



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Final

Board of Directors

Friday, November 15, 2024

9:00 AM

PEC Headquarters Auditorium

201 S Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting was held in the PEC Auditorium and recorded in accordance with Board Meetings Policy. Members may watch the recording from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

This meeting was called to order at 9:02 a.m., on November 15, 2024, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

Present: 7 - Director Milton Rister, President Emily Pataki, Secretary/Treasurer Mark Ekrut, Vice President Travis Cox, Director James Oakley, Director Paul Graf, and Director Amy Akers

Safety Briefing

President Emily Pataki provided the Safety Briefing.

Adoption of Agenda

The agenda was adopted as posted and without objection.

Cooperative Recognitions

1. [2024-275](#) **Recognition of Veterans Day - E Pataki**

President Emily Pataki recognized and thanked all Veterans, including employees for their service to the country.

2. [2024-326](#) **Recognition of PEC Linemen Participation at Annual International Lineman's Rodeo - B Magott**

Mr. Brian Maggot, Director, Regional Operations, announced the PEC award recipients who participated in the 2024 Annual International Lineman's Rodeo, and presented a video from the event. The Board took a break from 9:09 a.m. to 9:15 a.m. for a photo opportunity with the Rodeo Team.

Consent Items

Without objection the items listed under Consent Items were approved by general consent.

3. [2024-342](#) **Friday, October 25, 2024 - Regular Meeting Minutes**

Attachments: [2024-10-25 OS Meeting Minutes draftv1.pdf](#)

Cooperative Monthly Report

4. [2024-327](#) Cooperative Update - J Parsley/E Dauterive/N Fulmer/R Kruger/J Urban

Attachments: [November Cooperative Update 2024-327 FINAL.pdf](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Eddie Dauterive, Chief Strategy Officer, Mr. Randy Kruger, Chief Financial Officer (CFO), Mr. Nathan Fulmer, Chief Operations Officer - Distribution, and Mr. JP Urban, Executive Vice President, External Relations, presented a collaborative Cooperative Update.

Member Comments (3 minute limitation or as otherwise directed by Board)

5. [2024-328](#) Member Comments

Attachments: [Decorum Policy](#)

There were no members present.

Action Items / Other Items

6. [2024-331](#) Resolution - Approval of 2025 Operating Budget and 2025 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/A Murosko

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative adopt the 2025 Operating and Capital Improvement Plan (CIP) Budgets as presented this day and with such amounts allocated therein from the Power of Change Round-Up funds for such programs outlined therein and described herein; and

NOW THEREFORE BE IT RESOLVED that the Chief Executive Officer, or designee, is authorized to take such actions as needed to implement this resolution.

Attachments: [2025 Operating and CIP Budget-2024-331-Final 2](#)

Mr. Andrew Murosko, Financial Planning and Analysis Manager, presented the resolution and asked the Board for approval.

A motion was made by Director Oakley, seconded by Vice President Cox, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

7. [2024-330](#) Resolution - Approval of 2025 Rate Plan - R Kruger

Body: NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative approves the 2025 Rate Plan that was presented to and discussed by the

Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer, or designee, is hereby authorized to take such other actions necessary to implement this resolution.

Attachments: [2025 Rate Plan - 2024-330 - FINAL 2](#)

Mr. Randy Kruger, Chief Financial Officer, presented the resolution and asked the Board for approval.

A motion was made by Director Akers, seconded by Director Oakley, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

8. [2024-332](#) Resolution - Approval of Authorization for Increase of and Amendments to Commercial Paper Program and Unsecured Credit Facilities for the Cooperative - R Kruger

Body: **WHEREAS**, to continue to fund its capital improvement budget and operating budget for both its distribution and transmission lines of business and in the best interests of the Cooperative, the Cooperative requires an increase of an additional \$100,000,000 to its commitments (for unsecured credit facilities from one or more lenders) and an increase in the authorized amount of its commercial paper program from \$200,000,000 to \$300,000,000; and

WHEREAS, the Cooperative is currently a party to the following short-term unsecured credit agreements in the aggregate amount up to \$305,000,000: (i) a 364-Day Credit Agreement, dated as of December 4, 2020 (as heretofore amended), with Bank of America, N.A., CoBank, ACB and JPMorgan Chase Bank, N.A. in the authorized amount up to \$105,000,000, (ii) a Second Amended and Restated 364-Day Revolving Credit Agreement with CoBank, ACB, dated October 19, 2023 (as heretofore amended) in the authorized amount up to \$100,000,000 and (iii) an Amended and Restated Perpetual Line of Credit Agreement with National Rural Utilities Cooperative Finance Corporation (CFC) dated January 22, 2007 (as heretofore amended) in the authorized amount up to \$100,000,000, (all of such lenders collectively, the "Lenders" and all of such short-term unsecured credit agreements, the "Credit Agreements");

WHEREAS, the Cooperative is currently a party to that certain 3-Year Credit Agreement, dated December 4, 2020 (as heretofore amended) with Bank of America, N.A., CoBank, ACB and JPMorgan Chase Bank, N.A., in an authorized amount up to \$200,000,000 (the "3-Year Credit Agreement");

WHEREAS, the Cooperative is currently a party to that certain Commercial Paper Dealer Agreement 4(A)(2) Program dated as of April 1, 2021 with BofA Securities, Inc. and/or one or more others dealers, the Issuing and Paying Agent Agreement dated as of April 1, 2021 with U.S. Bank National Association, and has issued its commercial paper notes dated as of April 6, 2021 and such commercial paper notes have been offered into the market with the delivery of an offering memorandum issued by the Cooperative and the Cooperative has

obtained a rating by a rating agency for such commercial paper program and such other documentation in connection with the commercial paper program (collectively, the "Commercial Paper Program Documents"); and

WHEREAS, the Cooperative wishes to amend the Credit Agreements or 3-Year Credit Agreement in order to increase the aggregate authorized amount by an additional \$100,000,000 and to extend the maturities and make other amendments for its distribution and transmission lines of business, and the Cooperative further wishes to authorize the entry into new credit facilities with CFC or any other Lenders or to authorize the replacement of any existing Credit Agreements or 3-Year Credit Agreement, subject to the aggregate authorized amount up to \$605,000,000 for such credit facilities, Credit Agreements or 3-Year Credit Agreement; and

WHEREAS, the Cooperative wishes to amend the Commercial Paper Program Documents in order to increase the commercial paper program by an additional \$100,000,000;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes the issuance or incurrence of such credit facilities as described herein, and extension, and/or amendment, of Credit Agreements and/or 3-Year Credit Agreement, all in the aggregate principal amount up to \$605,000,000, which may be unsecured; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the credit facilities and related Credit Agreements or 3-Year Credit Agreement authorized herein may include extensions, amendments and increases to existing credit facilities and/or one or more new credit facilities with any one or more lenders (including but not limited to any of the existing Lenders) as selected by an Authorized Officer (as defined herein) with all of the terms thereof and such other terms as any Authorized Officer determines necessary or appropriate, such determination to be conclusively evidenced by such execution and delivery by any Authorized Officer; and the Cooperative hereby authorizes the execution, delivery and performance of such credit facilities as described herein, Credit Agreements and/or 3-Year Credit Agreement and any one or more extensions and amendments to any such Credit Agreements and/or 3-Year Credit Agreement; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes an increase in the aggregate principal amount of the Commercial Paper Program from \$200,000,000 to \$300,000,000, and further authorizes the execution, delivery and performance of the amendments to the Commercial Paper Program Documents in connection therewith, and all of the terms thereof and such other terms as any Authorized Officer determines necessary or appropriate, such determination to be conclusively evidenced by such execution and delivery by any Authorized Officer; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that any of the Authorized Officers are hereby expressly

authorized, empowered and directed from time to time to do and perform all acts and things and to execute, acknowledge and deliver, in the name and on behalf of the Cooperative all such documents, certificates, instruments, and notices concerning the documents, whether or not herein mentioned, as the Authorized Officer(s) may determine to be necessary or desirable in order to carry out the terms and provisions of these resolutions and the terms of the credit facilities as described herein, Credit Agreements, the Commercial Paper Program Documents, the 3-Year Credit Agreement, and other related documents, and to perform the obligations of the Cooperative under all instruments executed in connection therewith, such determination to be conclusively evidenced by such execution and delivery.

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer of the Cooperative, the Chief Financial Officer of the Cooperative, or any person designated in writing for such purpose by the Chief Executive Officer (each an "Authorized Officer" and collectively, the "Authorized Officers"), are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge, the credit facilities as described herein, extensions and amendments to the Credit Agreements and/or the 3-Year Credit Agreement, the amendments to the Commercial Paper Program Documents, and/or any other agreements that may be required in connection with each transaction, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to such transactions, in each case in such form and containing such terms and conditions as such Authorized Officer may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers are each hereby authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to do any and all acts deemed by such officer in such officer's judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolutions.

Attachments: [Borrowing Capacity Expansion 2024-332 FINAL.pdf](#)

Mr. Randy Kruger, Chief Financial Officer, presented the resolution and asked the Board for approval.

A motion was made by Director Akers, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

9. [2024-333](#) **Resolution - Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy - R Kruger**

Body: now, therefore, **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative adopt the Power Supply and Commodity Risk Policy, and adopt the confidential

Appendix to the Power Supply and Commodity Risk Policy, that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the Cooperative may implement the requirements of the Power Supply and Commodity Risk Policy using a phased approach to achieve full compliance with the requirements of the Power Supply and Commodity Risk Policy and confidential Appendix within twelve months of the date of this resolution, and that the Cooperative shall regularly report to the Board on the progress of the phased implementation; and

BE IT FURTHER RESOLVED that the adoption of the Power Supply and Commodity Risk Policy and confidential Appendix to the Power Supply and Commodity Risk Policy supersedes the Power Supply and Energy Management Policy and such resolutions of the Cooperative and fulfills such other requirements instituted by policies of the Cooperative as described herein; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the CEO, or designee, is authorized to take all such other actions necessary to implement this resolution.

Attachments: [Power Supply and Commodity Risk Management Policy- 2024-333 - FINAL](#)
[Approval of the Power Supply and Commodity Risk Policy - 2024-333 - FINAL 4](#)

Mr. Randy Kruger, Chief Financial Officer, presented the resolution and asked the Board for approval.

A motion was made by Director Graf, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

10. [2024-355](#) Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell

Body: **NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative may file an interim transmission cost of service rate filing pursuant to 16 TAC § 25.192(h) at the PUCT as discussed by the Board this day; and

BE IT FURTHER RESOLVED, that the Chief Executive Officer, or a designee, is authorized to take all such actions as needed to implement this resolution.

Attachments: [2024 Interim TCOS Filing - 2024-355 - FINAL](#)

Mr. Christian Powell, Chief Compliance Officer, presented the resolution and asked the Board for approval.

A motion was made by Vice President Cox, seconded by Director Oakley, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

11. [2024-335](#) Resolution - Approval of Junction Warehouse Expansion - N Fulmer

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Board approves the service contract for the capital improvement project to expand the Junction Warehouse facilities in amounts approved in the annual Capital Budgets; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to execute and deliver such contract on behalf of the Cooperative as described herein; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to take any further actions as may be needed to implement this resolution.

Attachments: [Junction Warehouse Expansion 2024-335 Final.pdf](#)

Mr. Nathan Fulmer, Chief Operations Officer - Distribution, presented the resolution and asked the Board for approval.

A motion was made by Director Akers, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

12. [2024-336](#) Resolution - Approval of Distribution Construction Contract Master Services Agreement - N Fulmer

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board approves contracting for distribution contractor services with terms through December 31, 2029, and in amounts approved in the annual Capital and Operating Budgets, as discussed this day;

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to execute and deliver contracts from time to time for distribution contractor services on behalf of the Cooperative as described herein; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to take any further actions as may be needed to implement this resolution.

Attachments: [Distribution Construction MSA 2024-336 Final](#)

Mr. Nathan Fulmer, Chief Operations Officer - Distribution, presented the resolution and asked the Board for approval.

A motion was made by Vice President Cox, seconded by Director Akers, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

13. [2024-329](#) Resolution - Approval to Review and Reaffirm/Amend Audit Committee Charter - A Stover

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board has reviewed the charter of the Audit Committee and reaffirms the charter of the

Audit Committee as presented to and discussed by the Board this day, with such amendments or changes, if any, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the Chief Financial Officer, as designee of the Chief Executive Officer, is hereby authorized and directed to take all such action as may be necessary to implement this resolution.

Attachments: [Revision to Audit Committee Charter 2024-329 FINAL](#)
[Audit Committee Charter_Redline.pdf](#)
[Audit Committee Charter Clean.pdf](#)

Ms. Andrea Stover, General Counsel, presented the resolution and asked the Board for approval.

A motion was made by Director Akers, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

14. [2024-337](#) **Draft Resolution - Approval of 2025 Election Timeline and 2025 Election Communications Plan - A Stover/C Tinsley Porter**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that pursuant to Sections 3.2 of the PEC Election Policy and Procedures, the Election Timeline in the form presented to the Board, and with any changes approved by the Board, is adopted as the 2025 Election Timeline and Communication Plan for the 2025 PEC Election; and

BE IT FURTHER RESOLVED that pursuant to Section 7.3 of the PEC Election Policy and Procedures, the Communications Plan in the form presented to the Board, and with any changes approved by the Board, is adopted as the 2025 Election Communications Plan for the 2025 PEC Election; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, the General Counsel, or their designees, are hereby authorized to take all such action as may be necessary to implement this resolution and conduct the 2025 PEC Election.

Attachments: [Draft 2025 Election Timeline 2024-337.pdf](#)
[Approval of 2025 Election Communications Plan 2024 Review\[43\]-2024-337 - FINAL.pdf](#)

Ms. Andrea Stover, General Counsel, and Ms. Caroline Tinsley Porter, External Relations Director, presented a collaborative summary of the 2025 Election Timeline and Communications Plan.

15. [2024-343](#) **Winter Preparedness Report - N Fulmer/J Urban**

Attachments: [2024 Winter Preparedness 2024-343 Final3.pdf](#)

Mr. Nathan Fulmer, Chief Operations Officer - Distribution, and Mr. JP Urban, Chief Administrative Officer, provided a collaborative report.

Proposed Future Items / Meetings (subject to final posting)**16. [2024-344](#) Resolution - Approval of 2025 Board of Directors List of Proposed Future Meetings - E Pataki**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative adopt the proposed 2025 Board Meeting Calendar which includes the dates of its Regular Board Meetings that was presented to and discussed by the Board this day; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to take all such actions as may be necessary to implement this resolution.

Attachments: [2025 Proposed Board Meetings 2024-344 Final.pdf](#)
[2025 Proposed Board Meeting Calendar.pdf](#)

The Board considered the list of 2025 list of proposed future meetings.

A motion was made by Director Oakley, seconded by Director Akers, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekru, Cox, Oakley, Graf, and Akers

17. [2024-345](#) List of Board Approved Future Meetings

Attachments: [2024 Board Meeting Calendar.pdf](#)

President Emily Pataki stated that the 2024 Board approved meeting dates were included in the meeting materials.

18. [2024-346](#) Board Planning Calendar (Written Report in Materials)

Attachments: [PEC Annual Board Planning Calendar.pdf](#)
[3-Month Outlook.pdf](#)

President Emily Pataki stated that the planning calendars were included in the meeting materials.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:26 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters**19. [2024-347](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services****20. [2024-348](#) Litigation and Related Legal Matters - A Stover**

21. [2024-349](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover
22. [2024-340](#) Discussion of Tariff and Business Rules - C Powell/A Stover
23. [2024-350](#) Ethics and Compliance Update - C Powell

Executive Session - Contract and Competitive Matters

24. [2024-332](#) Resolution - Approval of Authorization for Increase of and Amendments to Commercial Paper Program and Unsecured Credit Facilities for the Cooperative - R Kruger

Attachments: [Borrowing Capacity Expansion 2024-332 FINAL.pdf](#)

The Board voted on this resolution during the open session meeting.

25. [2024-333](#) Resolution - Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy - R Kruger

Attachments: [Power Supply and Commodity Risk Management Policy- 2024-333 - FINAL](#)
[Approval of the Power Supply and Commodity Risk Policy - 2024-333 - FINAL 4](#)

The Board voted on this resolution during the open session meeting.

26. [2024-355](#) Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell

Attachments: [2024 Interim TCOS Filing - 2024-355 - FINAL](#)

The Board voted on this resolution during the open session meeting.

27. [2024-351](#) Draft Resolution - Approval of Capital Credits Distribution during Calendar Year 2025 - J Smith

28. [2024-353](#) Draft Resolution - Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Cedar Valley - Friendship Line (Engineering Project T358); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Cedar Valley - Friendship Line Easement Amendments - J Greene

29. [2024-354](#) Draft Resolution - Approval of Construction Contract T587 Mountain Top - Blanco 138kV Line - J Greene

30. [2024-356](#) Markets Report - R Kruger

31. [2024-357](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey

Executive Session - Real Estate Matters

32. [2024-358](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - C Powell
33. [2024-359](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell

Executive Session - Safety and Security Matters

34. [2024-360](#) Safety and Security Matters

Executive Session - Personnel Matters

35. [2024-361](#) Personnel Matters

Reconvene to Open Session

At 1:54 p.m., the Board reconvened to the Open Session meeting.

Items from Executive Session

There were no agenda items.

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 1:55 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President