

Conflict of Interest Policy – Board of Directors PEDERNALES ELECTRIC COOPERATIVE, INC.

Conflict of Interest Certification and Disclosure Form

As defined in the Pedernales Electric Cooperative, Inc. Conflict of Interest Policy (Policy), the undersigned Official states:

1. I affirm that I have received or have access to, have read, and understand the most current version of the Policy;
2. I agree to comply with the Policy;
3. Based upon my good faith belief, to the best of my knowledge, and except as disclosed below, I certify that I currently comply with the Policy;
4. I disclose the following information or facts regarding any Potential Conflict or any actual income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or pecuniary benefit, or other information or fact, that could impact my compliance with the Policy:

I am a minority owner and employee of J.L. Powers & Associates (“JLPA”), which provides administrative services to numerous independent consultants.

One of JLPA’s independent consultants provides services to KGA Architecture. In 2018, KGA Architecture was one of several architects to execute agreement with PEC. To date, KGA Architecture has not performed work for, or been compensated by, PEC.

One of JLPA’s independent consultants provides services to a real estate developer that may interact with the Cooperative regarding its line extension policy. Although those PEC-related interactions have no financial implications for me personally, in an abundance of caution, I will recuse myself from participating in any consideration of the Cooperative’s line extension policy as long as that relationship remains in place.

Additionally, JLPA performs consulting work for Texas Disposal Services (“TDS”), a solid waste utility provider. JLPA’s work is limited to residential accounts and does not involve commercial accounts which are distinct.. PEC is a commercial account. JLPA is not compensated by TDS on the basis of any of its contracts or on its success in securing contracts. It is my understanding that TDS provides commercial services to two Cooperative facilities and may seek to provide additional commercial services in the future. I do not have an interest in either of the existing contracts, and will not have an interest in any future work performed by TDS for the Cooperative. Should any matter relating to TDS come before the Board of Directors or PEC, I will disclose and recuse myself from participating in that matter before PEC.

Should I become aware of any other PEC-related interactions involving JLPA’s clients or independent consultants, I will disclose and recuse myself from participating in issues involving that PEC-related interaction.

5. Upon discovering any information or fact regarding any Potential Conflict or any actual income, employment, compensation, Conflicting Interest Transaction, Business Opportunity, or pecuniary benefit, or other information or fact, that could impact my compliance, or another Official’s compliance, with the Policy, I agree to disclose this information or fact to the

Cooperative's President or Chief Executive Officer; and

Upon not complying with the Policy, I agree to any sanction, disqualification, removal, or other action taken under the Policy, consistent with law and the Cooperative Bylaws.

Printed Name of Official: *Jim Powers*

Position of Official: *Board of Director*

07/19/19

Date:

Signature of Official:

