



MESSAGE
FROM CEO

**HERBERT
"TREY" GREBE**

A Year of Growth

I HOPE YOU'LL CONSIDER JOINING US at this year's 84th Annual Membership Meeting. This is an important time to join with your fellow members and meet the team behind your power. I'm looking forward to meeting you and sharing about the growth we're experiencing here at Medina EC this year.

We do our best to share that information throughout the year—through this magazine, our website, social media and other member communication tools like SmartHub—but the meeting is a chance to meet in person to talk about what happens at Medina EC locally, and at the state and national levels.

There continue to be conversations regarding reliability and the Environmental Protection Agency's new rules that were released in May for cutting carbon emissions, which impact new and existing coal and natural gas-powered plants. These rules could cause strain to all power grids at the state and national levels, resulting in critical, always available power plants—like natural gas and coal—being forced into early retirement and making new natural gas power plants exceedingly difficult to permit, site and build.

I think most people would agree the desire to continue making strides to improve the environment for the benefit of our children and grandchildren is very important. But we must be mindful of doing so in a reasonable way that ensures a reliable power supply necessary for the immediate health and safety of all. Moving too rapidly in transitioning to renewable energy will not only have negative effects on reliability but could also have costly economic effects if there is not enough energy available when the wind doesn't blow and the sun doesn't shine.

Our state officials have recognized this problem and have been grappling with it over the course of the last two years as we emerged from the effects of Winter Storm Uri. This last spring, the Texas Legislature passed a couple of key bills that are intended to provide incentives for existing dispatchable generation to remain operational and to encourage new dispatchable generation to be built. Texas lawmakers also passed legislation that included requirements for new renewable generation to guarantee their production at peak intervals through a mechanism known as firming. As we move forward, we know maintaining a diverse mix of fuel sources is critical to meeting the growing demand for electricity.

Medina EC staff and directors will continue to be present at future legislative rallies to ensure that political leaders hear firsthand the hurdles facing electric cooperatives. We will also continue to monitor growth locally and make changes and adjustments to meet the increase in demand. A large handful of this growth is seen in Medina County as more people and businesses are moving out of bigger cities like San Antonio to put down roots in more rural and smaller communities like Castroville, Hondo, Devine and many of the other towns in the county. In 2022, we finalized a sale of the property adjacent to our current

Hondo service office on Highway 173. This property gives us the needed space to expand our office and warehouse to be better equipped to accommodate the growth in construction and population. We continue to make upgrades to our power lines through voltage conversions that increase the capacity of our power lines, allowing us to maximize the use of our existing infrastructure. In the last year, we've completed 11 voltage conversions and have three more scheduled through the end of the year.

In 2022, we broke ground on the system operations building located at the general office in Hondo, and we moved in at the beginning of this year. The building allowed us to grow our system operations center. The operators not only improve the safety of employees, contractors and the public, they ensure the reliable and efficient operation of our distribution system, including grid monitoring and control operations for the flow of electricity, outage management and crew dispatching, and coordination with our generation and transmission partner.

Growth isn't limited to people and demand. Technology continues to grow and evolve and has many benefits to keep us interconnected and always on. However, we also recognize the risk a digitized world brings. Medina EC prioritizes a robust cybersecurity plan to protect our assets, our grid and our members. We constantly work to improve spam filtering, provide extensive internal training on cyber risks and preventions, complete server backups, and have physical security measures such as video surveillance.

An important part of being a cooperative is supporting the communities we live and serve in. In 2022, we gave back \$89,000 in donations to a variety of organizations in our service area including Little Leagues, chambers of commerce, civic clubs, schools, first responders and more. We also gave \$5,500 in grants to organizations that focus on improving their quality and quantity of viable services in our community and supported 25 students who each received \$1,000 scholarships for secondary education. We put a high value on helping the communities we've been a part of since 1938 thrive to power our future for generations to come.

You should know that your cooperative continues to be a financially strong and viable organization. In 2022, our total margins were \$3.9 million, and we retired \$2.08 million in capital credits. Every decision made at the cooperative is made with the benefit of our members in mind. We look forward to the next year, and many more to come, to safely power your life with reliable and equitably priced energy.

I hope to see you on Saturday, September 23!

Trey Grebe



MESSAGE
FROM BOARD
PRESIDENT

KENNETH
WHITE

Get Involved! Join us at the Annual Meeting

ONE OF MY FAVORITE EVENTS IS COMING UP on September 23, when Medina Electric Cooperative will host its annual meeting for you, the members we proudly serve. I always look forward to this event because it's a great opportunity for me and the rest of the board plus our employees to talk with our members and hear what's on their minds.

We hope you'll join us for the annual meeting, which will take place at Graff 7A Ranch in Hondo. For those who are unable to attend in person, we also offer a virtual option via Zoom. Whether you attend in person or online, we thank you in advance for getting involved because your participation means so much to us. Learn more about the meeting, RSVP or register to watch the Zoom meeting at MedinaEC.org/AnnualMeeting2023.

During the annual meeting, we'll share a few brief co-op business updates and introduce our new board member. But we're going to have a lot of fun too! We'll have activities for the kids, a tasty breakfast, several prizes, including a \$1,000 grand prize.

Spending time with you and hearing your take on our community's energy future is so important to us. In fact, it's essential because everything we do is shaped by the members of our community. As I'm sure you know, the energy industry is in the midst of massive change. Consumer needs and changing technology impact nearly every aspect of how we manage and deliver energy to local homes, schools and businesses.

As we navigate major changes in the coming years, we need to hear from you and your neighbors to help with our planning as we strive to meet the long-term needs of all Medina EC members.

This local input means those closest to the community know its needs and priorities and help direct where the co-op's dollars are spent. Every year, we invest funds to make updates to our local system, which helps maintain reliability and grid resilience. Think of it this way: Every time you pay your electric bill, you're actually investing in your community because all the money we take in stays here in the local community. By making these investments in our local system, we can ensure you have reliable power for everyday life.

Most consumers likely don't equate active involvement with their electric company with helping their community. But Medina EC is not an ordinary utility company. We're a co-op, and our business model is meant to serve the members and the community in which it operates.

Our core purpose and mission are to provide energy services that are safe, reliable and equitably priced to enhance the lives of our members. But as a co-op, we're also motivated by service to our community, rather than profits. We hope you'll exercise the benefits of your co-op membership and join us for the annual meeting on September 23. I look forward to seeing you!

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

Kenneth White, (830) 232-6541

Joe Foley, (830) 261-1304

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

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	2022	2021
Total Utility Plant	\$254,851,823	\$239,001,293
Less Accumulated Depreciation	(37,326,061)	(38,600,452)
Net Utility Plant	217,525,762	200,400,841
Cash and Temporary Investments	2,006,702	907,511
Investments in Associated Organizations	68,004,113	64,228,791
Accounts Receivable	10,311,250	9,342,651
Materials	49,467	69,132
Deferred Charges & Other Assets	654,147	656,650
Total Assets	\$298,551,441	\$275,605,576
EQUITIES AND MARGINS	2022	2021
Memberships	\$103,145	\$100,700
Patronage Capital	120,118,042	115,085,140
Other Equities and Income	7,772,294	11,503,692
Total Equities and Margins	\$127,993,481	\$126,689,532
LIABILITIES	2022	2021
Long-Term Debt	\$126,176,147	\$124,853,673
Accumulated Provision for Pensions and Benefits	3,607,656	3,082,862
Accounts Payable	20,150,400	10,895,262
Consumer Deposits	3,012,068	2,763,482
Other Current and Accrued Liabilities	1,182,903	2,797,814
Deferred Credits	16,428,786	4,522,951
Total Liabilities	\$170,557,960	\$148,916,044
Total Equities and Liabilities	\$298,551,441	\$275,605,576
REVENUE	2022	2021
Sales of Electric Power	\$154,509,483	\$124,870,755
Miscellaneous Electric Revenue	1,890,956	835,169
Total Revenue	\$156,400,439	\$125,705,924
EXPENSES	2022	2021
Purchased Power	\$113,497,390	84,047,371
Maintenance and Operations	15,931,787	15,441,391
Consumer Accounts and Member Services	3,478,777	3,123,345
Administration / General	6,886,857	7,692,401
Depreciation	8,794,001	8,282,854
Interest and Other Deductions	5,119,355	4,863,075
Total Expenses	\$153,708,167	\$123,450,437
MARGINS	2022	2021
Operating Margins	\$2,692,272	\$2,255,487
Generation and Transmission / Other Capital Credits	4,307,263	4,763,740
Nonoperating Margins	(3,055,249)	276,642
Total Margins	\$3,944,286	\$7,295,869



ANNUAL AUDIT

Medina EC is audited annually. The audit of the 2022 financials was performed by Certified Public Accountants Bolinger, Segars, Gilbert & Moss, L.L.P. of Lubbock.

The audit covered the period from January 1, 2022 through December 31, 2022.

Per the auditor's March 31, 2023, 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, 2022, 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 2022.

POWER COST
73.85%

MAINTENANCE & OPERATIONS
10.36%

DEPRECIATION
5.72%

ADMINISTRATION
4.48%

INTEREST
3.33%

CONSUMER ACCOUNTS & MEMBER SERVICES
2.26%

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.

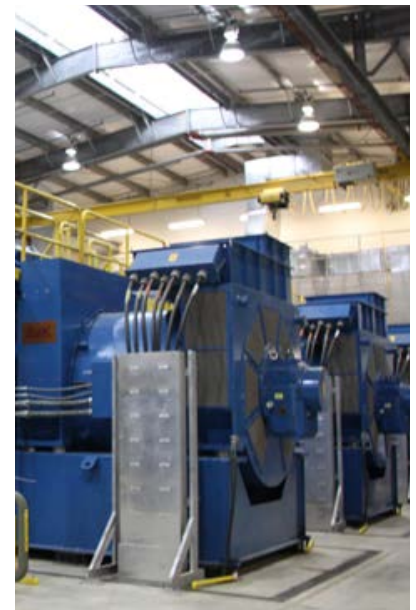
Here are the resources that made up the fuel for the power the cooperative provided to members during 2022.

Natural gas—54.9%

Texas lignite—25.9%

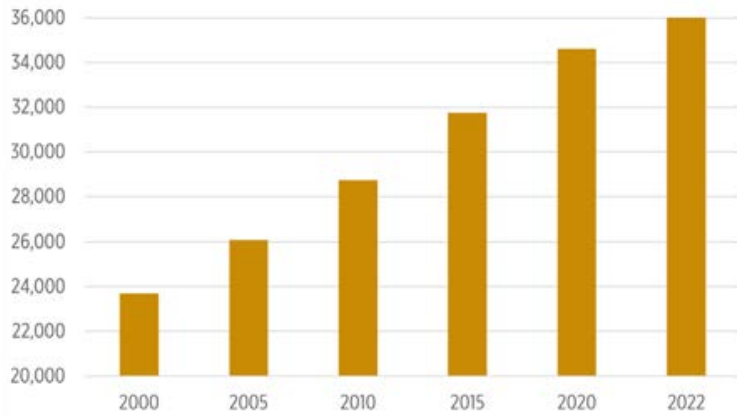
Renewables—16.7%

Nuclear —2.4%



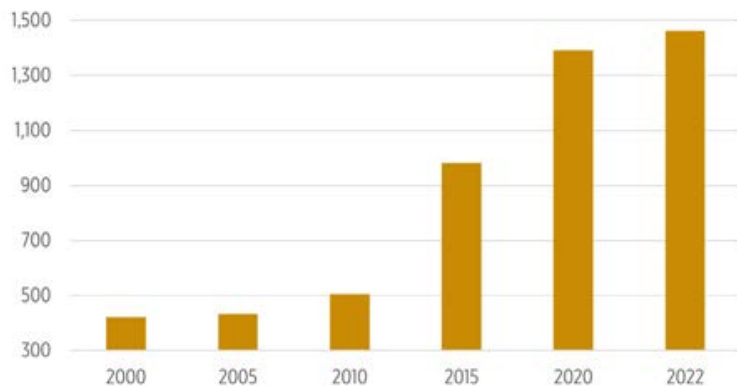
Active Services (Meters & Security Lights)

2000: 23,702 2022: 36,101



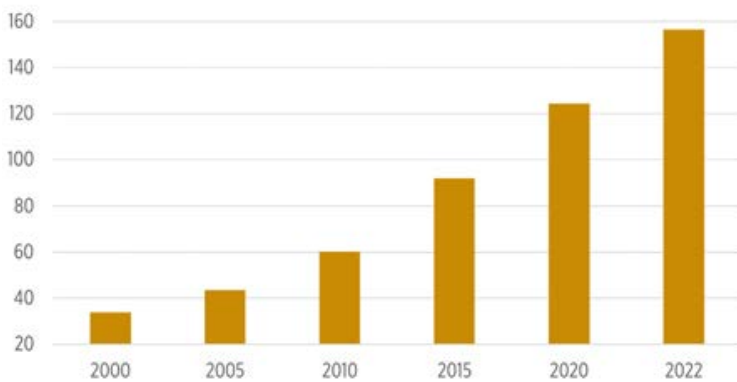
kWh Sold (in millions)

2000: 420M kWh 2022: 1,462M kWh

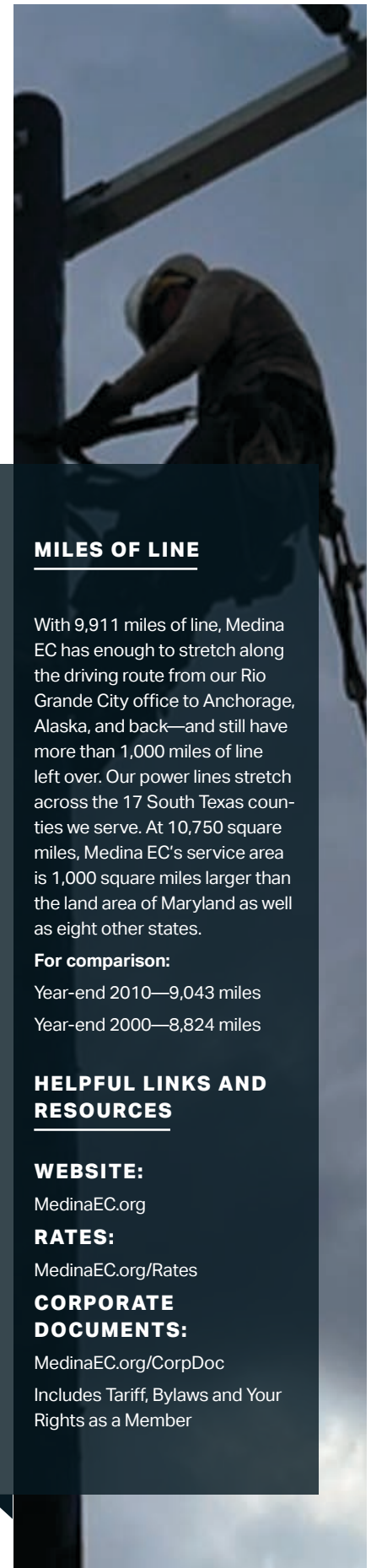


Revenue (in millions)

2000: \$33.8M 2022: \$156.4M



ALL NUMBERS AS OF 12/31/2022



MILES OF LINE

With 9,911 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:

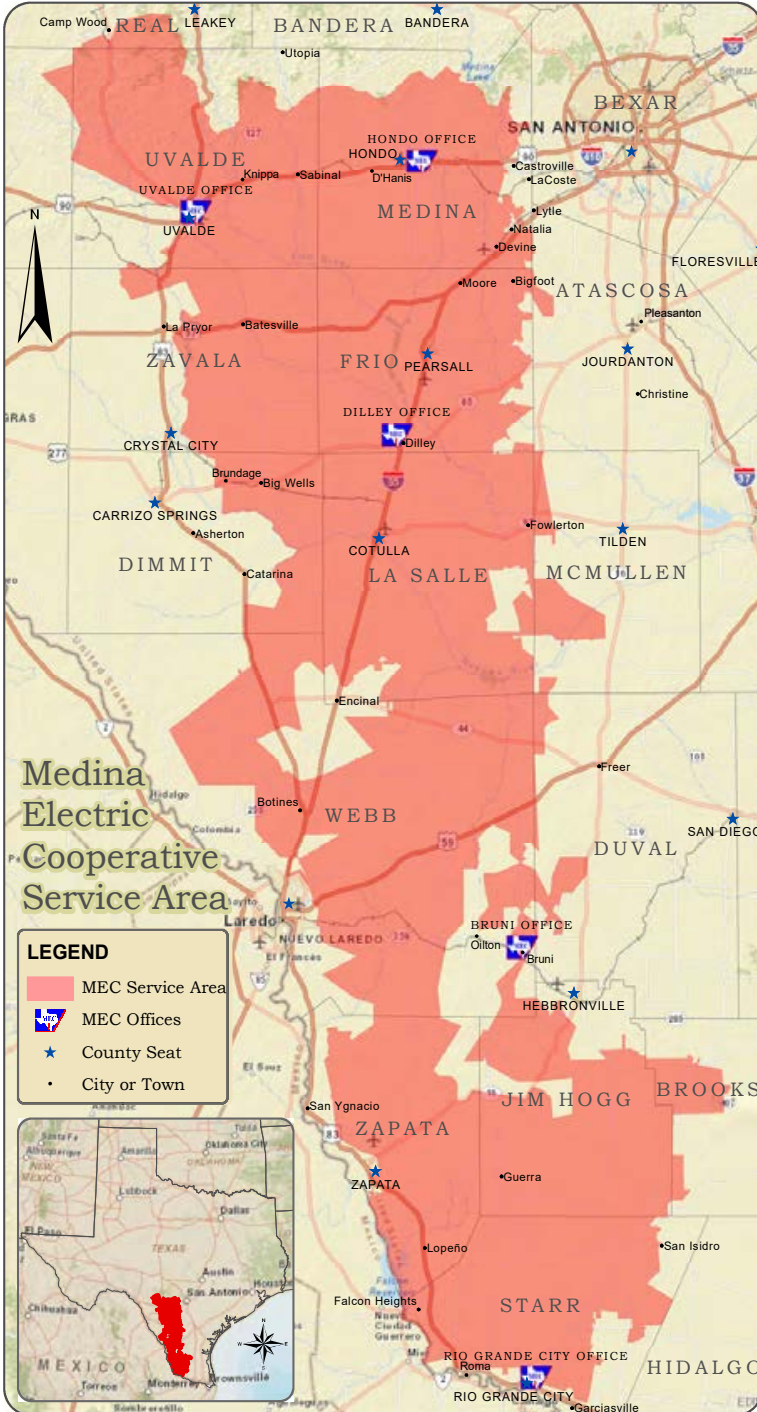
MedinaEC.org/CorpDoc

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

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.

CRITICAL CARE—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.

SOLAR

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

GENERATORS

You can 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.

YOUTH PROGRAMS—YOUTH TOUR AND SCHOLARSHIP

High school sophomores and juniors are eligible to win a free trip to Austin and Washington, D.C. over the summer. Learn more at MedinaEC.org/YouthTour. Graduating high school seniors and adults looking to further their education can apply for \$1,000 scholarships at MedinaEC.org/Scholarships.

Board Election

During the nomination period of the 2023 election, Medina EC's incumbent directors from each voting district ran unopposed.

Per bylaw 4.4.C, the incumbent directors were automatically reelected by the certification committee at the April board meeting.

If you are interested in learning more about the election process or want to run in 2024, visit MedinaEC.com/Nominee.



LARRY HUESSE
VOTING DISTRICT 1



JIMMIE RAINES
VOTING DISTRICT 2



R. H. RODRIGUEZ
VOTING DISTRICT 3

Voting District 2 Vacancy Filled

At the February board meeting, Jim Gates resigned from Medina EC's board of directors, opening a seat to represent Voting District 2. Voting District 2 represents Atascosa, Edwards, Frio, Kinney, Real, Uvalde and Zavala counties. Members with meters in Voting District 2 were solicited by postcard and email to apply for the open seat. Applications were accepted through May.

Qualified members were interviewed in June by a selection committee comprising three board members, one from each voting district. Based on the qualifications and interview, Joe Foley of Uvalde was selected to fill the vacancy. He will fill the seat until it's up for election in 2025.

Joe Foley Voting District 2 Director



Medina EC Member (# of Years): 33

Occupation (Former if retired): Former Loan Officer

Work Experience: 2013 to Present - Retired

2006 to 2013 - Capital Farm Credit, Uvalde Credit Office Services, Stephenville, TX

1997 to 2006 - Southwest Texas, ACA, Uvalde Credit Office, Uvalde, TX

1990 to 1996 - Federal Land Bank Association, Uvalde, TX

1984 to 1989 - Uvalde Production Credit Association, Uvalde, TX

1983 to 1984 - Farmers Home Administration, Uvalde, TX

1981 to 1983 - Halliburton

I would be a good director because: I spent basically my entire working career in member-owned cooperative lending institutions and therefore have a firm understanding of how cooperatives operate and a thorough appreciation of the value of cooperatives to rural America. As a 33-year member of Medina EC, I am thankful for all of the benefits associated with that membership and I would like to "pay it forward" by helping to provide good stewardship of Medina EC for current and future members.

I have lived in Uvalde for 40 years and for a large portion of that time I worked with youth programs in Uvalde County by serving as a multi-year President of the Uvalde County Jr. Livestock, coaching 4-H livestock judging teams, serving as an adult leader and coach of the 4-H shotgun shooting sports program, working with the Uvalde County Youth Rodeo and serving on the Uvalde County Crop Committee for the Extension Service.

Please contact me at: 830-334-7170

Email: JFoley@MedinaEC.org

CANDIDATE PROFILES FOR UNOPPOSED RACES CAN BE FOUND AT MEDINAEC.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 84th Annual Membership Meeting, one item on the business meeting agenda will include a vote on approval of minutes from the 83rd Annual Membership Meeting, held in 2022. Below are minutes from that meeting for members to review.

Annual Membership Meeting: September 24, 2022

The Medina Electric Cooperative, Inc. 83rd Annual Membership Meeting was held at the Texas A&M International University beginning at 10:00 a.m. on Saturday, September 24, 2022.

The welcome and opening comments were delivered by Board Vice-President Larry Huesser who noted that this Annual Meeting celebrates 83 years of serving electricity to South Texas.

1. The invocation was given by CEO Grebe followed by the presentation of the colors by the Texas A&M International University ROTC Color Guard, the Pledge of Allegiance, and the National Anthem.
2. CEO Grebe then recognized veterans, current service members, first responders, and teachers in attendance. Further, he introduced special guests in attendance at the meeting. CEO Grebe then introduced the Board of Directors and the Medina Electric employees who have reached service milestones, asking them to stand and be recognized. Finally, CEO Grebe recognized those in attendance who have been a member of Medina the longest and those attending their first annual meeting.
3. Board Vice-President Larry Huesser 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 Friday, September 16, 2022, when voting closed, Survey and Ballot Systems (SBS), who handles all election business, reported that 2,001 ballots were ruled valid. Based on cooperative bylaws, a quorum was met, and the meeting could proceed.
 - c. Reading of the Membership Roll and 2021 Annual Meeting Minutes: Secretary Sorrells stated that she could hold the roll call of the members and read the 2021 Annual Meeting minutes, noting that the minutes were included in the September *Texas Co-op Power* magazine.

At this time, Vice-President Huesser 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 2021 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 2021 Annual Meeting Minutes as presented in the September issue of the *Texas Co-op Power* magazine. Motion carried.

4. Vice-President Huesser then made a presentation followed by CEO Grebe who introduced a year-in-review video which included employees discussing some of the projects Medina has been undergoing, projects coming up, and how Medina has been involved in its communities.
5. CEO Grebe read the names of the 2022 director nominees as well as the dates and places of the Voting District Nominating Meetings. He noted that there was only one contested race and that was in Voting District 2. 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 2022 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 Grebe called upon Leo Rodriguez, Senior Vice-President Relationship Manager for the Laredo Credit Office of Capital Farm Credit, who reported the following results:

Director Election		
District 2:	Jim L. Gates	1,007
	Chris C. Surles	994
7. Vice-President Huesser 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

84th

Annual Membership Meeting

Scan me to RSVP!



RSVP for the in-person meeting or Zoom option at MedinaEC.org/RSVP.
Learn more about the meeting at MedinaEC.org/AnnualMeeting2023.