



2022

Annual Report



BANDERA ELECTRIC COOPERATIVE

Executive Message



WILLIAM "BILL" HETHERINGTON
CHIEF EXECUTIVE OFFICER

SERVICE AND COMMUNITY

ON AUGUST 12, 2023, we will host our 84th annual membership meeting at the Ridin' the River Cowboy Fellowship outside of Bandera. This will be the first time we have had an in-person meeting since 2019. Bandera Electric Cooperative is a private, not-for-profit institution, and we employ a democratic process whereby Board members are elected each year by the membership (owners). The Board members take an active role in the governance of your electric cooperative.

Participation in the annual membership meeting reflects the importance of service and community. It is a forum where the issues facing our electric cooperative and the community are discussed. Where the informal connections between individuals rise to create the future visions of community.

Observing America as a foreigner in the first half of the nineteenth century, French philosopher Alexis de Tocqueville lauded the reliance of the American system on community rather than national government action. He explained:

"When the members of a community are asked to attend to affairs, they are necessarily drawn from the circle of their own interests and snatched at times from self-observation. As soon as a man begins to treat affairs, he begins to perceive that he is not so independent of his fellowmen as he had at first imagined, and that, in order to obtain community support, he must often lend them his co-operation" (Alexis de Tocqueville, *Democracy in America*, 1835).

At its core the electric cooperative is about "co-operation". We all benefit when we work together in cooperation. Our Board members are providing a service to the membership and to the communities we serve. Aristotle maintained that living in a community, or "polis," was the natural condition of man. Community based organizations, such as electric cooperatives, civic associations, and religious institutions, provide the foundational bonds which allow the community to thrive.

As a society, we are becoming more isolated from each other weakening the bonds of community and service. Voluntary private action is a vital aspect of successful community life. The Founders of our Nation recognized that we cannot expect government to solve every problem, nor did they want total government regulation of our lives. The Founders understood the connection between public and private virtues, and expounded ideas relating to both types of virtue in the Founding documents. It is through active participation in events, such as our annual membership meeting, that build stronger communities which in turn builds a stronger Nation.

A handwritten signature in black ink, appearing to read 'William Hetherington', written over a faint circular stamp.

WILLIAM "BILL" HETHERINGTON
CHIEF EXECUTIVE OFFICER

Board of Directors

Member-owners of the cooperative elect directors from the membership to serve on the cooperative board. These elected directors govern and direct the affairs of the cooperative, guide how the cooperative's money and assets are used to fulfill the cooperative's mission, and represent all members' interests and concerns as they develop policies that guide the cooperative's operations and strategic direction.



ROBERT AGUIRRE
DISTRICT 1



FRANCES "FRAN" LAUE
DISTRICT 2



JEFFERY "JEFF" SLOCUM
DISTRICT 3



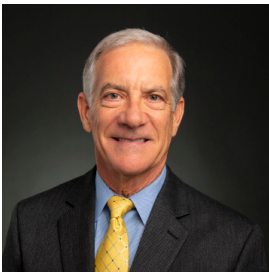
JEREMY DILLER
DISTRICT 4
VICE CHAIRMAN



ANNEGRETH "ANNA" NIEMANN
DISTRICT 5



RICHARD "DICK" EARNEST
DISTRICT 6



CHRISTOPHER "CHRIS" BLAKEMORE
DISTRICT 7



MICHAEL D.T. EDWARDS
DISTRICT 8
CHAIRMAN



KURT SOLIS
DISTRICT 9
SECRETARY-TREASURER

District 1

Medina Lake (partial)
Pipe Creek

District 2

Bandera area (partial)

District 3

Bandera area (partial)
Center Point (partial)
South Tarpley

District 4

Boerne East
Cordillera
Walnut Grove

District 5

Medina
North Tarpley
Turtle Creek
Utopia
Vanderpool

District 6

Concan
Hunt
Leakey

District 7

Lakehills
Medina Lake (partial)
Mico

District 8

Boerne (west of IH-10)
Champee Springs
Ranger Creek
Tapatio Springs

District 9

Center Point (partial)
Comfort
Stoneleigh
Welfare (west)

2022 Annual Meeting Minutes

The Annual Meeting of the Membership of the Bandera Electric Cooperative, Inc. was held virtually via livestream from the Bandera Electric Cooperative, Inc. headquarters building in Bandera, Texas, on the 13th day of August, 2022 in accordance with the Bylaws. Chief Executive Officer Bill Hetherington welcomed members to the Annual Meeting and asked Vice Chairman Jeremy Diller give the invocation at 10:01 a.m.

General Counsel and Chief Administrative Officer John Padalino led everyone in the Pledge of Allegiance, then introduced himself. He stated that a quorum is established by receiving at least 150 ballots from members voting by mail or electronically; this year, more than 2,869 ballots were cast, so a quorum was established. Mr. Padalino called the meeting to order at 10:03 a.m. then introduced Chairman Michael Edwards, District 8 representative, to preside over the meeting.

Chairman Edwards welcomed members then introduced the Directors via video.

- District 1 Robert Aguirre
- District 2 Frances (Fran) Laue
- District 3 Jeffery (Jeff) Slocum
- District 4 Jeremy Diller (Vice Chairman)
- District 5 Annegreth (Anna) Niemann
- District 6 Richard (Dick) Earnest
- District 7 Christopher (Chris) Blakemore
- District 8 Michael Edwards (Chairman)
- District 9 Kurt Solis (Secretary/Treasurer)

At 10:10 a.m., Bill Hetherington presented the CEO Report highlighting the challenges encountered in 2021 with the extreme winter weather, resurgence of COVID-19, and supply chain concerns expected to continue through the end of 2022. Hetherington stressed that BEC has not increased electric rates since 2013. He stated prudent resource management and margins generated from broadband service have allowed BEC to maintain its rates. He shared that margins in 2021 totaled \$5.4 million and the Co-op continues to see growth in electric and broadband services. Hetherington highlighted opportunities for members to participate in the Energy Saver program and discussed the expansion of broadband services into Llano, Texas.

Chairman Edwards called upon Director Solis to read the Notice of Meeting and Proof of Mailing at 10:12 a.m.

Mr. Solis read the notice of meeting then stated that the next order of business was the reading of the minutes of the Annual Meeting of the Membership held on August 14, 2021. He indicated that copies of these minutes were distributed to each Member in the annual report and entertained a motion to dispense with the reading of the minutes. A motion was made to dispense with the reading of and to approve the minutes of the Annual Meeting of the Membership held on August 14, 2021. The motion received a second and was approved by the membership at 10:14 a.m. Mr. Solis then introduced a video highlighting how BEC is helping its membership by enlightening the member experience.

At 10:17 a.m., Chairman Edwards informed the Members of the Cooperative's 2021 Annual Report, provided via Texas Co-op Power and online, containing management and financial reports. He welcomed members who had any questions regarding the annual report to submit their questions in the online Q & A window at the conclusion of the meeting.

General Counsel Padalino returned to speak at 10:18 a.m., and he explained that three Directors are elected each year. Candidates are nominated by petition and incumbent Directors are also placed in to nomination. No no petitions were made for candidates for the Board of Directors, and in accordance with the provisions of the Bylaws, the following incumbent persons were placed in nomination as the official candidates:

District 7 Christopher (Chris) Blakemore

District 8 Michael D.T. Edwards

District 9 Kurt Solis

Mr. Padalino stated that votes received by the August 12, 11:00 a.m. deadline had been tabulated by Survey and Ballot Systems. The final tabulation of votes included all electronic, phone, mail-in and proxy ballots. General Counsel Padalino read the report regarding the final tally of votes for each candidate at 10:19 a.m. The votes received were as follows:

Christopher (Chris) Blakemore – 2,457 votes.

Michael D.T. Edwards – 2,508 votes.

Kurt Solis – 2,463 votes.

Mr. Padalino entertained a motion to approve the vote. A second was received, and the motion was approved by the membership at 10:20 a.m.

With no unfinished business, Mr. Padalino entertained a motion to adjourn. A motion was made, seconded, and approved by the membership to adjourn the meeting at 10:21 a.m.

Kurt Solis
Board Secretary-Treasurer

Michael D. T. Edwards
Board Chairman

Affidavit of Publication

I do hereby attest that the Official Notice of Annual Meeting of Bandera Electric Cooperative was published in the August 2023 issue of *Texas Co-Op Power* and mailed to the 28,692 members of record of the cooperative on July 27, 2023.

Signed: _____

Karen Nejteck, Production Manager, *Texas Co-Op Power*

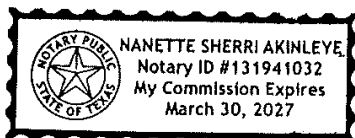
State of Texas

County of Travis

Before me, Nanette Akinleye, a notary public, on this day personally appeared Karen Nejteck, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 4th day of August 2023.

Nanette Sherril Akinleye
Nanette Akinleye



2022 Facts & Figures

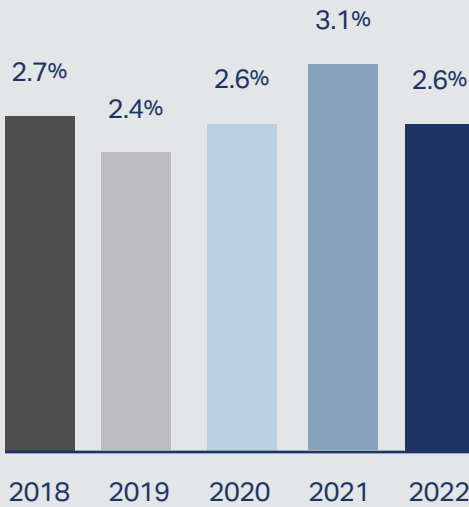
The Cooperative

29,091 Total Members	134 Employees	99.971% ASAI Reliability
40,419 Total Active Meters	4,788 Miles of Line	8.4 Meters Per Mile

Fiber Services

11,788 Total Subscribers	11,117 Residential	671 Commercial
1,099 Phone Subscribers	\$10,577,862 Broadband Revenue	

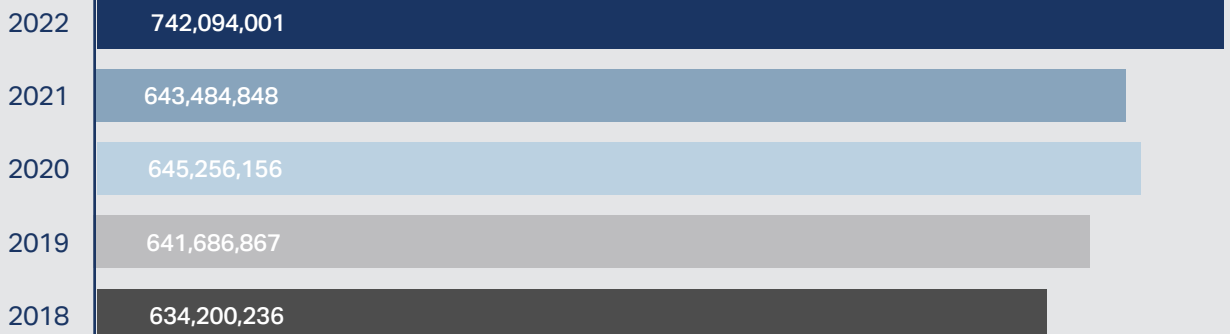
Electric Service Growth



Energy Services

217 Energy Saver Program Members	291 Apolloware Installations	21 Total BEC Solar Installations
1,995 kW Total BEC Solar Distributed Generation	5,576 kW Total Distributed Generation	1,278 kW Total Energy Storage Capacity
154 Community Solar Subscribers	\$3,679,212 Energy Saver Program Revenue	

Kilowatt-Hour Sales



ASSETS

Total Utility Plant	\$382,052,466
Less: Accumulated Depreciation	(\$95,317,560)
Net Value of Utility Plant	\$286,734,906
Investments in Associated Organizations	\$6,337,770
Notes Receivable & Other Assets	\$6,115,093

Current Assets

Cash in Bank	\$206,100
Accounts Receivable	\$4,048,941
Other Current Assets	\$10,479,510
Total Current Assets	\$14,734,551
Total Assets	\$313,922,320

EQUITIES & LIABILITIES

Memberships	\$706,365
Patronage Capital	\$97,166,518
Other Equities	(\$224,937)
Accumulated Other Comprehensive Income	\$1,155,928
Total Equities	\$98,803,874
Long-Term Debt Less Current Maturities	\$180,716,131
Deferred Credits and Other Long-Term Liabilities	\$3,300,627

Current Liabilities

Current Maturities of Long-Term Debt	\$8,213,614
Short-Term Notes Payable	\$12,600,000
Accounts Payable	\$8,732,474
Other Current and Accrued Liabilities	\$1,555,600
Total Current Liabilities	\$31,101,688
Total Liabilities	\$215,118,446
Total Equities & Liabilities	\$313,922,320

OPERATING REVENUES

Electric Revenue	\$77,199,801
Revenue From Divisions	\$15,275,993
Other Electric Revenue	\$7,818,792
Total Operating Revenue	\$100,294,586

OPERATING EXPENSES & FIXED CHARGES

Cost of Power	\$50,800,028
COGS—Divisions	\$5,188,553
Operations and Maintenance	\$26,071,249
Depreciation and Amortization	\$10,069,770
Interest	\$6,328,618
Other Deductions (Additions)	\$214,536
Total Operating Expenses	\$98,672,754
Operating Margins—After Fixed Charges	\$1,621,832
Non-Operating Income	\$1,069,968
Net Margins	\$2,691,800

Statement of Financial Condition

I, Kurt Solis, do hereby certify that I am the elected Secretary-Treasurer of Bandera Electric Cooperative Inc. and that to the best of my knowledge, the financial and statistical information is true and correct as of December 31, 2022.



Kurt Solis
Board Secretary-Treasurer

The BEC Foundation

The Bandera Electric Charitable Foundation is the philanthropic arm of Bandera Electric Cooperative. The foundation supports nonprofit organizations in the BEC service area by providing community project grants. Learn more or donate today at BanderaElectric.com/Foundation.

2022 Facts & Figures

5,583

Members rounded up their bills

\$22,079

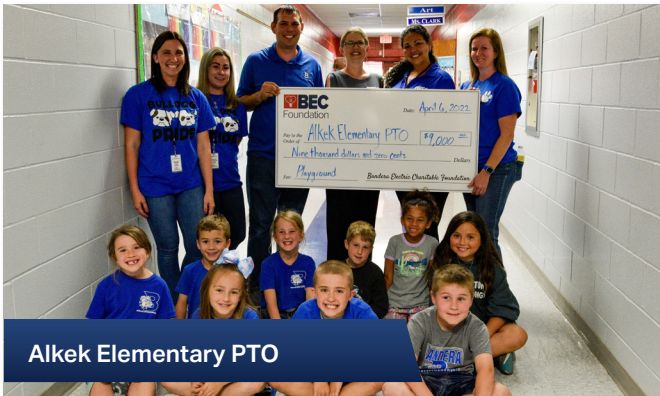
Bill round up donations

\$127,992

Total project grants awarded

\$91,128

Golf tournament proceeds



Alkek Elementary PTO



Bandera Foster Closet



Bandera Public Library

2022 Grant Recipients

- Alkek Elementary PTO
- Bandera 4H Shotgun Team
- Bandera County 4H
- Bandera County Silver Sage
- Bandera Foster Closet
- Bandera High School
- Bandera Little League
- Bandera Public Library
- Bandera Sports Complex
- Bandera United Methodist Church
- Hill Country Casa
- Hill Country Daily Bread
- Hill Country Elementary PTO
- Hill Country Samaritans
- Lake Hills Area Library
- Medina ISD
- Ridin' the River Cowboy Fellowship

Support the Foundation

Round up your bill

to the next whole dollar for an average donation of \$6 per year.

Make a one-time donation

at any of our offices, by mail, on your bill or online.

Your change makes a big difference in the community.
The foundation provides grants to local nonprofits with a focus
on education, safety and overall concern for community.



BANDERALECTRIC.COM/FOUNDATION

Our Vision
Reimagining Rural America

Our Mission
Lighting the Grid To Empower Our Members



Serving Members Since 1938