



Meeting Minutes - Final

Board of Directors

Friday, December 17, 2021

9:00 AM

PEC Headquarters Auditorium

201 S. Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting will be held in the PEC Auditorium and will be recorded in accordance with Board Meetings Policy. Members are able to watch this meeting by livestream from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

This meeting was called to order at 9:06 a.m. on December 17, 2021 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

Director Amy Akers participated by telephone.

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

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. [2021-445](#) **Friday, November 19, 2021 - Regular Meeting Minutes**

Attachments: [2021-11-19 OS Meeting Minutes draft v.2.pdf](#)

Cooperative Monthly Reports

2. [2021-446](#) **Cooperative Update - J Parsley**

Attachments: [CEO 2021 Year in Review 2021-446 - FINAL.pdf](#)

Ms. Julie Parsley, Chief Executive Officer (CEO) provided the 2021 year in review, which included the following matters: meeting challenges working under two (2) emergency operations plans - the ongoing pandemic, and Winter Storm Uri, PEC growth and operations, safety training, enrollment in the Community Solar Program, giving back to communities, cooperative awards and successes, and results of Team PEC participation at the International Lineman's Rodeo competition.

3. [2021-447](#) Cooperative Financial Update - R Kruger

Attachments: [CFO Update - 2021-447-Final.pdf](#)
[Financial Statements-2021-447-Final](#)

Mr. Randy Kruger, Chief Financial Officer (CFO) delivered a summary presentation of the October financial results, the December capital credits distribution to the membership, and the solar interconnect rate.

4. [2021-448](#) Cooperative Operations Update - E Dauterive

Attachments: [COO Update - 2021-448 - Final](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) provided a monthly update, which included the following matters: safety and technical training, SAIDI reliability, PEC system growth, member relations, and the AMI meter project.

Member Comments (3 minute limitation or as otherwise directed by Board)**5. [2021-449](#) Member Comments**

Attachments: [Decorum Policy - 3 minute limitation notice](#)

Ms. Kathi Thomas commented on Distributed Generation.
Ms. Erin Zwiener commented on Distributed Generation.
Mr. Ben Gawiser commented on Distributed Generation.
Mr. Richard Hrabik commented on Distributed Generation.
Mr. Jefferson Chesier commented on Distributed Generation.
Mr. Norman Sanders commented on Distributed Generation.
Mr. John Hoopingarner commented on Distributed Generation.
Mr. Gregory Squires commented on Distributed Generation.
Mr. Michael Denosky commented on Distributed Generation.
Mr. Ling Zhu commented on Distributed Generation.
Ms. Annie Borden commented on Distributed Generation.
Mr. Ralph Kerr commented on Distributed Generation.
The Board took a break from 10:23 a.m. to 10:41 a.m.
Ms. Vikki Goodwin commented on Distributed Generation.

Action Items / Other Items**6. [2021-470](#) Resolution - Approval to Amend Tariff and Business Rules - Transmission Cost of Service (TCOS) Pass Through Charge - N Mack/D Thompson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff

and Business Rules as attached hereto with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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.

Attachments: [PPT - Approval to Amend Tariff \(TCOS\) Charge - 2021-470 v1](#)
[Tariff TCOS Pass Through Amendment - 2021-470 - Redline](#)
[Tariff TCOS Pass Through Amendment - 2021-470 - Blackline](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval.

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

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

7. [2021-451](#) **Resolution - Approval to Amend Tariff and Business Rules - Interconnected Generation 50kW and Below - N Mack/D Thompson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff and Business Rules as attached hereto with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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.

Attachments: [PPT - Amend Tariff Interconnect Rate 50kW Below - 2021-451 Final](#)
[Tariff Interconnect Rate 50kW and Below - 2021-451 - Redline](#)
[Tariff Interconnect Rate 50kW and Below - 2021-451 - Blackline](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval.

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

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

8. [2021-459](#) **Resolution - Approval of Outage Management Systems Contract Renewals - T Perez**

Body: **NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that five (5) year agreements with ARCOS, RAMTeCH, StormGeo, and OSII are approved for negotiation (renewal or extension) and execution; and

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

Mr. Eddie Dauterive, COO presented the resolution and asked the Board for approval.

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

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

9. [2021-460](#) **Resolution - Approval of Extensions to Material Alliance Contracts and Execution of Additional Material Alliance Contract - K Jones**

Body: NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that three (3) agreements for electric distribution Material Alliance Distributors are approved for negotiation and execution up to three (3) year agreements and final terms of such agreements as discussed this day; and

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

Ms. Kat Jones, Controller presented the resolution and asked the Board for approval.

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

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

10. [2021-376](#) **Resolution - Approval of Appointment of Members to Plan Administration Committee - D Ballard**

Body: NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Plan Sponsor hereby appointments the following persons to the *Pedernales Electric Cooperative, Inc. Plan Administration Committee* ("Committee"):

Michael Hanson, Director, Regional Operations (Operations), and Seth Stoppelmoor, Cyber Security Manager (Legal Services).

Each appointee shall commence service on the Committee effective as of the date he submits written acceptance of such appointment to the Chair of the Committee. Each appointee shall serve as a regular member of the Committee for the term of the appointment as outlined by the Board's Delegation of Authority, Composition, and Role of PEC Plan Administration Committee.

Attachments: [PAC Statement of Responsibilities - 2021-376 - Final](#)

Mr. Don Ballard, General Counsel requested the Board approve the appointment of two (2) new members to the Plan Administration Committee (PAC).

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

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

11. [2021-452](#) Resolution - Approval of 2022 Cooperative Election Timeline - S Romero

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 2022 Election Timeline for the election to be held before the Annual Membership Meeting.

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: [2022 Election Timeline - 2021-085 - Draft v3b](#)

Mr. Don Ballard, General Counsel presented the resolution and asked the Board for approval.

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

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

12. [2021-453](#) Resolution - Approval of 2022 Election Communications Plan - R Verette

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that, pursuant to Section 7.3 of the Election Policy and Procedures of Pedernales Electric Cooperative, Inc., the 2022 Election Communications Plan presented, or as modified by the Board this day, is approved; and

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

Mr. Don Ballard, General Counsel presented the resolution and asked the Board for approval.

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

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

13. [2021-468](#) Draft Resolution - Approval of Directive for Delegates Regarding Upcoming Regional & National Meetings - JP Urban

Body: **RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that PEC's voting delegate and alternate voting delegate follow the Board's directive regarding the proposed NRECA resolutions as discussed by the Board this day.

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

Attachments: [NRECA NRC Report 2021-468](#)
[2021 Compendium - Aug 2 - 2021-468](#)
[NRECA Resolutions Process Chart](#)

Mr. J.P. Urban, Executive Vice President, External Communications presented the draft resolution and indicated a final resolution will be presented to the Board for approval in January 2022.

14. [2021-467](#) **Draft Resolution - Approval of 2022 Key Performance Indicators Plan Methodology - E Dauterive**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2022 Key Performance Indicator Plan Methodology presented to the Board this day is approved; and

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

Attachments: [2022 KPI Plan Summary Revisions 2021-467 Final.pdf](#)

Mr. Eddie Dauterive, COO provided a summary presentation of the 2022 Key Performance Indicators (KPIs) Plan Methodology revisions stating the purpose of the KPIs is to provide an objective method for evaluating the degree of success, which PEC achieves identified performance targets. COO Dauterive said the PEC KPI plan is designed to align with the objectives of the PEC Strategic Plan. He indicated a final resolution will be presented to the Board for approval in January 2022.

15. [2021-450](#) **Emergency Operations Plan and Critical Load Registry Review - E Dauterive**

Attachments: [PPT - EOP Critical Load Review 2021-450 Final2.pdf](#)

Mr. Eddie Dauterive, COO provided a review of the December Emergency Operations Plan (EOP) drill exercise of the control center exercises and emergency simulations comprised of 160 employees participating in various departments throughout the Cooperative. COO Dauterive also provided a summary of the critical load registry. The Board discussed load shed operations, PEC communications, and the critical load operations.

Proposed Future Items / Meetings (subject to final posting)

16. [2021-454](#) **List of Board Approved Future Meetings**

Attachments: [Approved 2021 Board Meeting Calendar - Revised 041521.pdf](#)

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

17. [2021-437](#) **Resolution - Approval of 2022 Board of Directors Meetings Schedule - E Pataki**

Attachments: [Draft 2022 Board Meeting Calendar v2](#)

Director Amy Akers was not present.

A motion was made by Vice President Rister, seconded by Secretary/Treasurer

Ekrut, that this item be approved. The motion carried by the following vote:

Yes: 6 - Rister, Pataki, Ekrut, Cox, Oakley, and Graf

Absent: 1 - Akers

18. [2021-455](#) Board Planning Calendar (Written Report in Materials)

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

President Emily Pataki stated that the proposed 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 11:23 a.m. stated the Board would go into Executive Session.

Executive Session - Legal Matters

- 19. [2021-368](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**
- 20. [2021-456](#) Litigation and Related Legal Matters - D Ballard**
- 21. [2021-457](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard**

Executive Session - Contract and Competitive Matters

- 22. [2021-425](#) Update on Extreme Cold Weather Event February 2021 After-Action Review - E Dauterive**
- 23. [2021-458](#) Transmission Operations and Control Center Update - C Moos/J Warren/J Louis**
- 24. [2021-431](#) Draft Resolution - Approval for Authority for Power Purchase Agreement (PPA) for IPPG - L Cunningham/D Thompson**
- 25. [2021-462](#) Markets Monthly Report - D Thompson**

Executive Session - Real Estate Matters

- [2021-463](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos**
- 27. [2021-464](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos**

Executive Session - Safety and Security Matters

28. [2021-465](#) Safety and Security Matters
29. [2021-436](#) GridEx VI Exercise Review - S Stoppelmoor

Executive Session - Personnel Matters

30. [2021-466](#) Personnel Matters
- [2021-469](#) Resolution - Review and Approval of 2021 CEO Action Items and Performance Evaluation - M Rister

Reconvene to Open Session

At 3:22 p.m., the Board reconvened to the open session meeting. Director Amy Akers was not present.

Items from Executive Session

The following agenda items were discussed in executive session and set for approval in open session.

26. [2021-463](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos

This Executive Session - Real Estate Matters item was approved as resolution #2021-461 below.

- [2021-461](#) Resolution - Approval of Sale of Land and Release from Lien for Property in Hays County - E Dauterive

Body: **WHEREAS**, the Cooperative's Board of Directors has reviewed the Term Sheet for the sale of the Land and Improvements with respect to the Windy Hill Property in Hays County as provided in Executive Session; and

WHEREAS, the Cooperative's Board of Directors hereby concludes that the Land and Improvements are no longer necessary or advantageous in the business of the Cooperative; and

WHEREAS, the Cooperative's Board of Directors hereby concludes that the sale price represents the fair market value for the Land and the Improvements; and

WHEREAS, the Land and Improvements constitutes less than all of the property in the Cooperative's possession constituting part of the Trust Estate (as defined in the Master Indenture); and

WHEREAS, the Cooperative's Board of Directors desires to obtain a release of the Lien (as defined in the Master Indenture) from the Trustee under the Master Indenture pursuant to Section 1.9(a) and a release from the Deed of Trust in

order to sell the Land and Improvements; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative hereby sell the Land for the amount as discussed this day in Executive Session, with certain details of any such transaction to be publicly available upon public filing of instruments;

BE IT FURTHER RESOLVED, that the Cooperative requests that the Trustee release the Land and Improvements from the Lien under the Master Indenture pursuant to Section 1.9(a) of the Master Indenture and release the Land and Improvements from the Deed of Trust;

BE IT FURTHER RESOLVED, that the Chief Executive Officer or any person designated in writing by her for such purpose, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to prepare, execute, acknowledge as appropriate, and deliver any deed, certificates, bill of sale, and other instruments of any nature necessary or appropriate to give effect to such sale of Land and Improvements and release of the Land and Improvements from the Lien, in such form and containing such terms and conditions as such officer or agent may in his sole discretion deem necessary, appropriate, or desirable; 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.

Director Amy Akers was not present.

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

Yes: 6 - Rister, Pataki, Ekrut, Cox, Oakley, and Graf

Absent: 1 - Akers

31. [2021-469](#) Resolution - Review and Approval of 2021 CEO Action Items and Performance Evaluation - M Rister

Body: WHEREAS, an effective Chief Executive Officer Performance Evaluation Process is a key factor in creating and maintaining a strong and effective relationship between the Pedernales Electric Cooperative Board of Directors and the Chief Executive Officer;

WHEREAS, the CEO's performance evaluation is based on the achievement of goals, the achievement of current year's objectives, and the fulfillment of the Chief Executive Officer's management responsibilities; and

WHEREAS, the Board of Directors conducted its annual performance evaluation of the CEO this day;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS that the CEO's performance evaluation and bonus compensation are approved as discussed this day in Executive Session.

Director Amy Akers was not present.

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

Yes: 6 - Rister, Pataki, Ekrut, Cox, Oakley, and Graf

Absent: 1 - Akers

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:25 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President