



MESSAGE
FROM BOARD
PRESIDENT

KENNETH
WHITE

Your Co-op Remains Strong

WE'RE ADJUSTING TO NEW NORMALS, as are most companies amidst the ongoing pandemic. We know that normal for any thriving company means addressing challenges, embracing change, and making improvements where needed. For almost 84 years, Medina Electric Cooperative has worked to provide our members with safe, reliable and affordable power.

We serve more than 20,000 members across the 17 counties in South Texas and that number is growing. In 2021, we added 658 new meters and expect to add 1,000 more by the end of 2022. With that in mind, Medina EC has been preparing for this growth for some time now. We have seen the western part of the greater San Antonio area boom, and it is quickly developing into our territory. With the increase in population and new service—including irrigation and commercial accounts—our crews are busy building new lines to serve these members as well as upgrading existing equipment to reliably serve the increase in electric load. This year, we have upgraded 43 miles of line as a result of three voltage conversions, which will double our capacity to serve this growth.

We know that our members want accurate and timely information and, for the past three years, we have been updating all 34,000 meters on our system. We're hopeful for this project to be complete by the end of 2022. The new meter technology sends real-time data to our system, so we can provide members with updates and information more efficiently. Once completed, the upgraded equipment and new meters will support more reliable reads for the system.

Last year, we began the process to transition to a 24/7 in-house system operations. In July, we broke ground at our general office and began construction of our new system operations center. While we've always handled our dispatching in-house during business hours, an outside firm took over after hours. As the department grows and develops, our personnel will eventually cover all outage dispatching and restoration activities. We are working hard to create a smooth transition by improving workflow processes so that we can reduce the frequency and duration of outages experienced by our members.

An important element to the cooperative busi-

ness model is our commitment to community. In 2021 we supported many organizations, community events, and various other projects across our communities through donations totaling \$82,000. We also awarded \$24,500 in scholarships through our Scholarship and Youth Your programs and \$5,500 in grants through the Community Empowerment Program. We support our communities through various other avenues such as water donations and employee volunteerism. When asked why we give money to organizations in the area, I remind folks that we've been in these communities for more than 80 years. It's important to us at Medina EC to see these communities continue to prosper, and we believe that investment and support from businesses help make that possible.

At the end of 2021, we said goodbye to 10 employees who retired from the cooperative, including former CEO Mark Rollans. Medina EC's team remains equipped to continue to serve our members. Trey Grebe joined Medina EC in January 2022 as the new CEO and brings with him 35 years of utility experience. Other roles were filled with internal promotions and new staff ready to continue the mission to exceed members' expectations.

You should know that your cooperative continues to be a financially strong and viable organization. In 2021, we were able to return \$2.15 million in capital credits to members, adding to the more than 36 million returned since inception. Capital credits is just one benefit of being a cooperative member.

When the board meets each month, we do so with all of the members in mind. We focus on projects that will continue to serve our members with reliable electricity at the most reasonable costs. We also understand that politics can play a critical role in the utility industry, and we will continue to monitor state and national policies that may impact our members.

It's been an honor to serve as the president of the board of directors for Medina EC, and I look forward to continuing to serve the members.



MESSAGE
FROM CEO
**HERBERT
"TREY" GREBE**

See You at the Annual Meeting

MOST OF US LEAD BUSY LIVES. We often find ourselves multitasking—constantly checking our phones and email to keep up with the demands of modern life. And with so many pressing obligations, we like to protect what little spare time is left.

Invitations to attend in-person meetings and gatherings are weighed carefully as we decide whether the time and effort to attend is worthwhile. The answer to the question “what’s in it for me?” often must be compelling for an invitation to earn your consideration.

That’s why I’d understand if you initially dismissed Medina Electric Cooperative’s annual meeting without knowing how it can benefit you. However, I’d ask you to think again.

Medina EC exists to provide safe, reliable and affordable energy to its members—you. Equally important is our mission to enrich the lives of all members and to serve the long-term interests of our local communities. This is where you can help.

As a member of the community, you have a valuable perspective, and we invite you to share it with the co-op. At the annual meeting, you will hear about the organization’s priorities, challenges, financial health and goals for the coming years. The meeting is also the time to hear the results of the board of director election. Board members are local consumers, just like you, and represent the membership.

Medina EC is one of the few local organizations that’s uniquely positioned to bring together all members of the community, across 17 counties in South Texas. The health of the co-op and the well-being of the community are closely intertwined.

Perhaps you feel that you have nothing to add to the discussion, so there’s no need to attend the annual meeting. However, every electricity bill you pay to the co-op helps ensure better service and reliability for the whole community. Your dollars are reinvested locally into improvements that impact the reliability and affordability of energy, and Medina EC encourages you to participate to better know your co-op as we plan for the future.

If you’ve never attended our annual meeting, or if it’s been awhile, please stop by. It will be my first as CEO for Medina EC, and our co-op family looks forward to visiting with you! We’ll have food, fun, door prizes, and a chance at the \$1,000 grand prize, so mark your calendar for the annual meeting, Saturday, September 24, at Texas A&M International in Laredo. ■

Medina Electric Cooperative



CONTACT US

Toll-Free 1-866-MEC-ELEC (632-3532)

Email Info@MedinaEC.org

Web MedinaEC.org - Chat Feature Available

BOARD OF DIRECTORS

Voting District 1

Larry Huesser, (830) 363-7651

Wayne W. Scholtz, (830) 426-1328

Ken Weynand, (830) 426-0762

Voting District 2

Jimmie Raines, (830) 591-8437

Chris Surles, (830) 965-5538

Kenneth White, (830) 232-6541

Voting District 3

Annette Sorrells, (361) 231-0173

J. L. Gonzalez, (956) 286-1863

Rodolfo H. Rodriguez, (210) 846-1092

CEO

Trey Grebe, 1-866-MEC-ELEC, ext. 1045

Outage? Call us.

TOLL-FREE

1-866-MEC-ELEC (632-3532)

Option 2: Report an outage

Option 3: Pay bill, get account balance

Option 5: Speak to a representative

OFFICE LOCATIONS

Bruni 1300 FM 2050 N., Bruni 78344

Dilley 1718 W. FM 117, Dilley 78017

Hondo 237 Hwy. 173 N., Hondo 78861

Rio Grande City 601 N. FM 3167,
Rio Grande City 78582

Uvalde 2604 Hwy. 90 E., Uvalde 78801

Corporate Office 2308 18th St., Hondo 78861

VISIT US ONLINE

MedinaEC.org



This institution is an equal-opportunity provider and employer.

Información sobre todos los programas y servicios que ofrece Medina Electric Cooperative están disponibles en Español al llamarnos al 1-866-MEC-ELEC o visitando una de nuestras oficinas.

Operating Statistics

ASSETS	2021	2020
Total Utility Plant	\$239,001,293	\$225,688,243
Less Accumulated Depreciation	(38,600,452)	(34,955,828)
Net Utility Plant	200,400,841	190,732,415
Cash and Temporary Investments	907,511	1,292,687
Investments in Associated Organizations	64,228,791	60,236,376
Accounts Receivable	9,342,652	10,892,392
Materials	69,132	0
Deferred Charges & Other Assets	656,650	1,129,511
Total Assets	\$275,605,576	\$264,283,380

EQUITIES AND MARGINS	2021	2020
Memberships	\$100,700	\$98,130
Patronage Capital	115,085,140	107,419,096
Other Equities and Income	11,503,692	13,885,068
Total Equities and Margins	\$126,689,532	\$121,402,294

LIABILITIES	2021	2020
Long-Term Debt	\$124,853,673	\$118,198,040
Accumulated Provision for Pensions and Benefits	3,082,862	3,330,336
Accounts Payable	10,895,263	10,592,183
Consumer Deposits	2,763,482	2,757,751
Other Current and Accrued Liabilities	2,797,814	1,545,140
Deferred Credits	4,522,951	6,457,637
Total Liabilities	\$148,916,044	\$142,881,086
Total Equities and Liabilities	\$275,605,576	\$264,283,380

REVENUE	2021	2020
Sales of Electric Power	\$124,870,755	\$123,846,487
Miscellaneous Electric Revenue	835,169	443,774
Total Revenue	\$125,705,924	\$124,290,261

EXPENSES	2021	2020
Purchased Power	84,047,371	83,785,357
Maintenance and Operations	15,441,390	14,897,069
Consumer Accounts and Member Services	3,123,345	3,158,651
Administration / General	7,692,401	6,367,464
Depreciation	8,282,854	7,453,623
Interest and Other Deductions	4,863,075	4,680,106
Total Expenses	\$123,450,437	\$120,342,271

MARGINS	2021	2020
Operating Margins	\$2,255,487	\$3,947,990
Generation and Transmission / Other Capital Credits	4,763,740	5,716,955
Nonoperating Margins	276,642	279,464
Total Margins	\$7,295,869	\$9,944,409

ANNUAL AUDIT

Medina EC is audited annually. The audit of the 2021 financials was performed by Certified Public Accountants Bolinger, Segars, Gilbert & Moss, L.L.P. of Lubbock.

The audit covered the period from January 1, 2021 through December 31, 2021.

Per the auditor's March 15, 2022, report, "in our opinion, the financial statements ... present fairly, in all material respects, the financial position of Medina Electric Cooperative, Inc. as of December 31, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America."

Dollar Breakdown

Medina EC is a **not-for-profit** business, so each dollar you send the cooperative covers **business costs**. Here is how your dollar was spent in 2021.

POWER COST

68.08%

MAINTENANCE & OPERATIONS

12.51%

DEPRECIATION

6.71%

ADMINISTRATION

6.23%

INTEREST

3.94%

CONSUMER ACCOUNTS & MEMBER SERVICES

2.53%

Where Your Electricity Came From

THERE ARE MANY STEPS involved in getting electricity to your home. The first step is procuring the fuel used to produce it.

As a cooperative, we purchase our power from our wholesale power supplier, South Texas Electric Cooperative. With all fuel sources for energy production, there are advantages and disadvantages. The goal, very much like with a financial portfolio, is to take a balanced approach and to adjust as the market changes.

Here are the resources that made up the fuel for the power the cooperative provided to members during 2021.

Natural Gas—54.8%

Texas Lignite—27.2%

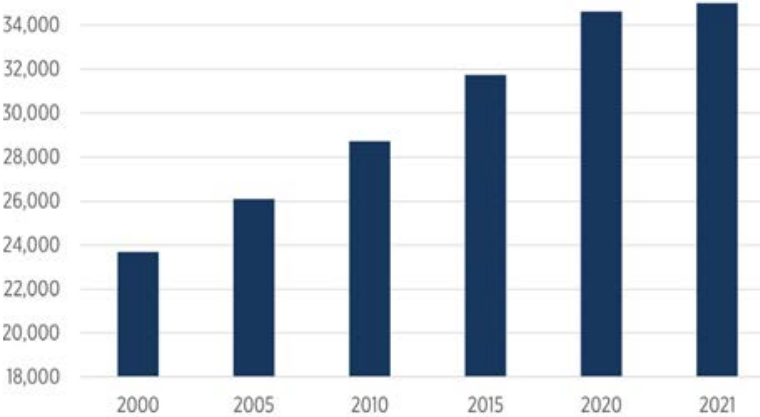
Renewables—15.3%

Nuclear —2.7%



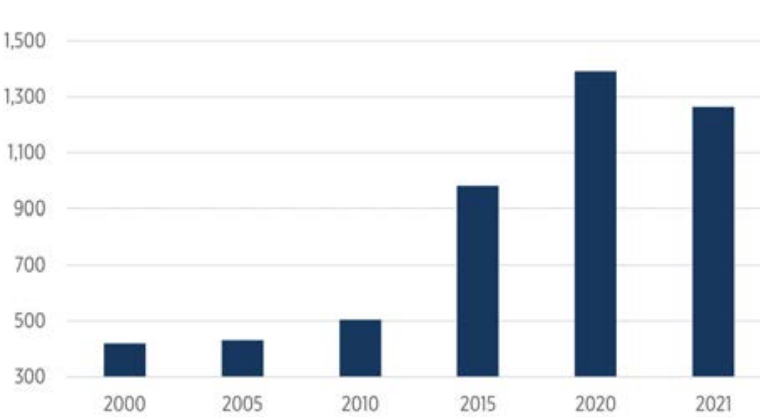
Active Services (Meters & Security Lights)

2000: 23,702 2021: 35,353



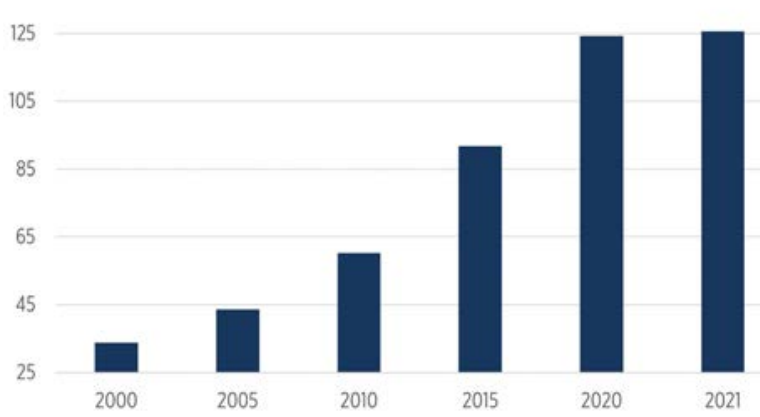
kWh Sold (in millions)

2000: 420M kWh 2021: 1,265M kWh



Revenue (in millions)

2000: \$33.8M 2021: \$125.7M



ALL NUMBERS AS OF 12/31/2021

MILES OF LINE

With 9,839 miles of line, Medina EC has enough to stretch along the driving route from our Rio Grande City office to Anchorage, Alaska, and back—and still have more than 1,000 miles of line left over. Our power lines stretch across the 17 South Texas counties we serve. At 10,750 square miles, Medina EC's service area is 1,000 square miles larger than the land area of Maryland as well as eight other states.

For comparison:

Year-end 2010—9,043 miles

Year-end 2000—8,824 miles

HELPFUL LINKS AND RESOURCES

WEBSITE:

MedinaEC.org

RATES:

MedinaEC.org/Rates

CORPORATE DOCUMENTS:

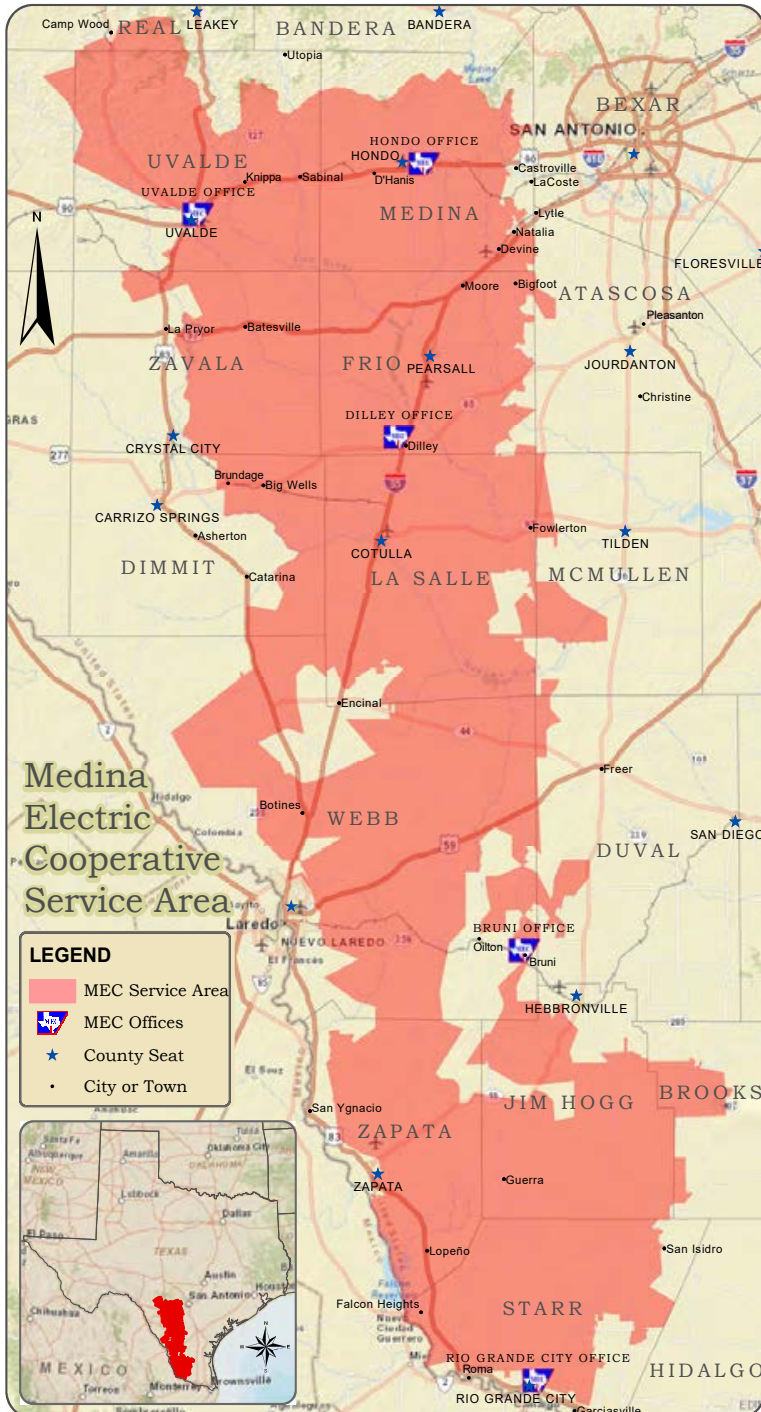
MedinaEC.org/CorpDoc

Includes Tariff, Bylaws and Your Rights as a Member

Our Service Area

MEDINA ELECTRIC COOPERATIVE may be our name, but we serve more than just Medina County. Medina EC actually serves all or parts of 17 counties across South Texas.

We have five offices that members can visit for business, located in Bruni, Dilley, Hondo, Rio Grande City and Uvalde, and two additional offices where internal staff operate, the corporate office in Hondo and a Laredo facility that houses materials and vehicles for staff in that area.



Benefits of Membership

SOLAR

You can now purchase a ground-mount solar panel system with installation from your cooperative. Learn more at MedinaEC.org/Solar.

GENERATORS

You can now purchase a 22kW propane generator with installation from Medina EC. Learn more about purchasing one or properly installing your own generator at MedinaEC.org/Generators.

SMARTHUB

Have your account information at your fingertips with this free tool. Available at MedinaEC.org or as an app for Android and Apple devices. Pay your bill, review past use, report outages and more.

REBATES

You can take advantage of rebates for multiple energy efficiency upgrades. Get all the details and information at MedinaEC.org/Rebates.

PREPAID ELECTRICITY

PrePaid Electricity is a great option if you want to pay for your electricity as you use it. Learn more about the program at MedinaEC.org/PrePaid.

PAYMENT OPTIONS

We offer many payment options. See details at MedinaEC.org/BillPay.

LIFE-SUPPORT REGISTRY

If someone in your home depends on an electrically operated health aid, they need to be on the life-support registry. The form and details are at MedinaEC.org/Registry.

Board Election

Election ballots were mailed to Medina EC members on August 17. Voting closes at 5 p.m. on September 16. For specific instructions on voting by mail or online, please see the ballot you were mailed. Every member's vote is important. If you didn't receive your ballot for the election, please contact Medina EC at 1-866-MEC-ELEC or MyCoop@MedinaEC.org.

A brief biography for each candidate in Medina EC's contested races is listed. The content is written in the candidates' words and has not been edited by Medina EC staff. Acknowledgment of the campaign policy and disclosure reports, if applicable, are available for each candidate upon request.

Only Voting District 2 has a contested race this year. Candidate profiles for uncontested positions in Voting Districts 1 and 3 are available at MedinaEC.org/BoardElection.

All Medina EC members are eligible to vote for a candidate in any of Medina EC's contested races even if the member does not have a meter in those voting districts.

Medina EC is a democratic organization controlled by its members. Members elect representatives, called directors, who participate in setting policy and making decisions. Directors are accountable to the membership through the annual election process.

Nominees for board candidates were accepted at nominating meetings held in February and by petition.

Election results will be announced at the 83rd Annual Membership Meeting in Laredo on September 24 and posted at MedinaEC.org.



Jim L. Gates
Voting District 2 Candidate

Medina EC Member (# of Years): 28
Occupation (Former if retired): Banker

Work Experience: 2017 to Present - President / CEO Stockmens National Bank in Cotulla
1999 to 2014 - Sr. Vice President & Pearsall Branch Manager Jourdan State Bank
1997 to 1999 - Vice President Security State Bank Pearsall
1988 to 1996 - President, Pearsall Banking Center Camino Real Bancshares
1987 to 1988 - Vice President Stockmens National Bank in Cotulla
1983 to 1986 - Loan Officer WinterGarden Production Credit Association

I Would be a Good Director Because: I look forward in becoming a director of the Medina Electric Coop because with my extensive experience in finance and my conservative nature I agree with the Coop's mission of providing safe, reliable electricity at the lowest possible cost to the members. I am a graduate of Texas A & M University '83 and have a long history of public service, 24 years as a director of the Frio Regional Hospital, 14 years as a director of the Texas Southwestern Cattle Raisers Association along with many years as a member of local clubs and organizations. My 35+ years of work history in the banking industry has me well prepared to review financial reports and work with people. I am a rancher and owner of commercial & residential rental property, all of which has me vested in the community. I know what the costs are and the value of your dollars. If there is a way to hold any of these costs down, I am willing to work to make that happen.

Please Contact Me At: Phone: 830-334-7170 Email: jimlgates@yahoo.com



Chris C. Surles
Voting District 2 Candidate

Medina EC Member (# of Years): 41
Occupation (Former if retired): Businessman

Work Experience: In 1976 I graduated from Texas Tech University with a degree in business management. I soon went to work for the United States Department of Agriculture in Pearsall Texas and raised commercial hogs in my spare time. In 1980 I was employed by an agri-business in Dilley Texas selling fertilizer, seed, and chemicals to farmers and ranchers in the south Texas area. Eventually I became the general manager of this business which included buying and selling feed grains and processing farmer stock peanuts. In 2000 I took the opportunity to work in the Oil & Gas business as a registered broker for investments and from 2010 to the present I have been self employed managing commercial properties owned by my wife and me in Dilley.

I Would be a Good Director Because: For the past eleven years I have served as a director on the board of Medina Electric Cooperative. This experience along with my business involvement of the last 45 years makes me an excellent choice for re-election to the board where I currently serve. I consider myself a man of good character with reasonable understanding of the cooperative business model which is the foundation of Medina Electric Cooperative. It is my goal to continue to serve as a director with fairness and integrity to all of our membership, all of our employees, and to my fellow directors.

Please Contact Me At: Phone: 830-965-5538 Email: surco@granderiver.net

CANDIDATE PROFILES FOR UNOPPOSED RACES CAN BE FOUND AT MEDINAE.C.ORG/BOARDELECTION

Seven Cooperative Principles

As an electric distribution cooperative, Medina EC operates under the Seven Cooperative Principles. These principles guide all decisions made at the co-op.

VOLUNTARY & OPEN MEMBERSHIP

DEMOCRATIC MEMBER CONTROL

MEMBERS' ECONOMIC PARTICIPATION

AUTONOMY & INDEPENDENCE

EDUCATION, TRAINING & INFORMATION

COOPERATION AMONG COOPERATIVES

CONCERN FOR COMMUNITY

During the 83rd Annual Membership Meeting, one item on the business meeting agenda will include a vote on approval of minutes from the 82nd Annual Membership Meeting, held in 2021. Below are minutes from that meeting for members to review.

Annual Membership Meeting: September 25, 2021

The Medina Electric Cooperative, Inc. 82nd Annual Membership Meeting was held at the SSGT Willie de Leon Civic Center in Uvalde, TX beginning at 10:00 a.m. on Saturday, September 25, 2021.

The welcome and opening comments were delivered by Board President Kenneth White who noted that this Annual Meeting celebrates 82 years of serving electricity to South Texas. Mayor Don McLaughlin was invited to the stage to welcome members to the City of Uvalde.

1. The invocation was given by CEO Rollans followed by the Pledge of Allegiance and the National Anthem.
2. CEO Rollans then recognized veterans, current service members, and first responders in attendance. Further, he introduced special guests in attendance at the meeting. CEO Rollans then introduced the Board of Directors and the Medina Electric employees who have reached service milestones, asking them to stand and be recognized.
3. Board President Kenneth White called the meeting to order, asking Board Secretary Annette Sorrells to address the next order of business including:
 - a. The notice of the meeting: Secretary Sorrells reported this notice was provided in the September Texas Co-op Power magazine.
 - b. Registrar's Report: Secretary Sorrells read the following Registrar's Report: As of Wednesday, September 22, 2021 when voting closed, Survey and Ballot Systems (SBS), who handles all election business, reported that 1,918 ballots were ruled valid. Based on cooperative bylaws, a quorum was met and the meeting could proceed.
 - c. Reading of the Membership Roll and 2019 Annual Meeting Minutes: Secretary Sorrells stated that she could hold the roll call of the members and read the 2019 Annual Meeting minutes, noting that the minutes were included in the September Texas Co-op Power magazine.

At this time, President White stated he would entertain one motion to:

1) Accept the Registrar's Report, 2) Dispense of the Reading of the Membership Roll, and 3) Approve the 2019 Annual Meeting Minutes as presented in the September issue of the Texas Co-op Power magazine.

Motion was made and seconded to 1) Accept the Registrar's Report, 2) Dispense of the Reading of the Membership Roll, and 3) Approve the 2019 Annual Meeting Minutes as presented in the September issue of the Texas Co-op Power magazine. Motion carried.

4. CEO Rollans then presented his annual report.
5. CEO Rollans read the names of the 2021 director nominees as well as the dates and places of the Voting District Nominating Meetings. The nominees were asked to stand and were thanked for their support and for taking an active interest in their cooperative.
6. The results of the 2021 director election were announced. It was noted that Medina utilized Survey and Ballot Systems to coordinate the election. This third-party company collects and tallies all votes made by members online and through mail-in ballot, ensuring that the election is secure and confidential. CEO Rollans called upon Uvalde Mayor Don McLaughlin who reported the following results:

Director Election
District 1: Wayne Scholtz - 1,352
Levi McKenzie - 566
7. CEO Rollans announced that he would be retiring at the end of 2021 and thanked his family, staff, and the board as well as the membership for allowing him to be a part of the cooperative for the past 30 years. President White presented CEO Rollans with a plaque commemorating his years of service.
8. President White asked whether there remained any new or unfinished business. None was indicated by the membership.

There being no other business, the meeting was adjourned.



Don't Forget to RSVP for the 83rd Annual Membership Meeting

RSVP for the in-person meeting or Zoom option at MedinaEC.org/RSVP.

Learn more about the meeting at MedinaEC.org/AnnualMeeting2022.