviceman	25
Susanne Ruple	Member Service Manager	5
Cody Salas	Second-Class Lineman II	8
Raul Salinas	Meter Technician	9
Jacob Sanchez	Staking Technician II	6
Kimberly Sanchez	Member Communications Coordinator	3
Alicia Sandoval	Work Order Clerk	8
John Saucedo	Second-Class Lineman I	3
Tommy Shoemake	Dozer Operator	2
Sonya Sizemore	Dispatcher	13
Steve Stanley	Aerial Basket Operator	7
Zachary Swierc	GIS Administrator	Less than 1
Matthew Thiele	Business Development Coordinator	6
Megan Thompson	IT Technician II	1
Rudolfo Torres	Construction Foreman	17
Amanda Turner	Lead Member Service Representative	8
Christopher Vajdos	Meter Technician	11
Vanessa Villanueva	Member Service Representative II	2
Bonnie Wiatrek	Human Resources Coordinator	39
Darlene Woelfel	Senior Accountant	39
Quintus Woelfel	Fleet Shop Foreman	36
Robert Zuniga	Safety Coordinator	7

Service Awards

EMPLOYEES	
Peter Dragon	45
Ernest Pacheco	35
Adolfo De La Garza	30
Clint Royal	25
Cory Ebrom	20
Susanne Ruple	5
Stephanie Ortiz	5
Jacob Asebedo	5

Annual Meeting Program

Tuesday, June 13
In-Person Meeting 7 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 2022 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

2022 Minutes

Karnes Electric Cooperative, Inc., Annual Membership Meeting
Karnes City, Texas • June 6, 2022

THE ANNUAL MEMBERSHIP Meeting of Karnes Electric Cooperative, Inc. (KEC) was held at the Karnes City ISD Performing Arts Center in Karnes City, Texas, on Monday, June 6, 2022. 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 included a walkthrough style meeting from 5:30 p.m.-7:00 p.m. along with a pre-recorded President's Welcome, 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. Mr. Brysch mentioned how KEC is an essential business and over the last two years the employees have continued to adapt to the many challenges. He noted that the cooperative has continued to reevaluate business and develop policies, procedures, and systems to implement new and innovative ways to conduct business.

Mr. Brysch commented on the effects of inflation and supply chain issues that effect how the cooperative serves its members. 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 the extreme winter storm Uri.

Mr. Brysch announced the cooperative moved into the new headquarters facility in September 2021. He mentioned the new facility provides much needed space, improved security, updated technology, and operational efficiencies within the cooperative. All of this was accomplished without any additional debt to our members, thanks to long term financial planning by the Board of Directors and Management. He concluded his message by thanking the membership for their attendance and support.

Mr. Brysch then asked all past and present military personnel to stand and be recognized and then introduced special guests in attendance.

Secretary-Treasurer Larry R. Schendel was given the floor and announced that 163 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 June 2022 issue of Texas Co-op Power magazine, which was mailed to the membership on May 26, 2022, 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 August 9, 2021, Annual Meeting, also published in the June 2022 issue of Texas Coop 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. Mrs. Sykes recognized the Nominating Committee who met on Tuesday, April 5, 2022, and nominated the candidates for Districts 1 and 4.

Mrs. Sykes recognized candidates nominated by the Committee for District No. 1 and District No. 4 and announced there were no nominations by petition.

Mrs. Sykes introduced the members appointed to serve on the 2022 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 the year, 2021. He reported that the cooperative remains financially sound, ending the year with a very strong equity ratio and total net margins of \$4,288,162 and finished the year with total assets of \$202,970,400. He shared that the cooperative refunded capital credits totaling \$2,041,780, increasing the total amount of capital credits returned to members to date to \$20,430,844. Mr. Schendel concluded his report and stated that the cooperative is in excellent financial condition.

Mr. Brysch announced that the General Manager, Brad Bierstedt, could not be in attendance due to an illness. He then introduced the General Managers Pre-recorded Report.

In his report Mr. Bierstedt expressed his appreciation to the Board and Employees for their hard work and dedicated service. He discussed the cooperatives response to winter storm Uri and the continued changes made by the Texas Legislature. As a result of the storm and the feedback received from the members, the cooperative has made several key improvements to the Emergency Operations Plan. Mr. Bierstedt reported that the cooperative conducted a Member Satisfaction Survey in the summer of 2021. He now introduced Member Service Manager, Susanne Ruple, to discuss the results of the survey.

Mrs. Ruple reported that the results of the survey indicated our membership showed a great interest in text notifications for power outages and emergency situations. She mentioned that the cooperative created a process to implement notifications for various emergencies such as storms, rolling outages, natural disasters, and other events. She informed the membership that the automated telephone outage reporting system was activated in 2021, which includes a call back feature as a way to increase communications. She then provided information on the E-Sign and the PrePay program. The E-sign program will allow the cooperative to capture a signature on a membership application through an email or text message. The PrePay program will serve as another billing option for our residential members and provide them with the ability to pay as they go.

Mr. Bierstedt reported that in September of 2021 the cooperative moved into its new headquarters facility located on Highway 181 in Karnes County. He noted that the facility features expanded office space for administrative, member service, and field personnel, and includes a hardened dispatch center, a server room, a multi-purpose room, warehouse, vehicle storage and mechanical shop.

Mr. Bierstedt discussed the cooperatives focus on maintenance that will continue to improve the safety and reliability of our system. He reported that the cooperative continues to invest in pole testing, pole treatment, right-of-way clearing and vegetation management.

Mr. Bierstedt commented on the continued economic impact of the pandemic and the effects that inflation and supply chain issues have on the cooperative.

Mr. Bierstedt introduced Kimberly Sanchez, Member Communications Coordinator. Mrs. Sanchez reported on KEC's concern for the communities it serves and stated that the Cooperative partnered with CoBank Sharing Success Program. She announced that the cooperative awarded three local nonprofit organizations with \$2,500 donations with CoBank generously matching each donation for a combined total of \$15,000 in community support. The recipients included the Texas Ramp Project, Jamie's Ranch and CASA (Court Appointed Special Advocates).

Mrs. Sanchez mentioned that over the past 24 years the cooperative has awarded a total of 258 scholarships, totaling \$257,200. She then recognized the following ten 2022 winners of \$1,500 scholarships:

Arden Gisler	Falls City ISD
Charity Harris	McMullen County ISD
David Saenz	Falls City ISD
Devin Janysek	Falls City ISD
James Sartwelle	Falls City ISD
Jamison Bloom	Goliad ISD
Julia Smith	Poteet ISD
Makenna Albert	Poth ISD
Makenzie Sherrer	McMullen County ISD
Montgomery Cain	Pleasanton ISD

Mrs. Sanchez announced that the 2022 Government-In-Action Youth Tour winner is Ariana Coolidge from McMullen County ISD.

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

Candace Reynolds	Accountant	5 Years
Jacob Sanchez	Staking Tech—II	5 Years
Matthew Thiele	Business Development Coordinator	5 Years
Clifton Henke	IT Systems Analyst	5 Years
Mary Ann Buehring	Administrative Assistant—Staking	10 Years
Christopher Vajdos	Meter Technician	10 Years
Randy M Ortiz	Serviceman	10 Years
Suzanne Friesenhan	Consumer Accounting Representative	10 Years
Fredrick Currie	Line Locate Coordinator	15 Years
Barbara Kotzur	AMI Support Specialist	15 Years
Hector Lopez	Assistant Fleet Shop Foreman	20 Years
Emily Janysek	Executive Assistant	20 Years
Jesse Gonzales	Operations Supervisor	20 Years
Brenda Quintanilla	Operations Coordinator	20 Years
Robert Bazan	Pleasanton Warehouse/WO Coordinator	35 Years
Patrick Janysek	Operations Manager	35 Years
Quintus Woelfel	Fleet Shop Foreman	35 Years
Paul T. Brysch Jr.	Board President	10 Years
Shirley Hofmann	Board Member	25 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. 1	Larry R Schendel	118
	Adrian Yanta	32
District No. 4	L Scott McClagherty IV	153

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 thirty (30) gift cards, thirty (30) \$100 bill credits, a \$250 Visa gift card, and for those registrants that brought in their preprinted registration card a Grand Prize of a \$250 Visa gift card.


Paul T. Brysch, Jr.
President


Larry R. Schendel
Secretary-Treasurer