



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Board of Directors

Wednesday, November 15, 2017

9:00 AM

PEC Headquarters Auditorium

Open Session of this Regular Meeting was held in the PEC Auditorium and was video recorded in accordance with Board Meetings Policy. Members were able to watch this meeting by livestream from the PEC website at <http://www.pec.coop/boardvideos>

Call to Order and Roll Call

This meeting was called to order at 9:04 am on November 15, 2017 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

Present: 7 - Director Cristi Clement, Director Randy Klaus, Director Jim Powers, Director James Oakley, Director Paul Graf, Director Amy Akers, and President Emily Pataki

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

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

1. [2017-413](#) **Friday, October 13, 2017 Special Meeting Minutes**

Attachments: [Minutes Special 2017-10-13 draft3](#)

Consent item approved.

2. [2017-414](#) **Monday, October 16, 2017 Regular Meeting Minutes**

Attachments: [2017-10-16 Regular Minutes - draft1](#)

Consent item approved.

3. [2017-416](#) **Wednesday, October 18, 2017 Special Meeting Minutes**

Attachments: [Minutes Special 2017-10-18 draft3](#)

Consent item approved.

4. 2017-461 **Monday, October 23, 2017 Special Meeting Minutes**

Attachments: [Minutes Special 2017-10-23 draft v3](#)

Consent item approved.

Cooperative Recognitions5. 2017-431 **Recognition of Veterans with Moment of Silence - E Pataki**

President Emily Pataki recognized the service of veterans with a moment of silence.

6. 2017-430 **Recognition of PEC Participants at 2017 International Lineman's Rodeo - W McKee**

Attachments: [2017-11-15 Recognition of PEC Participants at 2017 ILRA - Final.pdf](#)

VP of Operations and Executive Sponsor of the PEC Lineman Rodeo Team Wayne McKee introduced Regional Operations Director and Committee Chairperson Joe Lockhart, who reviewed the Recognition of PEC Participants at 2017 International Lineman's Rodeo PowerPoint presentation, highlighting the promotion of safety along with the rodeo program timeline, planning, participation, and placement at recent the International Rodeo events. Mr. Lockhart introduced the lineman rodeo participants, most of which were in attendance at the meeting. The Board expressed their appreciation for the wonderful representation and recognized the group with applause.

Cooperative Monthly Reports7. 2017-417 **Cooperative Update - T Golden**

Attachments: [2017-11-15 Cooperative Update - T Golden](#)

CFO Tracy Golden reviewed the Cooperative Update PowerPoint presentation and staff answered questions regarding the Wirtz to Paleface transmission structure replacement location.

8. 2017-418 **Financial Services Report - F Wolff**

Attachments: [2017-11-15 October 2017 - Financial Presentation](#)

[2017-11-15 October 2017 Financial Statements to the Board](#)

Controller Freddy Wolff thanked staff for their work on the budget and an accelerated close. Mr. Wolf reviewed the Financial Services Report PowerPoint presentation and answered a question regarding the variance between actual and budgeted revenues.

Cooperative Quarterly Reports (written report in materials)

9. 2017-348 Information Technology Report

Attachments: [2017-11-15 Information Technology Report](#)

The written materials for Information Technology Report were included in the Board package. CIO Lawanda Parnell answered a question regarding administration of the CISCO call center solution.

10. 2017-349 Member Services Report

Attachments: [2017-11-15 Member Services CEO November Report - FINAL](#)

The written materials for Member Services Report were included in the Board package.

Member Comments (3 minute limitation or as otherwise directed by Board)11. 2017-429 Member Comments

Attachments: [2015-09-21 Decorum Policy \(reference material\)](#)

There were no members wanting to address the Board.

Action Items / Other Items12. 2017-440 Resolution - Approval of Community Support - Member Assistance Program (MAP) Policy - E Dauterive

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Community Support - Member Assistance Program (MAP) Policy, with the changes and amendments, as were approved by the Board; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or his designees, are hereby authorized to take all such action as may be necessary to implement this resolution.

Attachments: [2017-11-15 Resolution - Approval of Community Support - Member Assistance Program \(MAP\) Policy-FINAL Draft 11-2-17.docx](#)
[2017-11-15 Resolution-Approval of Community Support - Member Assistance Program - Redline Draft Version](#)
[2017-11-15 Resolution - Approval of Community Support - Member Assistance...](#)

VP of Member Services Eddie Dauterive reviewed the proposed resolution to approve the Community Support - Member Assistance Program (MAP) Policy. Following some questions regarding policy language, this item was deferred for clarification.

13. [2017-432](#) **Draft Resolution - Approval of 2018 Election Timeline - D Ballard**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that, pursuant to Section 3.2 of the Election Procedures of Pedernales Electric Cooperative, Inc., the Election Timeline, in the form presented to the Board, with such changes approved by the Board, is adopted as the 2018 Election Timeline for the election to be held before the Annual Meeting on June 23, 2018.

BE IT FURTHER RESOLVED that the General Counsel, or designee, is hereby authorized to take all such action as may be necessary to implement this resolution.

Attachments: [2017-11-15 - 2018 Election Timeline - Draft v2](#)

General Counsel Don Ballard reviewed the draft 2018 Election Timeline as required by the Elections Policy and highlighted key dates. Mr. Ballard answered questions regarding proposed dates and stated the draft Elections Communications Plan would be presented to the Board next month. At 9:49 am President Emily Pataki announced a short break and at 9:59 am the meeting reconvened.

14. [2017-453](#) **Demonstration and Update of PEC Website - J Beggs**

VP of Corporate Services Julie Beggs introduced Communications and Marketing Director Clinton Lancaster and Creative Services and Engagement Manager Marjorie Smith, who demonstrated updates to the pec.coop website. Staff reported on plans to launch the website for members in January 2018.

15. [2017-451](#) **Cooperative Solar Project Update and Implementation Planning - B Clark**

Attachments: [2017-11-15 Cooperative Solar Project Update and Implementation Planning- B Clark](#)
[2017-11-15 Cooperative Solar Project Update and Implementation Planning- B Clark v3](#)

Renewable and Distributed Energy Manager Brad Clark reviewed the Cooperative Solar Rate Option Update PowerPoint presentation. Mr. Clark answered questions regarding line loss calculations, the number of possible enrollments, the allocation of energy generated but not used by members, the appeal to applicants, the possibility of a rate change within the 24-month commitment period, and communication of this possibility to members applying. Director Amy Akers requested an update on the number of applicants at December Board meeting.

16. 2017-438 Report on NRECA Regional Meeting - P Graf

Director Paul Graf stated that the Board had been provided with a written summary of the meetings attended at the NRECA Regional Meeting. Director Graf reported that there were approximately 900 voting members in NRECA and the meeting provided a better understanding of the resolution approval process. Director Cristi Clement stated that speakers reported on current industry interests and many cooperatives were forming work study groups on matters such as governance and distributed energy.

Proposed Future Items / Meetings (subject to final posting)**17. 2017-442 List of Proposed Future Meetings**

Attachments: [2017-11-01 Proposed Future Meetings - v1](#)

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

18. 2017-443 Board Meeting Planning Calendar (written report in materials)

Attachments: [2017-11-01 Board Planning Calendar v1](#)

President Emily Pataki stated that the Board Meeting Planning Calendar was included in the meeting materials.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:40 am stated the Board would go into Executive Session.

Executive Session - Legal Matters**19. 2017-444 Update on Litigation and Related Legal Matters****20. 2017-445 Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services****Executive Session - Contract and Competitive Matters****21. 2017-463 Discussion of Independent Audit and Internal Controls - R Cobb****22. 2017-433 Discussion of 2018 Operating Budget, Capital Improvement Plan (CIP) and Work Plan, Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - T Golden**

23. 2017-455 **Resolution - Approval of Revisions to the Business Plan Initiatives - J Beggs**

Body:

BE IT RESOLVED BY THE BOARD OF DIRECTORS that the 2017- 2019 Business Plan presented to the Board this day is approved; and

BE IT FURTHER RESOLVED that this resolution supersedes all previous resolutions concerning the subject matter; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designees, are authorized to take all actions as may be necessary to implement the 2017-2018 Business Plan and implement this resolution.

24. 2017-465 **Resolution - Approving a Loan Agreement with JP Morgan Chase Bank and the Issuance of a Note - T Golden**

Body:

WHEREAS, the Board of Directors (the “Board”) of the Pedernales Electric Cooperative, Inc. (the “Cooperative”) has determined that it is in the best interest of the Cooperative to obtain an unsecured loan from JP Morgan Chase Bank, N.A. (“Chase”), in an amount not to exceed \$13,000,000 (the “Loan”), pursuant to the terms of an unsecured credit and loan facility (the “Loan Agreement”) to be entered into between the Cooperative and Chase; and

WHEREAS, the obligations of the Cooperative with respect to the Loan will be evidenced by one or more promissory notes payable by the Cooperative to Chase (the “Note”) and will be unsecured obligations of the Cooperative; and

WHEREAS, the Board has been presented with the principal terms of the Loan and desires to delegate to the Authorized Officers (as defined herein) to negotiate and approve the final forms of the Financing Documents (as defined herein) setting forth such terms, and hereby finds that it is in the best interest of the Cooperative to authorize and approve the execution and delivery of such documents.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE: that the Cooperative obtain the Loan from Chase and enter into the Loan Agreement, subject to approval of the final terms of such document by one or more Authorized Officers;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative issue the Note to evidence and secure the obligations of the Cooperative with respect to the Loan, subject to the approval of the final terms of such documents by one or more Authorized Officers;

BE IT FURTHER RESOLVED, that the amount outstanding at any time under the Loan Agreement with respect to the Loan shall not exceed a principal amount of \$13,000,000, plus accrued interest thereon;

BE IT FURTHER RESOLVED, that the approval of the final terms of the Loan Agreement, the Note, and the certificates, orders and other documents to be delivered in connection therewith (collectively, the “Financing Documents”) by any Authorized Officer shall be evidenced by the execution and delivery thereof by any such Authorized Officer;

BE IT FURTHER RESOLVED, that the President and Vice President of the Board and the Chief Executive Officer and Chief Financial Officer of the Cooperative (each an “Authorized Officer”) are hereby each authorized (acting together or alone) in the name of and on behalf of the Cooperative to execute and deliver the Financing Documents, and the Secretary is hereby authorized to attest and to affix the Cooperative’s seal thereto, if required;

BE IT FURTHER RESOLVED, 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, financing statements, instruments, and notices concerning the financing (including, without limitation, those required or permitted to be given to Chase in connection with the Financing Documents) and other documents, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of these Resolutions and of the Financing Documents, and to perform the obligations of the Cooperative under all instruments executed in connection with the Loan, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document;

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized and empowered from time to time to approve, execute and deliver on behalf of the Cooperative any amendments to the Loan Agreement and/or the Note as such officer may determine to be necessary or desirable to, and in the best interests of, the Cooperative, such determination to be conclusively evidenced by the execution of any such amendment;

BE IT FURTHER RESOLVED, that the execution by any of the Authorized Officers of any document authorized by the foregoing Resolutions or any document executed in the accomplishment of any action or actions so authorized, is (or shall become upon delivery) the enforceable and binding act and obligation of the Cooperative, without the necessity of the signature or attestation of any other officer of the Cooperative or the affixing of the corporate seal; and

BE IT FURTHER RESOLVED, that all actions undertaken prior to the adoption of these Resolutions by any of the officers or representatives of the Cooperative in its name and for its account with Chase in connection with the foregoing matters are hereby ratified, confirmed and adopted by the Board.

These Resolutions shall be effective on and from the date of their adoption, passage, and approval.

25. [2017-452](#) **Resolution - Authority to Negotiate and Execute Power Purchase Agreement - L Cunningham**

Body:

Now, therefore, be it RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative authorizes the Chief Executive Officer, or designee, to negotiate and enter into a power purchase agreement to acquire electric capacity, energy and other related products to serve the full requirements demand of a non-LCRA supply area defined as the "Junction Load" currently supplied through three (3) PEC substations for a term not to exceed six (6) months to become effective January 1, 2018; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer, or designee, is hereby authorized and directed to do any and all such other things, and take such other actions, as the Chief Executive Officer, or designee, deems necessary to implement this resolution.

26. [2017-450](#) **Resolution - Approval of Battery Energy Storage Solution Project - J Spaulding**

27. [2017-427](#) **Resolution - Authorization of a Service Area Boundary Change with Southwest Texas Electric Cooperative and Application for Certificate of Convenience Necessity- W McKee**

Body:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative seek a Certificate of Convenience and Necessity (CCN) Service Territory Boundary Exception at the Public Utility Commission based on the request from Southwest Texas Electric Cooperative, as discussed in Executive Session; and

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

28. [2017-441](#) **Resolution - Approval of Uniform Laundry Service Contract Agreement Extension - R Peterson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the service contract for Unifirst, as discussed in Executive Session, be amended to extend the contract for an additional 6 months; and

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

29. [2017-425](#) **Resolution - Approval of Vegetation Management Distribution Maintenance Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Distribution Maintenance Contract for 2018-2020.

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

30. [2017-466](#) **Resolution - Approval of Vegetation Management Herbicide Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Herbicide Contract for 2018-2020.

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

31. [2017-467](#) **Resolution - Approval of Vegetation Management Transmission Right of Way Maintenance Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Transmission Right of Way Maintenance Contract for 2018-2020.

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

32. [2017-468](#) **Resolution - Approval of Vegetation Management Underground Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Underground Contract for 2018-2020.

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

33. [2017-469](#) **Resolution - Approval of Vegetation Management Support Services Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Support Services Contract for 2018-2020.

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

34. [2017-470](#) **Resolution - Approval of Vegetation Management Junction Contract for 2018-2020 - P Lochte**
Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Junction Contract for 2018-2020.

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

35. [2017-426](#) **Automated Metering Infrastructure (AMI) Project and Vendor Selection Update - P Lochte**

36. [2017-428](#) **Environmental Support and Habitat Conservation Plan (HCP) Grant Update - P Lochte**

Executive Session - Real Estate Matters

37. [2017-454](#) **Resolution - Approval of Facilities Master Plan - J Beggs**

38. [2017-446](#) **Facilities and Real Estate Update - J Beggs**

Executive Session - Safety and Security Matters

39. [2017-447](#) **Safety and Security Matters - J Beggs**

Executive Session - Personnel Matters

40. [2017-448](#) **Personnel Matters Update - J Beggs**

Reconvene to Open Session at 3:51 pm

Items from Executive Session

2017-465**Resolution - Approving a Loan Agreement with JP Morgan Chase Bank and the Issuance of a Note - T Golden****Body:**

WHEREAS, the Board of Directors (the “Board”) of the Pedernales Electric Cooperative, Inc. (the “Cooperative”) has determined that it is in the best interest of the Cooperative to obtain an unsecured loan from JP Morgan Chase Bank, N.A. (“Chase”), in an amount not to exceed \$13,000,000 (the “Loan”), pursuant to the terms of an unsecured credit and loan facility (the “Loan Agreement”) to be entered into between the Cooperative and Chase; and

WHEREAS, the obligations of the Cooperative with respect to the Loan will be evidenced by one or more promissory notes payable by the Cooperative to Chase (the “Note”) and will be unsecured obligations of the Cooperative; and

WHEREAS, the Board has been presented with the principal terms of the Loan and desires to delegate to the Authorized Officers (as defined herein) to negotiate and approve the final forms of the Financing Documents (as defined herein) setting forth such terms, and hereby finds that it is in the best interest of the Cooperative to authorize and approve the execution and delivery of such documents.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE: that the Cooperative obtain the Loan from Chase and enter into the Loan Agreement, subject to approval of the final terms of such document by one or more Authorized Officers;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative issue the Note to evidence and secure the obligations of the Cooperative with respect to the Loan, subject to the approval of the final terms of such documents by one or more Authorized Officers;

BE IT FURTHER RESOLVED, that the amount outstanding at any time under the Loan Agreement with respect to the Loan shall not exceed a principal amount of \$13,000,000, plus accrued interest thereon;

BE IT FURTHER RESOLVED, that the approval of the final terms of the Loan Agreement, the Note, and the certificates, orders and other documents to be delivered in connection therewith (collectively, the “Financing Documents”) by any Authorized Officer shall be evidenced by the execution and delivery thereof by any such Authorized Officer;

BE IT FURTHER RESOLVED, that the President and Vice President of the Board and the Chief Executive Officer and Chief Financial Officer of the Cooperative (each an “Authorized Officer”) are hereby each authorized (acting together or alone) in the name of and on behalf of the Cooperative to execute and deliver the Financing Documents, and the Secretary is hereby authorized to attest and to affix the Cooperative’s seal thereto, if required;

BE IT FURTHER RESOLVED, 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, financing statements, instruments, and notices concerning the financing (including, without limitation, those required or permitted to be given to Chase in connection with the Financing Documents) and other documents, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of these Resolutions and of the Financing Documents, and to perform the obligations of the Cooperative under all instruments executed in connection with the Loan, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document;

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized and empowered from time to time to approve, execute and deliver on behalf of the Cooperative any amendments to the Loan Agreement and/or the Note as such officer may determine to be necessary or desirable to, and in the best interests of, the Cooperative, such determination to be conclusively evidenced by the execution of any such amendment;

BE IT FURTHER RESOLVED, that the execution by any of the Authorized Officers of any document authorized by the foregoing Resolutions or any document executed in the accomplishment of any action or actions so authorized, is (or shall become upon delivery) the enforceable and binding act and obligation of the Cooperative, without the necessity of the signature or attestation of any other officer of the Cooperative or the affixing of the corporate seal; and

BE IT FURTHER RESOLVED, that all actions undertaken prior to the adoption of these Resolutions by any of the officers or representatives of the Cooperative in its name and for its account with Chase in connection with the foregoing matters are hereby ratified, confirmed and adopted by the Board.

These Resolutions shall be effective on and from the date of their adoption, passage, and approval.

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-425 **Resolution - Approval of Vegetation Management Distribution Maintenance Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Distribution Maintenance Contract for 2018-2020.

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

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-467 **Resolution - Approval of Vegetation Management Transmission Right of Way Maintenance Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Transmission Right of Way Maintenance Contract for 2018-2020.

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

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-468 **Resolution - Approval of Vegetation Management Underground Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Underground Contract for 2018-2020.

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

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-469 **Resolution - Approval of Vegetation Management Support Services Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Support Services Contract for 2018-2020.

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

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-466 **Resolution - Approval of Vegetation Management Herbicide Contract for 2018-2020 - P Lochte**

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-470 **Resolution - Approval of Vegetation Management Junction Contract for 2018-2020 - P Lochte**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a 3 year agreement for the Vegetation Management Junction Contract for 2018-2020.

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

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-455**Resolution - Approval of Revisions to the Business Plan Initiatives - J Beggs****Body:**

BE IT RESOLVED BY THE BOARD OF DIRECTORS that the 2017- 2019 Business Plan presented to the Board this day is approved; and

BE IT FURTHER RESOLVED that this resolution supersedes all previous resolutions concerning the subject matter; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designees, are authorized to take all actions as may be necessary to implement the 2017-2018 Business Plan and implement this resolution.

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-427**Resolution - Authorization of a Service Area Boundary Change with Southwest Texas Electric Cooperative and Application for Certificate of Convenience Necessity- W McKee****Body:**

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative seek a Certificate of Convenience and Necessity (CCN) Service Territory Boundary Exception at the Public Utility Commission based on the request from Southwest Texas Electric Cooperative, as discussed in Executive Session; and

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

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-452 **Resolution - Authority to Negotiate and Execute Power Purchase Agreement - L Cunningham**

Body:

Now, therefore, be it RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative authorizes the Chief Executive Officer, or designee, to negotiate and enter into a power purchase agreement to acquire electric capacity, energy and other related products to serve the full requirements demand of a non-LCRA supply area defined as the "Junction Load" currently supplied through three (3) PEC substations for a term not to exceed six (6) months to become effective January 1, 2018; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer, or designee, is hereby authorized and directed to do any and all such other things, and take such other actions, as the Chief Executive Officer, or designee, deems necessary to implement this resolution.

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

2017-441 **Resolution - Approval of Uniform Laundry Service Contract Agreement Extension - R Peterson**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the service contract for Unifirst, as discussed in Executive Session, be amended to extend the contract for an additional 6 months; and

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

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

Yes: 6 - Clement, Klaus, Powers, Graf, Akers, and Pataki

Absent: 1 - Oakley

Adjournment

There being no further business to come before the Board of Directors, the meeting was adjourned at 4:00 pm.

APPROVED:

Amy Akers, Secretary

Emily Pataki, President