



MESSAGE  
FROM BOARD  
PRESIDENT

**KENNETH  
WHITE**

## Challenges Strengthen Your Cooperative

When the going gets tough, the tough get going

**IT IS AN HONOR** to have been elected president of the Medina Electric Cooperative Board of Directors, and I appreciate the support and cooperation of the board and the staff.

We are living in some very different times to say the least and with that comes many different challenges. When we think back to 1938, when local people went door to door to form the first cooperatives, I imagine they felt they were living in very different times and were facing many challenges as well.

In 2020, we were faced with COVID-19 and living with many different guidelines that seemed to be changing daily. It affected all of us in many ways and, as we always do, we adapted to a new way of doing things. We were looking forward to 2021 and better times ahead. Things were progressing, then the February storm hit Texas. It, too, was unprecedented and presented a great number of challenges for our members, employees, the ERCOT market and participants in the electric industry across the state. I know that event was very difficult for all. I commend the employees of Medina Electric who braved the harsh elements and worked tirelessly to restore power to the membership. Many of these employees left their own homes and families alone without electricity or running water. Once again, we adapted and made it through very difficult and challenging times.

We were then especially looking forward to springtime after dealing with the polar vortex. Spring had the potential to bring warmer weather, wildflowers, some welcome rain and the subsiding of the pandemic. If you have lived in Texas long enough, you well know that springtime is beautiful but can also bring some disastrous hail, rain and wind storms. In 2021, our entire service area experienced those exact things as many storms blew through. Once again, many members and employees experienced major damage to their homes and property. Parts of Medina EC's electric distribution system were left damaged, as was South Texas Electric Cooperative's, who Medina Electric purchases power from, causing major outages for the membership. Once again employees worked as fast as safely possible to restore service to all members. There is an old saying, "When the going gets tough, the tough get going."

The past two years have been extremely tough and cooperative members, being the tough individuals they are, did what cooperative members do: They jumped right in and helped each other any way they could. We have heard numerous stories of members helping each other out during all these trials; you are to be commended for your efforts.

Medina EC had 39,138 service locations to maintain as of December 2020. This includes idle services, where the cooperative still has equipment and poles but there is not an active meter at this time. The cooperative has one of the largest service areas in the state, serving 10,750 square miles in 17 South Texas counties. Over 62 miles of new distribution lines were added in 2020, bringing the total to over 9,760 miles of line to be maintained. We are fortunate to be a cooperative that is experiencing growth, but with growth comes challenges. The board of directors is committed to ensuring the cooperative continues providing the most reliable service at the most affordable price to you, the member-owners.

People sometimes ask, "What is the benefit of being a cooperative member?"

One of the benefits is the cooperative returns capital credits to members. The Medina EC Board of Directors approved the return of \$2 million to members in 2020, and the cooperative has returned a total of \$33 million to members since its inception.

Due to the pandemic, we did not have an annual membership meeting in 2020, but plans have been made for this year's meeting in Uvalde on September 25. There will be an online option for members who wish to participate virtually. Either way you choose to attend, we look forward to seeing you there! ■



**REPAIRS IN MEDINA COUNTY FOLLOWING THE APRIL 28 TORNADO AND RECORD-SETTING HAIL EVENT.**



MESSAGE FROM CEO

**MARK ROLLANS**

**THE FINANCIAL DETAILS IN THIS REPORT** are for 2020, when things in the world shifted to masks, hand sanitizer and social distancing.

In mid-March, COVID-19 arrived in a way that felt quite sudden to many. As a business, we were forced to make changes very quickly. Employees adapted to new ways of working—some from home, some from individual vehicles instead of shared transportation to job sites—and members adapted to new ways of doing business—utilizing more online payment options and applications. We made every change possible to ensure employees and members were kept safe.

As we dealt with COVID-19, other challenges did not pause. Crews dealt with substantial Memorial

Day storms and Hurricane Hanna, in addition to outages caused by animals, vehicle accidents and more.

Our mission is to exceed member expectations in everything we do, and we kept that at the forefront of all our decisions in 2020, as we always have. Throughout all the unknowns, your cooperative has maintained financial stability and implemented new technologies to help us continue our

mission in the future.

So far, 2021 has also brought challenges to members and staff, with the February storm, issues on the ERCOT grid hampering Medina EC's ability to deliver electricity to our members and weather that has been worse than we have seen in recent years.

The board is currently in the process of selecting a new CEO, as I will retire at the end of this year. After 37 years in the business, I am ready to close my computer and start a new chapter in life.

As we get ready for 2022, I know there will be additional challenges—there always are—but I know that the staff and processes in place will allow your cooperative to continue to serve you and work to exceed your expectations. I hope you all stay healthy and happy. ■



## 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

Mark Rollans, 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

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
Total Utility Plant	\$225,688,243	\$213,154,923
Less Accumulated Depreciation	(34,955,828)	(32,955,851)
Net Utility Plant	190,732,415	180,199,072
Cash and Temporary Investments	1,292,687	2,355,905
Investments in Associated Organizations	60,236,376	55,143,288
Accounts Receivable	10,892,392	10,268,886
Materials	0	0
Deferred Charges & Other Assets	1,129,511	1,626,619
<b>Total Assets</b>	<b>\$264,283,380</b>	<b>\$249,593,770</b>
<b>EQUITIES AND MARGINS</b>	<b>2020</b>	<b>2019</b>
Memberships	\$98,130	\$95,460
Patronage Capital	107,419,096	97,054,152
Other Equities and Income	13,885,068	16,428,377
<b>Total Equities and Margins</b>	<b>\$121,402,294</b>	<b>\$113,577,990</b>
<b>LIABILITIES</b>	<b>2020</b>	<b>2019</b>
Long-Term Debt	\$118,198,039	\$107,324,396
Accumulated Provision for Pensions and Benefits	3,330,336	3,205,798
Accounts Payable	10,592,183	9,913,608
Consumer Deposits	2,757,751	2,866,967
Other Current and Accrued Liabilities	1,545,140	1,410,855
Deferred Credits	6,457,637	11,294,157
<b>Total Liabilities</b>	<b>\$142,881,086</b>	<b>\$136,015,780</b>
<b>Total Equities and Liabilities</b>	<b>\$264,283,380</b>	<b>\$249,593,770</b>
<b>REVENUE</b>	<b>2020</b>	<b>2019</b>
Sales of Electric Power	\$123,846,487	\$124,443,284
Miscellaneous Electric Revenue	443,774	1,636,414
<b>Total Revenue</b>	<b>\$124,290,261</b>	<b>\$126,079,698</b>
<b>EXPENSES</b>	<b>2020</b>	<b>2019</b>
Purchased Power	83,785,357	85,929,609
Maintenance and Operations	6,912,598	14,369,786
Consumer Accounts and Member Services	335,013	3,216,799
Administration / General	6,367,464	6,611,897
Depreciation	7,453,623	7,024,549
Interest and Other Deductions	4,680,106	4,432,830
<b>Total Expenses</b>	<b>\$109,534,161</b>	<b>\$121,585,471</b>
<b>MARGINS</b>	<b>2020</b>	<b>2019</b>
Operating Margins	\$3,947,990	\$4,494,226
Generation and Transmission / Other Capital Credits	5,716,955	7,055,487
Nonoperating Margins	279,464	812,688
<b>Total Margins</b>	<b>\$9,944,409</b>	<b>\$12,362,401</b>

## ANNUAL AUDIT

Medina EC is audited annually. The audit of the 2020 financials was performed by Certified Public Accountants Bolinger, Segars, Gilbert & Moss, L.L.P. of Lubbock.

The audit covered the period from January 1, 2020 through December 31, 2020.

Per the auditor's February 25, 2021, 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, 2020 and 2019, and the results of their operations and 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 2020, by percent.

**POWER COST**  
69.62%

**MAINTENANCE & OPERATIONS**  
12.38%

**DEPRECIATION**  
6.19%

**ADMINISTRATION**  
5.29%

**INTEREST**  
3.89%

**CONSUMER ACCOUNTS & MEMBER SERVICES**  
2.63%

## 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 2020.

**Natural Gas—64.1%**

**Texas Lignite—21%**

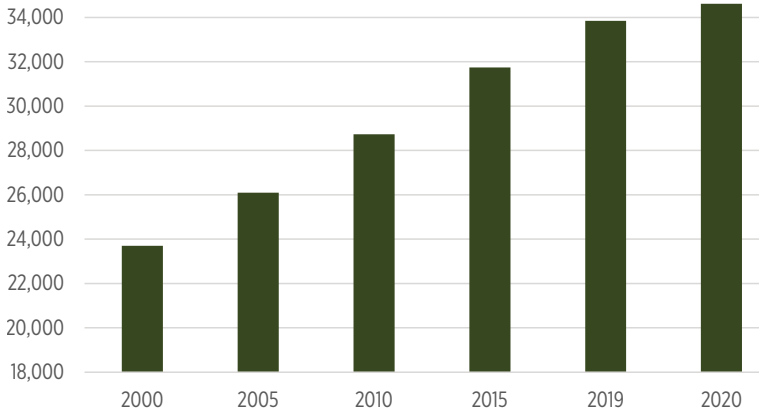
**Renewables (Wind & Hydro) —14.9%**





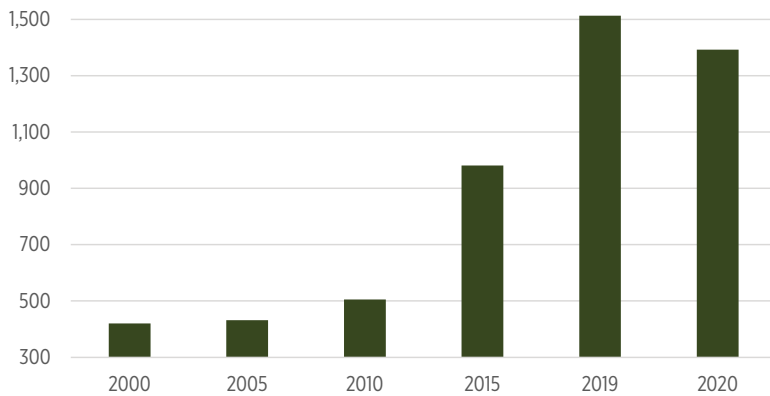
# Active Services (Meters & Security Lights)

**2000:** 23,702    **2020:** 34,622



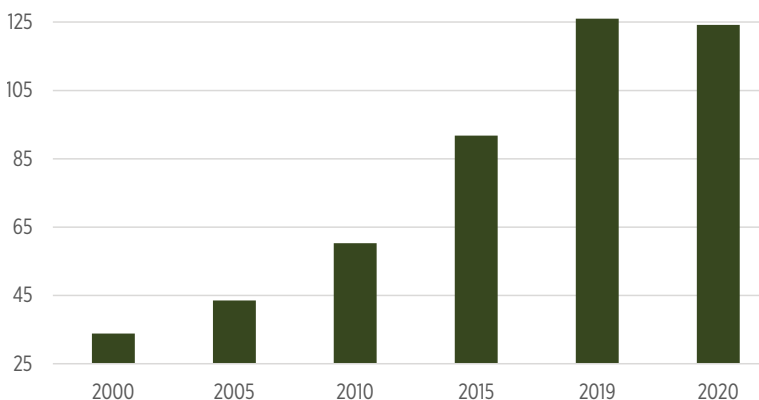
# kWh Sold (in millions)

**2000:** 420M kWh    **2020:** 1,392M kWh

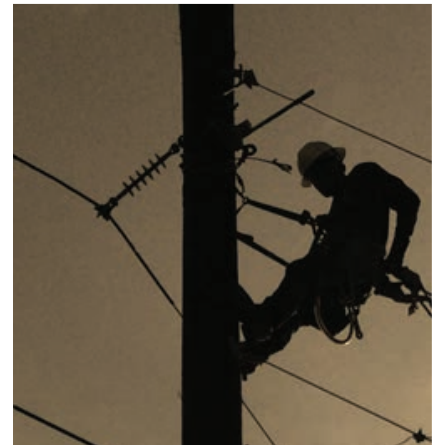


# Revenue (in millions)

**2000:** \$33.8M    **2020:** \$124.3M



ALL NUMBERS AS OF 12/31/2020



## MILES OF LINE

With 9,760 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](http://MedinaEC.org)

### RATES:

[MedinaEC.org/Rates](http://MedinaEC.org/Rates)

### CORPORATE DOCUMENTS:

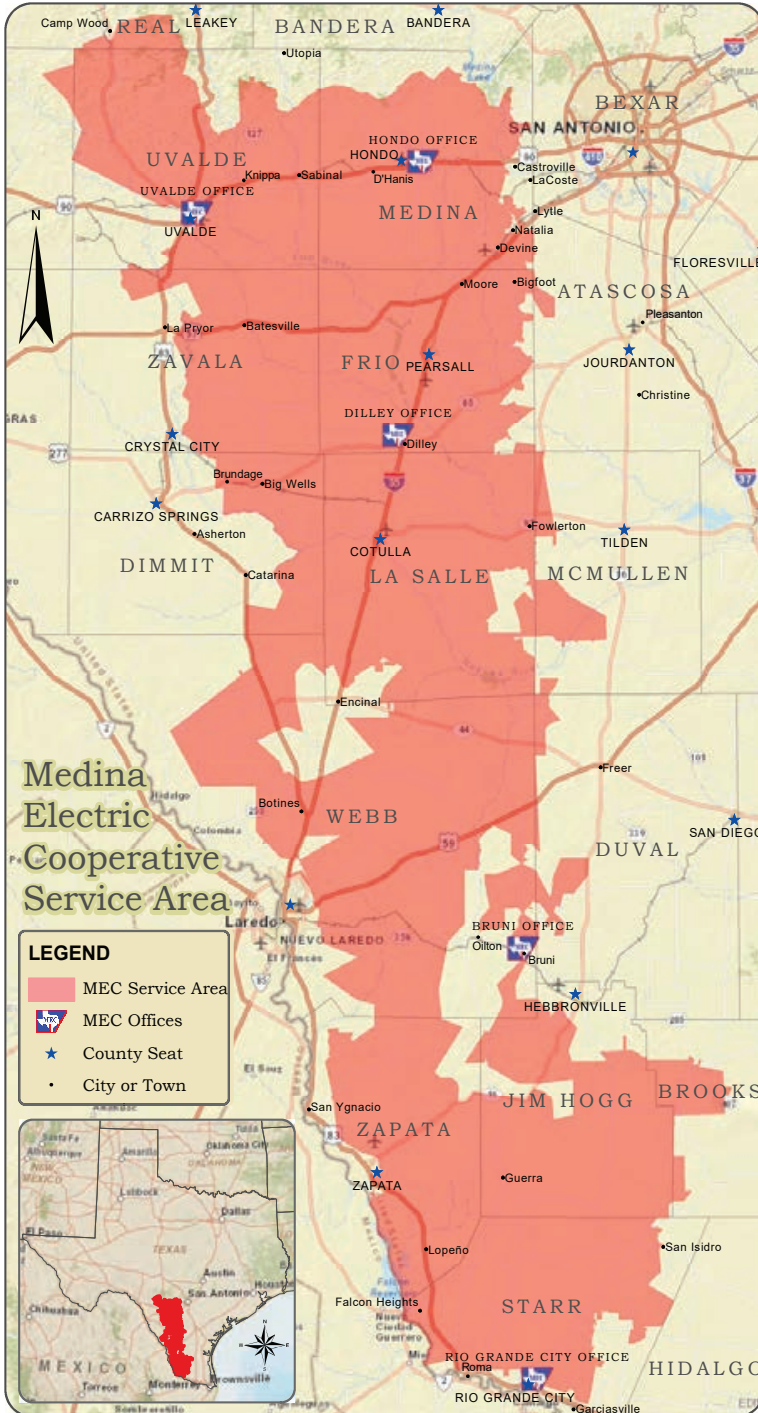
[MedinaEC.org/CorpDoc](http://MedinaEC.org/CorpDoc)

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 Uvalde, Hondo, Dilley, Bruni and Rio Grande City, 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](http://MedinaEC.org/Solar).

### SMARTHUB

Have your account information at your fingertips with this free tool. Available at [MedinaEC.org](http://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](http://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](http://MedinaEC.org/PrePaid).

### PAYMENT OPTIONS

We offer many payment options. See details at [MedinaEC.org/BillPay](http://MedinaEC.org/BillPay).

### CO-OP CONNECTIONS CARD

This discount card can save you money on purchases with local and national retailers and on prescriptions. Details at [MedinaEC.org/Connections](http://MedinaEC.org/Connections).

### FILTER CHANGE PROGRAM

Order discounted HVAC filters and have them shipped to your home or business. Then get an email reminder when it is time to change them. Find details at [MedinaEC.org](http://MedinaEC.org). Just click on Filters under the Products tab.

### 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](http://MedinaEC.org/Registry).

# Board Election

Election ballots were mailed to Medina EC members on August 18. Voting closes at 5 p.m. on September 17. 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. Acknowledgement of the campaign policy and disclosure reports, if applicable, are available for each candidate upon request.

Only Voting District 1 has a contested race this year. Candidate profiles for uncontested positions in Voting Districts 2 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 82nd Annual Membership Meeting in Uvalde on September 25 and posted at MedinaEC.org.



## LEVI MCKENZIE VOTING DISTRICT 1 CANDIDATE

**Medina EC Member (# of Years):** 9  
**Occupation (Former if retired):** Continuous Improvement Manager

**Work Experience:** 16 years of operations and leadership experience. 8 Years in the automotive industry and another eight years with HEB here in San Antonio. During the last eight years with HEB I have worked with the manufacturing division, as well as retail operations to understand, and improve processes in order to reduce waste and improve the experience of our customers and partners. throughout my professional career I have developed and maintained budgets, capacity analyses, ROI & capital expenditures, as well as facility layout design, and research & development for many new products.

**I Would be a Good Director Because:** I am passionate about our community. My background in operations and continuous improvement have given me strong skill sets in things like problem solving as well as understanding & targeting improvement opportunities. My goal is to share my experience and knowledge with Medina Electric Coop. in order to better support our community.

**Please Contact Me At:**  
Phone: 210-355-6241 Email: levi.mckenzie@gmail.com



## WAYNE SCHOLTZ VOTING DISTRICT 1 CANDIDATE

**Medina EC Member (# of Years):** 26  
**Occupation (Former if retired):** Medina County Extension Agent (Retired)

**Work Experience:** Worked for 25 years with agricultural producers and the public in providing research based information from Texas A&M University. Also helped administer the 4H program in Medina County. Retired in 2004.

**I Would be a Good Director Because:** As a County Extension Agent, I gained valuable experience working with people through different boards committees and community organizations. This work has definitely helped me as a Medina EC director. As an incumbent director on the Medina EC Board, I have gained knowledge about the co-op system of providing energy to its members. As required by Medina EC, I completed my Certified Credential Director training the first few months of my first term. I continue to attend Director conferences and training and in doing so have also received my Board Leadership Certification. This is the highest certification level a co-op director can achieve. I am committed to explore all energy sources to provide our members the most affordable and reliable electricity. I will continue to serve you to the best of my ability.

**Please Contact Me At:**  
Phone: 830-426-1328 Email: wwscholtz@gmail.com

**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**

Since the cooperative did not hold an Annual Membership Meeting in 2020, the business meeting agenda in 2021 will include a vote on approval of minutes from the 81st Annual Membership Meeting, held in 2019. Below are minutes from that meeting for members to review.

## Annual Membership Meeting: September 28, 2019

The Medina Electric Cooperative, Inc. 81st Annual Membership Meeting was held at the Graff 7A Ranch in Hondo, TX beginning at 9:00 a.m. on Saturday, September 28, 2019.

The welcome and opening comments were delivered by CEO Mark Rollans who noted that this Annual Meeting celebrates 81 years of serving electricity to South Texas.

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 Glenn Schweers 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.:
  - c. Reading of the Membership Roll and 2018 Annual Meeting Minutes: Secretary Sorrells stated that she could hold the roll call of the members and read the 2018 Annual Meeting minutes, noting that the minutes were included in the September Texas Co-op Power magazine

At this time, President Schweers 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 2018 Annual Meeting Minutes as presented in the September 2019 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 2018 Annual Meeting Minutes as presented in the September 2019 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 2019 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 2019 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 Medina County Judge Chris Schuchart who reported the following results:

### Director Election

District 1: Kenneth Weynand
Unopposed
1,306 Votes
District 2: Chris Surlles
Unopposed
1,251 Votes
District 3: Annette Sorrells
Unopposed
1,314 Votes

7. President Schweers then asked whether there remained any new or unfinished business. None was indicated by the membership.

There being no other business, the meeting was adjourned.

Respectfully submitted,

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Annette Sorrells, Secretary

Attest:

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Kenneth White, Vice-President