A Message From Your Board President and CEO: Powering Our Shared Future

MESSAGE FROM BOARD PRESIDENT

KENNETH WEYNAND

MESSAGE FROM CEO

HERBERT "TREY" GREBE

WHEN YOU FLIPPED A SWITCH THIS MORNING, brewed a cup of coffee, or kept your home cool against the South Texas heat, you were experiencing your cooperative at work behind the scenes.

Being a member of Medina Electric Cooperative means owning a piece of a local enterprise built on shared purpose and a deep commitment to the place we all call home.

Each year, our annual report allows us to reflect on the hard work of the past year and connect those milestones directly to the momentum driving us forward today. Everything we do—from defending our infrastructure against summer storms to protecting your wallet—is rooted in one simple promise: prioritizing safe, reliable and affordable power for you.

Power Affordability

It's no secret that inflation is impacting pocketbooks. Medina EC is no different. In 2025, we completed a cost-of-service study to fully understand where our pricing stood. Across our industry, the essential equipment needed to build, repair, and protect your electric system saw price increases unlike anything we've seen in decades:

- Utility poles rose by 39%
- Service wire surged by 126%
- Transformers skyrocketed by 247%

To ensure our line crews always have the equipment needed to keep your lights on without compromising safety, we implemented a $3 adjustment applied to the flat monthly Customer Charge for our general service, seasonal and small commercial rate classes.

Every dollar you invest in your cooperative is managed with careful stewardship. Rather than earning a profit for distant investors, those funds stay right here in South Texas—reinvesting directly into the lines, poles, and technology that serve your home or business, while continuing our proud tradition of returning capital credits back to our members.

Power Reliability

If living in South Texas teaches us anything, it's that Mother Nature always has the final word.

When severe storm fronts swept through our territory last June, high winds and lightning pushed our total outage minutes higher than average. Yet, even with those storm-driven outages, we saw our local Distribution SAIDI—the metric tracking the performance of our local equipment alone—drop to a four-year low.

That historic low is the result of intentional, year-round planning, teamwork and grid maintenance. We worked closely with our generation and transmission partner, South Texas Electric Cooperative to form a Reliability Committee. By analyzing the root cause of every outage, we found that nearly 40% of outage time was weather-driven, while 26% was linked to the transmission of power and substation outages.

This data provided us with clear opportunities to strategically plan where to prioritize our infrastructure investments and project coordination. Rather than applying a one-size-fits all approach, we zeroed in on nine high-priority substations heavily impacted by lightning by equipping them with advanced lightning arrestors. We also modified relaying schemes to isolate faults faster.

At the same time, we prioritized vegetation management across our service territory to further reduce tree-related outages. Guided by two certified arborists, our tree-trimming and right-of-way teams cleared 529 miles and sprayed 606 miles of overgrown lines last year. That intentional, hands-on work paid off, reducing tree outages from over 120 to just 80—a trend of steady improvement we continue to build on today.

Power for the Future

Medina EC, in partnership with STEC and San Miguel Electric Cooperative, continuously work to protect the affordable and reliable power supplied right here in South Texas. Through our board representation with our generation partners, two landmark moves were set into motion that protect your power supply and your budget for years to come:

1. **Quick-Start Reliability:** We supported STEC's $768 million acquisition of two natural gas-fired power plants, adding 768 megawatts of quick-start, on-demand power to meet the state's soaring electricity needs during peak hot and cold snaps.
2. **Long-Term Financial Protection:** At SMEC, we helped secure a historic $1.4 billion USDA "New ERA" grant and loan. As this funding finalizes, the plant will transition into a 400-MW solar and 200-MW battery storage facility—a strategic move projected to save Medina EC approximately $191.6 million over the next nine years, buffering our members against volatile market price swings.

Powering Members

Protecting your membership also means advocating for you beyond our local lines. Last year, we joined forces with Texas Electric Cooperatives to defeat House Bill 5604, a piece of legislation that would have allowed commercial telecom companies to access cooperative utility poles at deeply discounted rates. While we strongly support broadband expansion across South Texas, we firmly believe commercial entities should pay their fair share—not shift those costs onto your electric bill.

We bring that same member-first mindset to managing regional growth across South Texas, particularly in Medina County, where we are seeing an unprecedented influx of commercial developments, data centers and industrial facilities. Our policy on growth is simple and nonnegotiable: growth pays for growth, and it always has. Through our Advanced Contribution of Aid to Construction policy—the same standard applied to any new member building a line—large commercial entities are required to pay upfront for engineering, design, staff time and system upgrades needed to connect them. Existing members will never subsidize the infrastructure required to power new neighbors.

Powering Communities

While poles, wires and digital infrastructure keep the lights on, our heart belongs to the communities we serve. Being a cooperative means measuring our performance not just in kilowatt-hours, but in the lives we touch and the local strength we build together.

Over the past year, we were honored to reinvest in our region through:

- Over $108,000 in economic development and charitable donations to local nonprofits through programs like Sharing Success, our Community Empowerment Program and other donations.
- $60,000 in academic scholarships to support students across our service territory pursuing secondary education.

As we look toward the months and years ahead, our commitment remains to ***Exceed Member Expectations in Everything We Do***. We are building a smarter infrastructure, a stronger team and a cooperative that is ready for whatever the future brings.

Thank you for your voice, your continued support and above all, your trust. It is a privilege to serve as your cooperative leadership.

Until next time,
Kenneth Weynand and Trey Grebe

Medina Electric Cooperative

CONTACT US
Toll-Free 1-866-632-3532
Email Info@MedinaEC.org
Web MedinaEC.org - Chat Feature Available

BOARD OF DIRECTORS

Voting District 1
Mickey Holzhaus, (210) 422-3310
Larry Huesser, (830) 426-1539
Ken Weynand, (830) 426-0762

Voting District 2
Joe Foley, (830) 261-1304
Larry Neal, (210) 218-2367
Jimmie Raines, (830) 591-8437

Voting District 3
Dennis Gonzalez, (956) 218-8325
J. L. Gonzalez, (956) 286-1863
Rodolfo H. Rodriguez, (210) 846-1092

CEO
Trey Grebe, 1-866-632-3532, ext. 1046

Call us.

TOLL-FREE
1-866-632-3532
Option 2: Report an outage
Option 3: Pay bill, get account balance
Option 5: Speak to a representative

OFFICE LOCATIONS
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

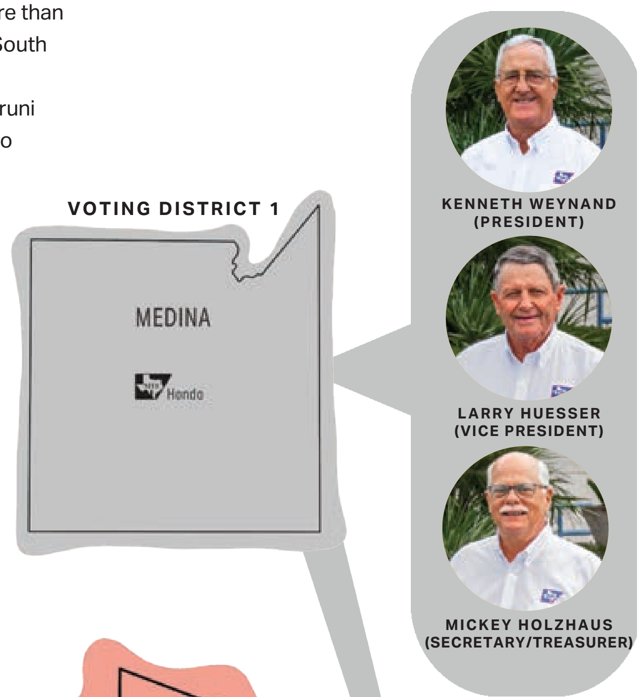
Información sobre todos los programas y servicios que ofrece Medina Electric Cooperative estan disponibles en Español al llamarnos al 1-866-632-3532 o visitando una de nuestras oficinas.

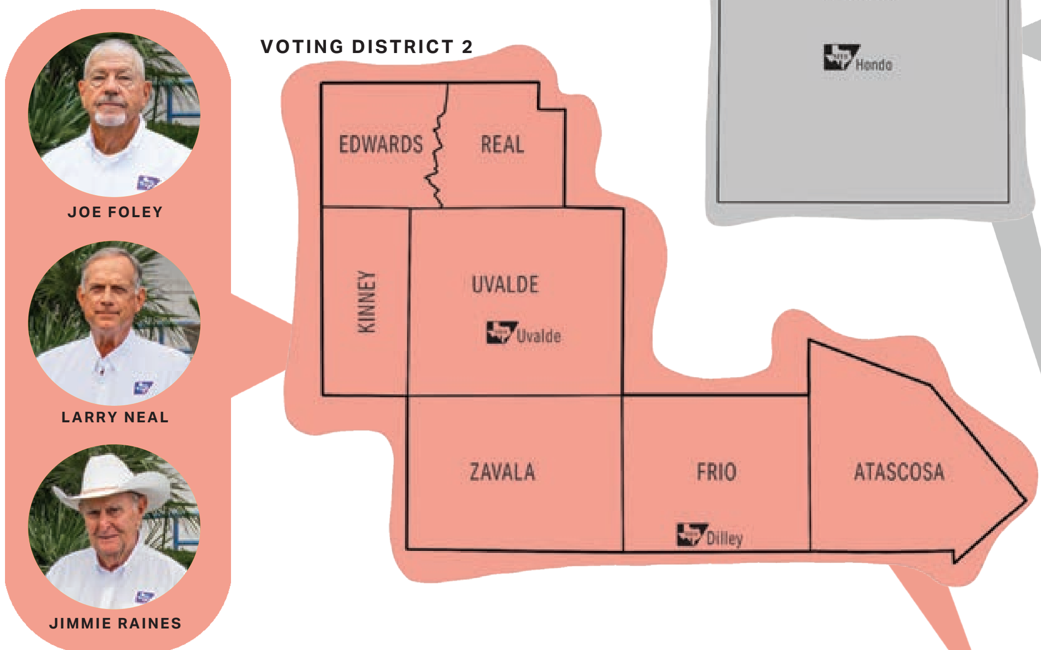
Our Service Area

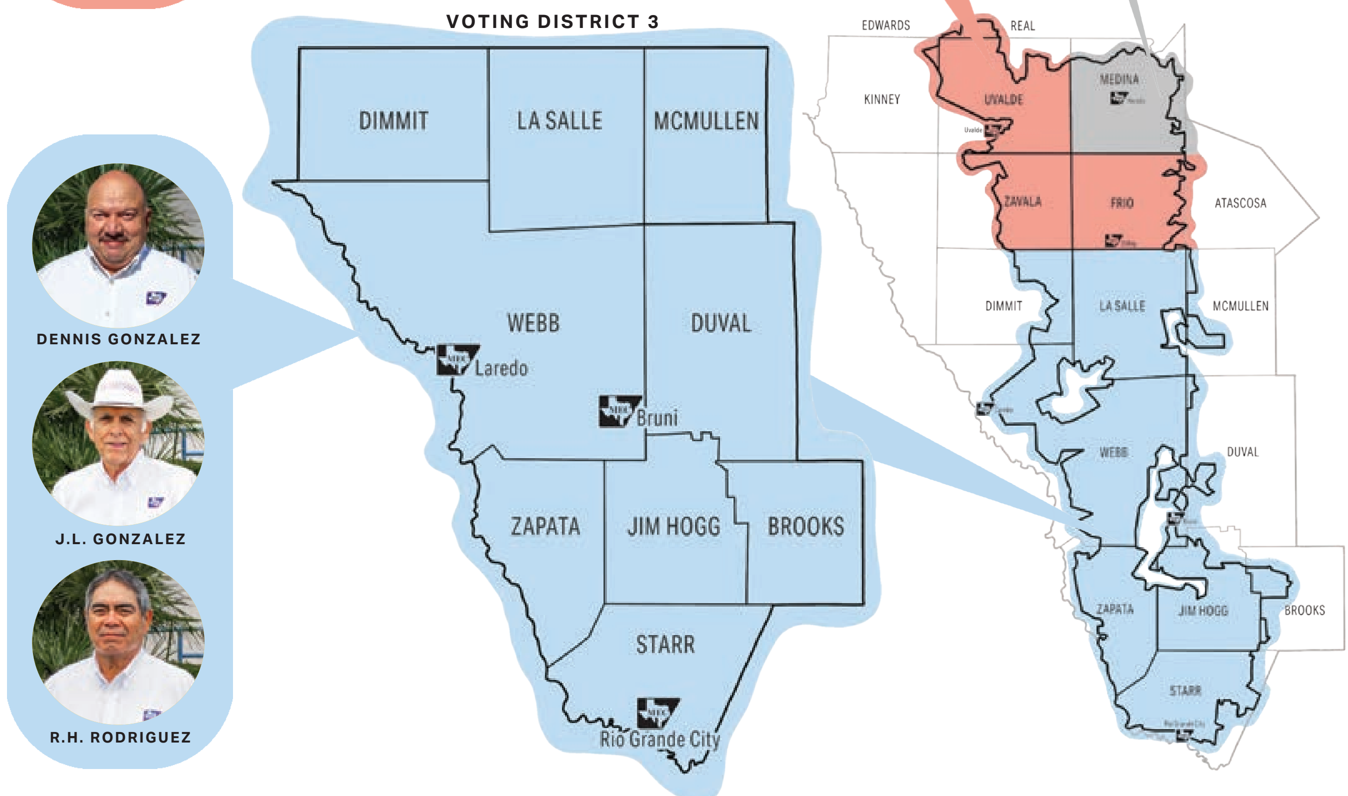
MEDINA ELECTRIC COOPERATIVE may be our name, but we serve more than just Medina County. Medina EC provides service in 17 counties across South Texas.

We have five offices that members can visit for business, located in Bruni (by appointment only), 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.

Medina EC's service area is divided into three voting districts and represented by three directors per district.







Operating Statistics

ASSETS	2025	2024
Total Utility Plant	$302,603,158	$296,557,760
Less Accumulated Depreciation	(45,718,029)	(41,892,308)
Net Utility Plant	**256,885,129**	**254,665,452**
Cash and Temporary Investments	1,066,229	5,043,675
Investments in Associated Organizations	96,726,322	88,011,413
Accounts Receivable	12,898,303	10,686,994
Materials	36,981	38,808
Deferred Charges & Other Assets	1,657,988	203,842
Total Assets	**$369,270,952**	**$358,650,184**

EQUITIES AND MARGINS	2025	2024
Memberships	$109,255	$107,220
Patronage Capital	143,518,729	133,814,788
Other Equities and Income	17,383,100	16,375,986
Total Equities and Margins	**$161,011,084**	**$150,297,994**

LIABILITIES	2025	2024
Long-Term Debt	$124,557,554	$129,421,134
Accumulated Provision for Pensions and Benefits	3,449,719	3,149,096
Accounts Payable	19,420,144	14,453,863
Consumer Deposits	3,453,879	3,173,568
Other Current and Accrued Liabilities	2,555,827	2,856,121
Deferred Credits	54,772,745	55,298,408
Total Liabilities	**$208,259,868**	**$208,352,190**
Total Equities and Liabilities	**$369,270,952**	**$358,650,184**

REVENUE	2025	2024
Sales of Electric Power	$163,612,853	$145,969,162
Miscellaneous Electric Revenue	2,274,411	2,149,082
Total Revenue	**$165,887,264**	**$148,118,244**

EXPENSES	2025	2024
Purchased Power	$116,117,633	$101,560,924
Maintenance and Operations	20,178,616	19,519,964
Consumer Accounts and Member Services	3,948,007	3,458,073
Administration / General	8,779,250	7,347,109
Depreciation	8,595,386	8,124,658
Interest and Other Deductions	5,507,933	5,621,531
Total Expenses	**$163,126,825**	**$145,632,259**

MARGINS	2025	2024
Operating Margins	$2,760,439	$2,485,985
Generation and Transmission / Other Capital Credits	9,736,365	9,047,499
Nonoperating Margins	597,319	379,598
Total Margins	**$13,094,123**	**$11,913,082**

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 2025.

POWER COST
71.18%

MAINTENANCE & OPERATIONS
12.37%

DEPRECIATION
5.27%

ADMINISTRATION
5.38%

INTEREST
3.38%

CONSUMER ACCOUNTS & MEMBER SERVICES
2.42%

JCOMP | FREEPIK

ANNUAL AUDIT

Medina EC is audited annually. The audit of the 2025 financials was performed by Certified Public Accountants Bolinger, Segars, Gilbert & Moss, L.L.P. of Lubbock.

The audit covered the period from January 1, 2025, through December 31, 2025.

Per the auditor's March 10, 2026, report, "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Medina Electric Cooperative, Inc. as of December 31, 2025, and 2024, 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."

JOHANNES | ADOBESTOCK

2025 Impact Statement

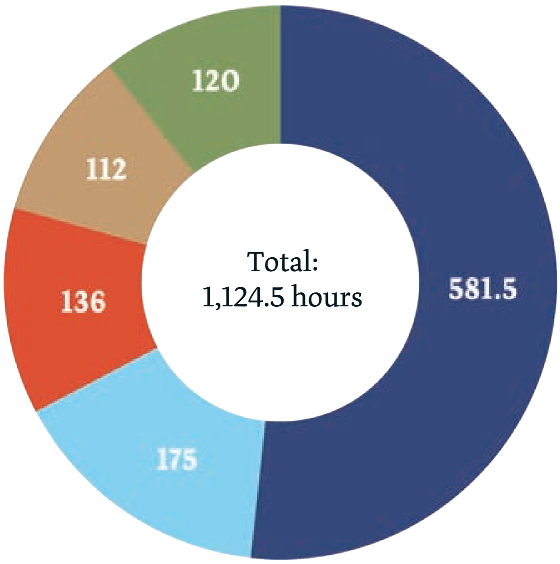
By Service Area Office

● Hondo/Corporate Office ● Dilley ● Rio Grande City ● Uvalde ● Bruni/Laredo

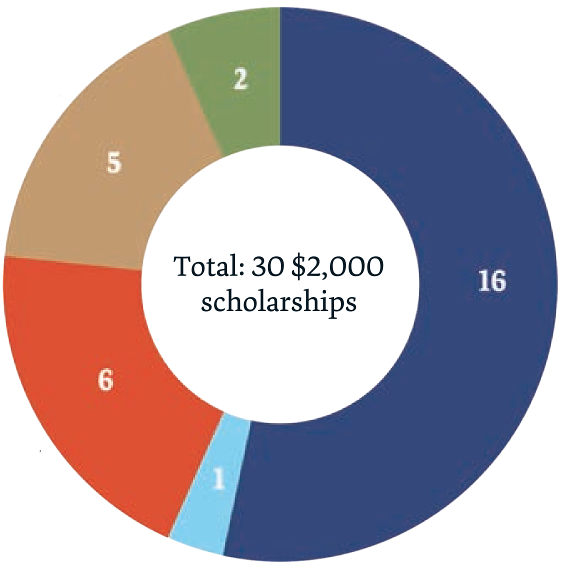
Medina Electric Cooperative knows how important the communities in our service area are. Cooperative Principle No. 7 is Concern for Community, highlighting the importance to stay involved in the communities we are a part of. In an ongoing effort to help our communities grow and our members to be successful, Medina EC gives back with donations of employee time, financial contributions and donations of goods. Additionally, Cooperative Principle No. 5 is Education, Training and Information. Medina EC supports this mission by helping high school graduates and adults pursuing higher education with educational scholarships.

Learn more about Medina EC's donations and sponsorships at MedinaEC.org/Donation and learn more about Medina EC's scholarship program and eligibility at MedinaEC.org/Scholarships.

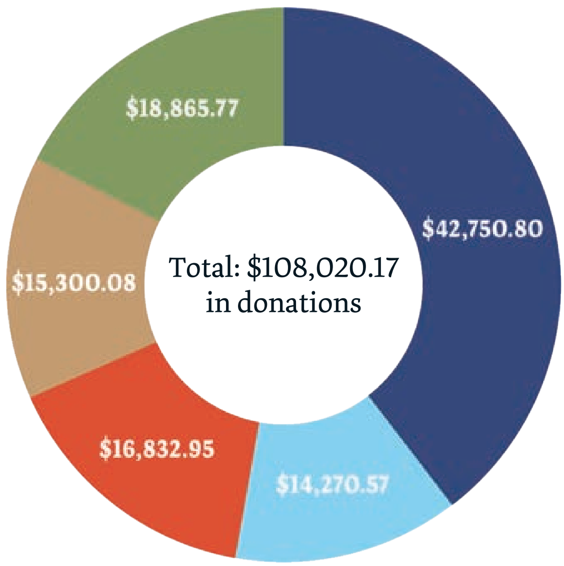
Volunteer Time Off (in Hours)



Scholarships



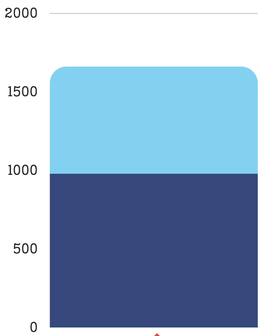
Donations



2025 Service Statement

kWh Sold (in Millions)

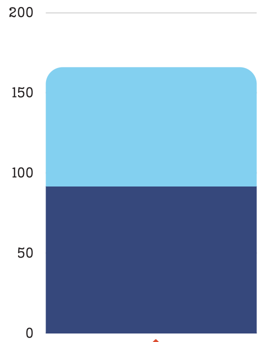
2015: 981 2025: 1,660



↑ **69.22%** Growth Rate

Revenue (in Millions)

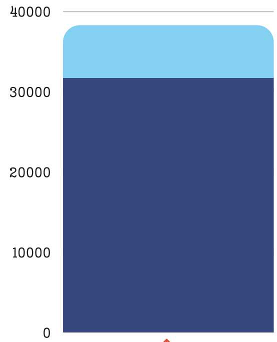
2015: $91.8 2025: $165.9



↑ **80.72%** Growth Rate

Active Services (Meters & Security Lights)

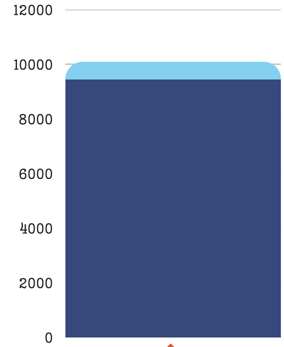
2015: 31,747 2025: 38,282



↑ **20.58%** Growth Rate

Miles of Line

2015: 9,445 2025: 10,089



↑ **6.82%** Growth Rate

Hondo/Corporate Office · Dilley · Rio Grande City · Uvalde · Bruni/Laredo

Employees

Active Services