

# **ANNUAL MEETING PROGRAM**





**REGISTRATION** 

DOORS OPEN AT 5:30 PM



DINNER & ENTERTAINMENT

BBQ DINNER CATERED BY HOWARDS BBQ.
CHILDREN'S ENTERTAINMENT BY CUDDLES & CRITTERS.
BOOTHS FOR: OPERATION ROUND UP, SAFETY, MEMBER
SERVICE, SCHOLARSHIPS & YOUTH TOUR, HALO FLIGHT,
AMERICAN RED CROSS, MEET A LINEWORKER & MORE!



**BUSINESS MEETING** 

AT 7:00 PM THE BUSINESS MEETING WILL BE CALLED TO ORDER BY NEC BOARD PRESIDENT, BRIAN MENKING



NEC CO-OP ENERGY WINNERS

1ST PRIZE \$500 ELECTRIC BILL CREDIT 2ND PRIZE \$250 ELECTRIC BILL CREDIT

REFERRAL PROGRAM WINNER PRIZE DRAWINGS

# **CALL TO ORDER**

BRIAN MENKING. NEC BOARD PRESIDENT

## INVOCATION

# PRESENTATION OF COLORS

BOY SCOUTS OF AMERICA TROOP 65, CORPUS CHRISTI

### **NATIONAL ANTHEM**

### CALL FOR PLEDGE OF ALLEGIANCE

BRIAN MENKING, NEC BOARD PRESIDENT

#### PRESENTATION OF BOARD MEMBERS AND COMMITTEE MEMBERS

BRIAN MENKING, NEC BOARD PRESIDENT

### PRESENTATION OF SPECIAL GUESTS

BRIAN MENKING, NEC BOARD PRESIDENT

# READING OF MINUTES AND TREASURER'S REPORT

BRIAN MENKING, NEC BOARD PRESIDENT DAVID ROSSE. NEC SECRETARY/TREASURER

# "POWERFUL CONNECTIONS" VIDEO

BRIAN MENKING, NEC BOARD PRESIDENT

VARZAVAND "AVAN" IRANI, NEC CHIEF EXECUTIVE OFFICER

### **ELECTION OF CANDIDATES BY ACCLAMATION**

BRIAN MENKING, NEC BOARD PRESIDENT

### MEETING ADJOURNMENT

BRIAN MENKING, NEC BOARD PRESIDENT

# ANNUAL MEETING SURVEY

Please complete the annual meeting survey in your gift bag.

Place your completed surveys in the box near the exit when you leave the meeting.

# TRANSPORTATION ASSISTANCE

Transportation for persons with disabilities to/from the parking lot is provided.

We appreciate your patience as we make every effort to assist you.



# **COOPERATIVE PRINCIPLES**

# THESE PRINCIPLES ARE VALUES THAT COOPERATIVES UPHOLD WHICH SET US APART FROM OTHERS

Cooperatives, like Nueces Electric Cooperative, operate according to the same set of core principles and values. These principles are a key reason that electric cooperatives operate differently from other electric utilities, putting the needs of our member-owners and communities first.







**AUTONOMY AND INDEPENDENCE** 

autonomous, self-help

Cooperatives are

organizations

controlled

members.

their



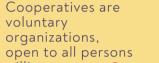






DEMOCRATIC MEMBER CONTROL Cooperatives are controlled by their members, who actively participate policy decisions.

# **CONCERN FOR COMMUNITY** Cooperatives work for communities through accepted ov their



**VOLUNTARY & OPEN MEMBERSHIP** 

willing to accept responsibilities of membership.

# **COOPERATION AMONG COOPERATIVES**

Cooperatives strengthen the co-op movement by working together from local to international structures.



# **EDUCATION. TRAINING. AND** INFORMATION

Provide education & training for members, representatives, and all employees to contribute effectively to co-op development.





It is with immense pride and gratitude that we reflect on the remarkable journey we've embarked upon together in 2023. This past year has been a testament to the impact of unity, resilience, and the profound strength of powerful connections.

First and foremost, we are delighted to announce that Nueces Electric Cooperative achieved a significant milestone: a year of steadfast safety. Not a single safety incident occurred throughout the entirety of our operations, a testament to our collective commitment to the well-being of our employees and the communities we serve.

Alongside our community safety and engagement efforts, we prioritize the growth and development of our employees. Through consistently identifying appropriate training, we equip our team with the necessary tools to enhance their skills and contribute to the cooperative's success. By investing in our employees' professional development, we not only empower them to thrive personally and professionally but also strengthen the cooperative by fostering stable and powerful connections within our team and beyond.

Behind this accomplishment lies the dedicated efforts of each department within our cooperative. From Accounting to IT, Compliance to Engineering, and across all, our teams have worked tirelessly to foster a culture of excellence and collaboration.

# FINANCIAL ACHIEVEMENTS

Thanks to our sensible investments and strong margins, we were able to allocate over \$5.9 million back to our members' patronage/capital credit accounts. This represents direct growth in NEC members' owner equity in the Co-op, and these funds are expected to be refunded to them in future years. In 2023, patronage capital of \$2,047,000 was paid back to our members. In addition, NEC Co-op Energy refunded \$3.75 million in Power Perks to NEC Co-op Energy members who purchased energy in 2023 and demonstrated their loyalty by remaining members.

In our commitment to fostering powerful connections, we strategically managed our financials to empower our cooperative's growth. NEC managed over 12,000 invoices totaling \$158,265,000 and closed 1,572 work orders, showcasing our dedication to operational efficiency and excellence. Through sensible investments in our infrastructure, including plant additions totaling over \$6,915,000.00, we fortified our foundation for future success. Reserving long-term debt since June 15, 2022, and optimizing vendor payments via ACH transactions, benefiting nearly 60 vendors, we demonstrated our commitment to financial responsibility and stability. By implementing the Frost Sweep Account, we generated over \$255,000.00 in interest for the cooperative, utilizing excess funds automatically transferred into the account for the benefit of both our cooperative and its members. This allowed us to maximize our resources to drive sustainable growth. Collaborating closely with NEC Co-op Energy, we ensured consistency in rates for Nueces Electric Cooperative and NEC Co-op Energy functions, solidifying strong partnerships to serve our members effectively.

# **OPERATIONAL EXCELLENCE**

Our operations department has thrived in maintaining safety and skill throughout the year, achieving a 4.2% ESID growth in NEC Co-op Energy and a 1.4% increase in Nueces Electric Cooperative, with a 2% meter growth for NEC. While outage frequency rose slightly due to weather, average duration decreased. Our crews reached milestones with no lost-time accidents and over 3 million incident-free miles driven. They have continuously honed their craft by gaining knowledge through various in-house training and participation in Texas Electric Cooperatives (TEC) training at different locations across Texas. These efforts highlight our commitment to operational efficiency, safety, and continuous improvement, ensuring high standards for reliable member service.

BRIAN MENKING, NEC PRESIDENT

A LEADERSHIP MESSAGE FROM OUR NEC PRESIDENT AND NEC CHIEF EXECUTIVE OFFICER



As we uphold our commitment to operational excellence, NEC's IT Department achieved notable advancements: restructuring roles for enhanced efficiency and expertise, achieving budgetary success through vendor evaluation, and enhancing network resilience and cybersecurity. These initiatives play to our commitment in high performance, setting new standards within NEC's IT ecosystem and supporting the company's mission while safeguarding our members most sensitive personal information.

# **BUILDING POWERFUL CONNECTIONS FOR COMMUNITY GROWTH**

Our members are at the heart of the cooperative and the jobs our employees commit to each and every day. Second to safety, we prioritize member satisfaction. In 2023, Nueces Electric Cooperative achieved an exceptional customer satisfaction score of 95, significantly surpassing the national average of 74. This score is a direct reflection of our commitment to providing outstanding service and catering attentively to your needs with a proactive approach.

Our commitment to community extends beyond providing utility services; we actively engage in volunteer work and career events, embodying our role as integral members of the communities we serve. From participating in Agape Bed Build events, which provide a place to sleep for many foster children, to embracing our vibrant company culture, we celebrate teamwork and community involvement. In 2023, our employees reported nearly 300 hours of meaningful volunteer work, showcasing their positive impact outside of the office.

# ENERGIZING EDUCATION AND STRENGTHENING COMMUNITY TIES

Nueces Electric Cooperative takes great pride in its scholarship and charitable initiatives, awarding a total of approximately 17 scholarships, totaling \$35,000, to deserving students pursuing higher education in 2023. These scholarships include two \$4,000 scholarships in memory of Ramiro De La Paz and John L. Sims and ten \$1,000 scholarships. Additionally, there are two \$2,000 scholarships available to students attending 2-year or vocational colleges in Texas, as well as two \$5,000 scholarships designated for those completing a Lineman's College, which are available for application year-round.

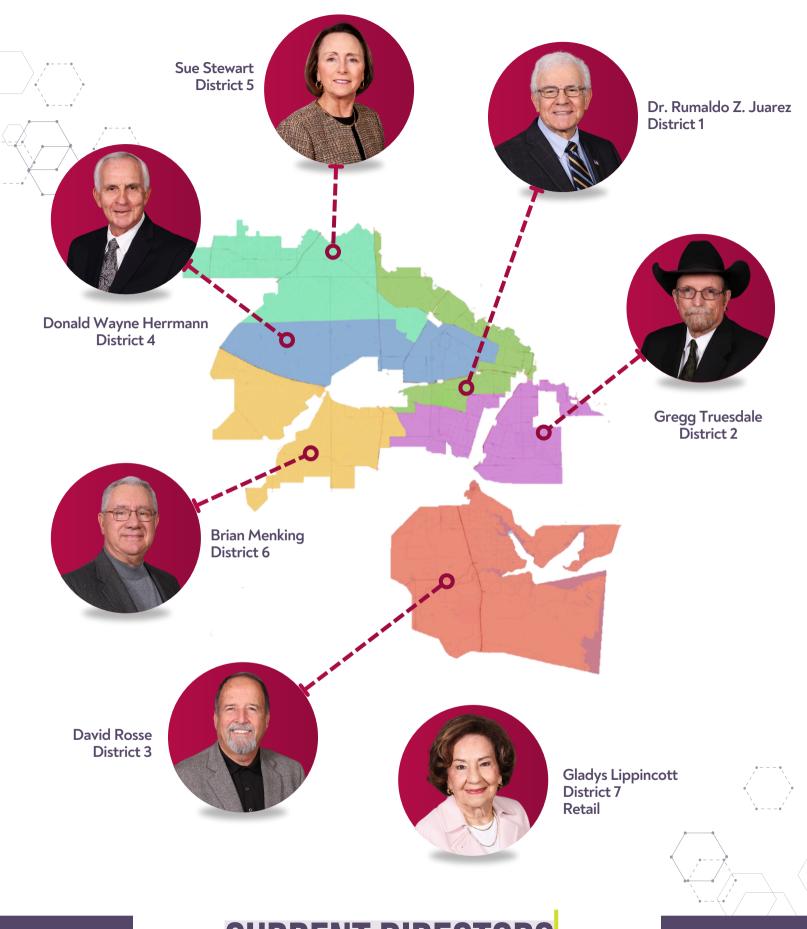
With 38 applicants this year, these scholarships aim to empower the next generation of leaders and professionals, enabling them to pursue their academic and career aspirations with confidence.

In addition to the scholarship program, Nueces Electric Cooperative and NEC Co-op Energy remain committed to supporting local charities and organizations through Nueces Electric Charities, contributing a total of \$145,500 to various charities, including but not limited to Mission of Mercy and the Red Cross. This grant is made possible through our Operation Round Up Program, wherein our members voluntarily round up their electric bills to the nearest dollar. Members are not charged more than .99 cents per account each month. We extend our sincere gratitude to our members for their generous support of local charities and non-profit organizations.

The importance of giving is deeply ingrained in our company culture. Giving of time, talents, and financial support to local organizations fosters real change in the community. Ultimately, we give back because we want to see local organizations that carry out meaningful and impactful work throughout our communities thrive and grow.

As we reflect on the transformative year of 2023, we recognize the remarkable strides we've made together. From achieving milestones in safety to fostering operational excellence, each department's dedicated efforts have fortified our cooperative's foundation. We extend our sincere gratitude for your dedication, tenacity, and unwavering support. Here's to the strength of powerful connections – may they continue to light our path forward.





# **CURRENT DIRECTORS**

# DAVID ROSSE DISTRICT 3



David Rosse

David Rosse grew up as a member of an NEC family. He, himself, has been a member of NEC for 42 years. His grandfather was an NEC director for 32 years. Mr. Rosse was elected as an NEC director in 1988 and has served as director for the past 30 years. As an NEC director, Mr. Rosse currently serves as secretary-treasurer for NEC and as director for San Miguel Electric Cooperative - one of NEC's power suppliers. He additionally serves as the chair of each of the following committees: Strategic Planning, Retail Market and Governance.

Mr. Rosse is the Kleberg County Commissioner for Precinct 1. Mr. Rosse believes that the most important role NEC directors have is to ensure affordable, reliable energy to our membership and to represent the membership in the decisionmaking processes of the Co-op.

Mr. Rosse believes that he qualifies for service as an NEC director because of his Certified Electric Cooperative Director training, Board Leadership Certificate, his experience serving NEC members as a director that helps him understand how the process works and his willingness to listen to all ideas and concerns that will help the co-op grow. Mr. Rosse resides in Kingsville, with his wife Norma Alaniz, and is the father of six children - Oscar David, Charles William (wife, Sarah), Maranie May (husband, Scott), Morgan Marie, April Nicole, and Joe David - and the grandfather of four - Mason, Landon, Maysie, and Isabel.

# **CANDIDATES FOR ELECTION**



# TREASURER'S REPORT

**BALANCE SHEET** 

	ASSETS	
UTILITY PLANT AT COST		2023
Electric Plant in Service	\$	159,595,822
Right of Use Lease Assets		562,113
Construction Work in Progress	\$ <sup>-</sup>	1,869,022
Land Administration for December 2	•	162,026,957
Less: Accumulated Provision for Depreciation	<u>^</u> -	39,191,055
OTHER PROPERTY AND INVESTMENTS		122,835,902
Investments in Associated Organizations	\$	54,111,288
Investments in Treasury Strips		30,880,575 772,817
Other Investments - Special Funds	-م	
CURRENT ASSETS	\$_	85,764,680
Cash - General	\$	1,204,896
Temporary Cash Investments		5,023,543
Accounts Receivable (Less allowance for uncolle	ctibles of	2 757 540
\$146,770) Accrued Unbilled Revenue		3,757,519 2,329,877
Materials and Supplies		1,729,790
Other Current and Accrued Assets		675,412
Total Current Assets	\$	14,721,037
DEFERRED CHARGES	\$	8,450
TOTAL ASSETS	Š-	223,330,069
	S AND LIABILITIES	
EQUITIES		
Memberships	\$	593,015
Patronage Capital		121,128,048 10,410,315
Other Equities Other Comprehensive Loss		(253,048)
LONG-TERM DEBT	\$ <sup>-</sup>	131,878,330
	\$	55.040.007
CoBank Mortgage Notes	Ş.	55,212,327
CFC Mortgage Notes Right of Use Lease Liability		12,559,059 562,113
Less: Current Maturities		(3,665,825)
OTHER LONG-TERM LIABILITIES	\$ <sup>-</sup>	64,667,674
Post-Retirement Benefits Less: Current Maturiti	, <del>-</del>	232,040
	<u> </u>	232,040
CURRENT LIABILITIES	\$	2 ((5 025
Current Maturities of Long-Term Debt Current Maturities of Post-Retirement Benefits	Ş	3,665,825 21,008
Accounts Payable - Purchased Power		5,038,164
Accounts Payable - Other		1,638,594
Consumer Deposits		2,316,715
Accrued Taxes		384,253
Accrued Interest		279,115
Patronage Capital Payable		902,644
Accrued Employee Compensated Absences Other Current and Accrued Liabilities		1,158,742
Total Current Liabilities	\$ <sup>-</sup>	409,601 15,814,661
	· · · · · · · · · · · · · · · · · · ·	
DEFERRED CREDITS	\$	10,737,364
TOTAL EQUITIES AND LIABILITIES	\$_	223,330,069



STATEMENTS OF INCOME AND PATRONAGE CAPITAL

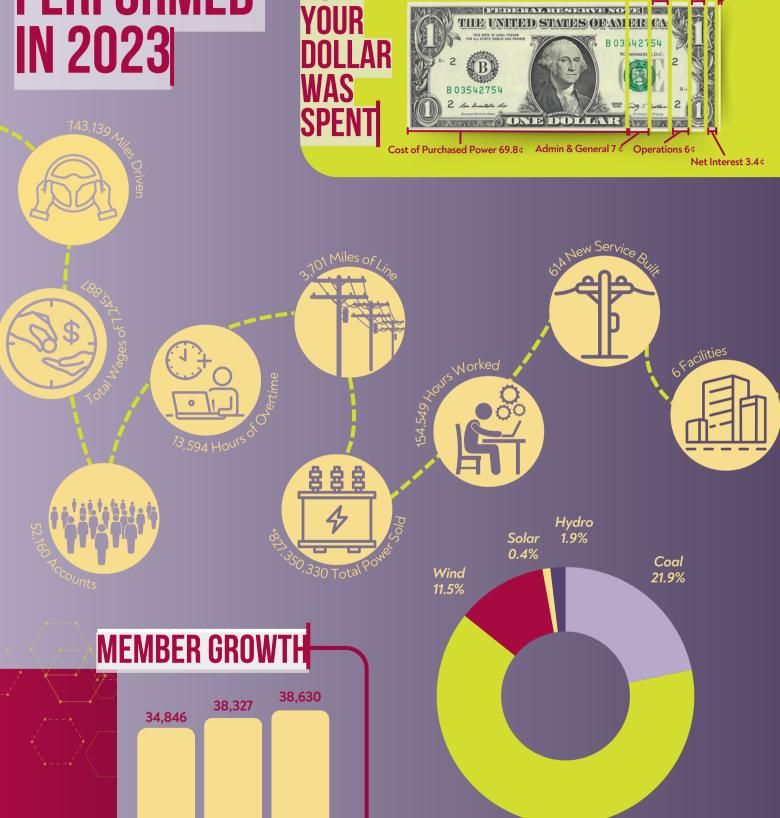
OPERATING REVENUES		2023
Residential Small Commercial and Industrial	\$	74,591,634 13,621,123
Large Commercial and Industrial Public Street and Highway		6,656,307 991,186
Unbilled Revenue		(316,330) 747,201
Late Payment Penalties Rent from Electric Properties		51,585
Other Operating Revenues Naval Base Net Margin (Loss)		(961,066) (38,204)
Total Operating Revenues	\$	95,343,436
OPERATING EXPENSES		
Purchased Power Distribution - Operation	\$	63,655,271 1,980,425
Distribution - Maintenance		3,850,776
Consumer Accounts Customer Service and Information		5,225,452 426,889
Administrative and General		6,377,935
Depreciation Taxes		4,623,993 1,518,309
Other Interest		28,118
Other Deductions	<u>,</u> –	190,758
Total Operating Expenses	\$_	87,877,926
OPERATING MARGINS - BEFORE FIXED CHARGES	\$_	7,465,510
FIXED CHARGES	\$	3,041,992
Interest on Long-Term Debt Amortization of Premium on Reacquired Debt	Ļ	53,992
	\$	3,095,984
OPERATING MARGINS - AFTER FIXED CHARGES	\$_	4,369,526
G&T Captial Credits Other Captial Credits	\$	3,415,833
Other Capital Credits	\$	1,434,774 4,850,607
NET OPERATING MARGINS	\$	9,220,133
NONOPERATING MARGINS		., .,
Interest Income	\$	1,523,351
Other Nonoperating Income Gain on Disposition of Property		59,446 <u>4,084</u>
	\$	1,586,881
NET MARGINS Comprehensive income (loss)	\$	10,807,014
Current Year APBO Valuation Adjustment	_	(253,048)
COMPREHENSIVE INCOME	\$	10,553,966
Less: Post-Retirment Benefit Adjustments		253,048
PATRONAGE CAPITAL - BEGINNING OF YEAR Patronage Captial Retired		113,972,426 (2,046,861)
Unbilled Revenue Transferred to Other Equitites Nonoperating Margins Transferred to Other Equities		(17,650) (1,586,881)
	<u>,</u>	
PATRONAGE CAPITAL - END OF YEAR	<sup>\$</sup> =	121,128,048

# HOW WE PERFORMED IN 2023

2021

2022

2023



Depreciation 5.1¢

Member Services & Information 6

Natural Gas 64.4% AT NUECES ELECTRIC COOPERATIVE, WE ARE DEDICATED TO FULFILLING OUR SOCIAL AND COMMUNITY RESPONSIBILITIES BY SUPPORTING OUR EMPLOYEES IN THEIR VOLUNTEER EFFORTS. VOLUNTEERING FOSTERS POWERFUL CONNECTIONS AND A SENSE OF UNITY AMONG OUR EMPLOYEES AS THEY ACHIEVE SHARED GOALS.

OUR EMPLOYEES ARE PROUD TO GIVE BACK, CREATING LASTING, POSITIVE IMPACTS AND REINFORCING THE COOPERATIVE SPIRIT AT THE HEART OF OUR MISSION.

# COMMUNITY SERVICE



6 VOLUNTEER EVENTS





80 VOLUNTEER EMPLOYEES

290 VOLUNTEER HOURS



# MINUTES OF THE ANNUAL MEETING

### **CALL TO ORDER**

The 85th Annual Meeting was held October 12, 2023, at the Richard M. Borchard Regional Fairgrounds. President Brian Menking called the meeting to order at 7:00pm. Director David Rosse served as Secretary. Upon determining that a quorum was present, the meeting was called to order by President Brian Menking.

Pastor Nat Simmons, Annaville Baptist Church, delivered the invocation.

#### RECOGNITION OF THE YOUTH TOUR DELEGATES

President, Brian Menking introduced the 2023 Washington D.C. Youth Tour Delegates who also received a \$1000 college scholarship.

#### RECOGNITION OF THE HALO FLIGHT PROGRAM

President, Brian Menking introduced Halo Flight as the recipient of the Nueces Electric Charities Community Grants.

### READING OF PROOF OF MAILING OF MEETING NOTICE

President Menking read the "Proof of Mailing of the Notice of the Annual Meeting." After the reading, the document was submitted to be attached to the official minutes of the meeting.

#### MINUTES OF THE 2022 ANNUAL MEETING

President, Brian Menking stated that the minutes of the 2022 annual meeting had been provided in the October 2023 issue of the Texas Co-op Power Magazine and the Annual Report Booklet. Upon calling for corrections or additions to the minutes, a <u>motion</u> was made, seconded, and duly carried that the minutes of the 2022 Annual Membership Meeting be adopted and published.

#### TREASURER'S REPORT

President, Brian Menking stated that the Treasurer's Report had been provided in the October 2023 issue of the Texas Co-op Power Magazine and the Annual Report booklet. A <u>motion</u> was made, seconded, and duly carried to approve the report as published.

#### PRESIDENT AND CEO REPORTS

A video of staff and Board President Brian Menking was shown to our membership in attendance.

#### MEMBER VOTING

In 2020, the NEC membership approved amending the Bylaws to add Article III, Section 6, Uncontested Election, which states "In accordance with Robert's Rules of Order, Section 46, (11th edition), as amended, in the event only one person is nominated for a position, then the meeting chair may declare that the nominee is elected by unanimous consent or acclamation."

It was declared Rumaldo Juarez – candidate for District 1, Director Gregg Truesdale – candidate for District 2, and Donald Wayne Herrmann – candidate for District 4, are elected by acclamation; all for three-year terms.

# NEC RETAIL MEMBER REFERRAL PROGRAM WINNERS AND PRIZE DRAWINGS

Chief Retail Officer Frank Wilson announced the NEC Co-op Energy Referral Program winners. NEC Co-op Energy member MPM Homes received a \$500 electric bill credit for first place and DR Horton received a \$250 electric bill credit for runner up. Prize drawings were held after referral program winners were announced.

#### **ADJOURNMENT**

There being no further business, a <u>motion</u> was made and seconded to adjourn the meeting at 7:30 p.m. Motion carried.

David Rosse, Secretary

Approved: Brian Menking, President

# **NUECES ELECTRIC CHARITIES**



# STRENGTHENING COMMUNITIES

Imagine the potential when we all give back. Contributing to the communities we serve is a fundamental cooperative principle. The Operation Round-Up program is an excellent way for the coop and its members to create big change with our small change. Operation Round-Up is a simple billing option that allows members to round up their electric bills to the nearest dollar. The donation never exceeds 99 cents per month, but every penny counts. Nueces Electric Cooperative deeply appreciates your generosity and support.

Powerful Connections means that as a community, we are all interconnected and ready to lend a helping hand. We provide support wherever it's needed. Members are encouraged to continue donating a few cents each month to positively impact our communities. The powerful connections we share has allowed Nueces Electric Charities to AWARD \$145,500 TO 30 COMMUNITY CHARITIES IN 2023, strengthening our local charities.

Grant deadlines are January 15 & July 15 of every year.



Agape Ranch

Billie Trimble Chandler Arts Foundation Big Brothers Big Sisters of the TX Coastal Bend

Boys & Girls Club of the Coastal Bend

Camp Aranzazu

**CASA of Kleberg County** 

CASA of the Coastal Bend

Children's Advocacy Center

Children's Coalition of Aransas Co.

Citizens Planning Committee

Corpus Christi Education Foundation

Corpus Christi Hope House

Corpus Christi Metro Ministries

Corpus Christi Pregnancy Center of the Coastal Bend

Corpus Christi Symphony Orchestra

Del Mar College Foundation

**Educating Children's Future Community Center** 

**Family Counseling Service** 

Focus Foundation

**Foster Angels of South Texas Foundation** 

Mission of Mercy

**Red Cross** 

Ronald McDonald House of South Texas

South Texas Children's Home Ministries

South Texas Lighthouse for the Blind

**Tennis Success** 

The Ark Assessment Center and Emergency Shelter

The Junior League of Corpus Christi

**Triumph Over Kid Cancer** 

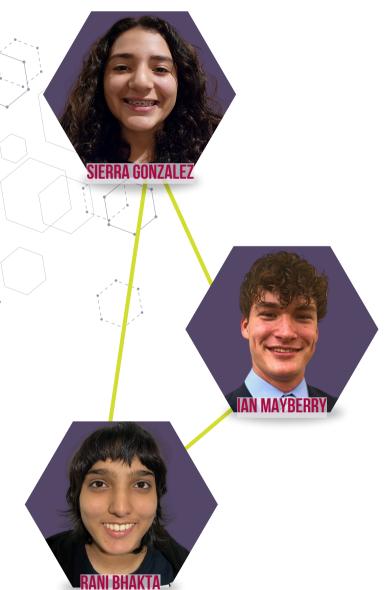
Youth Odessey, Inc.

2023 GRANT RI

RECIPIENTS

# 2023 YOUTH LEADERSHIP TOUR

NEC sponsors two (2) local youth on the Government-in-Action Youth Leadership Tour each year. This is an all-expense-paid trip for high school juniors who are dependents of members. They are provided the opportunity to tour national historic sites, experience cultural diversity, meet U.S. congressional representatives, and learn about electric cooperatives. NEC also awards Youth Tour recipients each a \$1,000 scholarship, provided they attend an accredited Texas university or college.











2025 APPLICATIONS ARE NOW OPEN! DEADLINE TO APPLY IS FRIDAY, JANUARY 31ST, 2025. SCAN FOR MORE INFORMATION.





# 2023 SCHOLARSHIP AWARD RECIPIENTS

Nueces Electric Cooperative has established the Ramiro De La Paz and John L. Sims scholarship programs. These scholarships are funded by escheated capital credits—money from former members that we could not locate to refund. The State of Texas allows us to retain some of these undeliverable funds to support our scholarship program. Each year, NEC awards college scholarships to high school seniors who are dependents of cooperative members. These seniors plan to attend universities, colleges, or trade schools in Texas. We are proud to support their education in line with our cooperative principles.

HIGH SCHOOL SENIORS

FROM LOCAL HIGH SCHOOLS

AWARDED A TOTAL OF \$27,000

LINEWORKER COLLEGE SCHOLARSHIP RECIPIENT

Having graduated from the Del Mar Electrical Line Work program, Garcia underwent rigorous training to adeptly serve his community. Presently, he is dedicated to ensuring uninterrupted power supply for patrons of the neighboring electric cooperative, San Patricio Electric Cooperative.



# WHAT'S TO COME?

SCAN QR CODE TO APPLY FOR YOUTH TOUR



**YOUTH TOUR** 





NEC offers high school juniors an all-expense paid trip to Washington D.C.! Applicants must be dependents of NEC members. This opportunity also awards a \$1,000 scholarship if the student attends a Texas college or university.



# SCHOLARSHIP

DEADLINE IS MONDAY, FEBRUARY 10TH, 2025!

SCAN QR CODE TO APPLY FOR A SCHOLARSHIP



We are proud to support local students in their education. NEC annually awards scholarships to graduating seniors, who are dependents of our members and plan to attend accredited Texas universities, two-year colleges, or line work programs!

# JOIN US FOR THIS EVENT!



Want to learn how to save on your monthly electric bill? Learn from the professionals at NEC!



Hosted by Nueces Electric Cooperative

Nueces Electric Cooperative - HQ Office 14353 Cooperative Ave, Robstown, TX November 2, 2024 9 am - 12 pm

