



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Final

Board of Directors

Friday, May 19, 2023

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 was 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 9:10 a.m. on May 19, 2023 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas. Director James Oakley attended the meeting by telephone. Director Emily Pataki arrived at 9:13 a.m.

Present: 7 - Vice President Milton Rister, Director Emily Pataki, President Mark Ekrut, Director Travis Cox, Director James Oakley, Secretary/Treasurer 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. [2023-136](#) **Friday, April 21, 2023 - Regular Meeting Minutes**

Attachments: [2023-04-21 OS Meeting Minutes draft v2](#)

Cooperative Recognitions

2. [2023-135](#) **Moment of Silence in Commemoration of Memorial Day**

President Mark Ekrut recognized the upcoming May 29, 2023 Memorial Day Holiday, asking for a moment of silence in commemoration of members serving, and members who served in the United States Armed Forces.

Cooperative Monthly Report

3. [2023-137](#) **Cooperative Update - J Parsley/R Kruger/E Dauterive/J Urban/D Ballard**

Attachments: [PPT - May Cooperative Update 2023-137 FINAL](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Eddie Dauterive, Chief Operations Officer (COO), Mr. Randy Kruger, Chief Financial Officer (CFO), Mr. Don Ballard, General Counsel, and, Mr. JP Urban, Executive Vice President, External Relations, presented a collaborative Cooperative Update. Ms. Parsley discussed the legislative and regulatory update, the ERCOT summer outlook, the completion of the PEC Transmission Control Center, scholarship awards, the online "Camp Save-A-Watt" for students in kindergarten through third grade, employee kudos, and said the offices will be closed on May 29, 2023, in observance of Memorial Day. Mr. Dauterive discussed reliability, Winter Storm Mara after action items, the advanced meter exchange schedule, system growth, and shared a video of the PEC Internal Lineman's Rodeo. Mr. Kruger discussed the April 2023 financial report, power market fundamentals, inflation, and interest rates. Mr. Ballard discussed the workforce and governance report, the 2023 Election, and employee development training. Mr. Urban discussed the community and member engagement report, Power Rush Hour conservation, and ERCOT conservation messaging.

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

4. [2023-138](#) Member Comments

Attachments: [Decorum Policy](#)

Mr. Hunter Burnham was present and commented on his concerns surrounding PEC employees being on his property.

Action Items / Other Items

5. [2023-139](#) PEC's 85th Anniversary Plans - C Tinsley

Attachments: [85th Anniversary Update v2 - 2023-139 -FINAL](#)

Ms. Caroline Tinsley Porter, Director, External Relations, said PEC was incorporated on May 19, 1938. She provided a summary of the PEC 85th Anniversary history and timeline.

6. [2023-156](#) 2023 Annual Membership Meeting Overview - C Tinsley

Attachments: [Annual Meeting - 2023-156 - Final](#)

Ms. Caroline Tinsley Porter, Director, External Relations, said the PEC Annual Membership Meeting will be held at the PEC Headquarters Auditorium at 9:00 a.m. on June 16, 2023.

7. [2023-142](#) Resolution - Approval of Advanced Metering Infrastructure (AMI) Mass Exchange Contract - J Treviño

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE PEC BOARD OF DIRECTORS** that the Chief Executive Officer, or designee, is authorized and directed to negotiate, execute, and deliver a contract to provide meter exchange services as described herein, 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.

Meter Exchange

Recommendation to approve the renewal of a 3-year contract with Allegiant Utility Services, Inc. to provide meter exchange services to PEC that will allow for the replacement of existing electromechanical meters nearing end of life and existing solid state TWAC meters. Allegiant was selected and approved through RFP and Board Item 2020-118.

Mr. Jose Treviño, Vice President, Engineering presented the resolution and asked the Board for approval.

A motion was made by Secretary/Treasurer Graf, 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

8. [2023-143](#) **Resolution - Approval of Advanced Metering Infrastructure (AMI) Software License Agreement - J Treviño**

Body: NOW, THEREFORE, BE IT RESOLVED BY THE PEC BOARD OF DIRECTORS that the Chief Executive Officer, or designee, is authorized and directed to negotiate, execute, and deliver a contract to provide professional services as described herein, 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.

Software

Recommendation to approve the renewal of a 3-year contract with Aclara Technologies LLC to provide infrastructure, software, and professional services that will allow for the replacement of existing electromechanical meters that are nearing their end of life. Aclara was selected and approved through RFP through Board Item 2019-013.

Mr. Jose Treviño, Vice President, Engineering presented the resolution and asked the Board for approval.

A motion was made by Secretary/Treasurer Graf, 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. [2023-144](#) **Resolution - Approval of Advanced Metering Infrastructure (AMI) Meter Supply Agreement - J Treviño**

Body: NOW, THEREFORE, BE IT RESOLVED BY THE PEC BOARD OF DIRECTORS that the Chief Executive Officer, or designee, is authorized and directed to negotiate, execute, and deliver a contract to provide meter supply as described herein, 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.

Meter Supply

Recommendation to approve the renewal of a 3-year contract with Techline, Inc. to supply Aclara RF AMI meters. Techline is the designated supplier for the

Aclara meters that were selected and approved through Board Item 2019-013. The Meter Supply Agreement with Techline will not be amended as it allows for the increase of meters purchased up to 277,000. PEC is pursuing the agreement option to extend the original term of 3 years for an additional 3 years.

Mr. Jose Treviño, Vice President, Engineering presented the resolution and asked the Board for approval.

A motion was made by Director Akers, 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

10. [2023-145](#) Draft Resolution - Review and Approval of Privacy Policy - M Beyer

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 Privacy Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [Privacy Policy - 2023-145](#)

Mr. Mark Beyer, Ethics and Compliance Officer, provided a summary of the policy and said he will present the final resolution to the Board for approval at the next Board meeting.

11. [2023-149](#) 2023 Election Timeline Update - D Ballard (Written Report in Materials)

Attachments: [2023 Election Timeline FINAL BOD Approved 121622 2023-149](#)

Mr. Don Ballard, General Counsel, said the 2023 Director Election currently is in process for Districts 2 and 3, and reminded members to vote before 5:00 p.m. on June 9, 2023.

Proposed Future Items / Meetings (subject to final posting)

12. [2023-147](#) List of Board Approved Future Meetings

Attachments: [2023 Board Meeting Calendar](#)

13. [2023-148](#) Board Planning Calendar (Written Report in Materials)

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

Recess to Executive Session

President Mark Ekrut announced the items to be discussed in Executive Session and at 10:07 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

14. [2023-150](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services
15. [2023-151](#) Litigation and Related Legal Matters - D Ballard
16. [2023-152](#) Legislative Update - J Urban
- [2023-153](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard
18. [2023-155](#) Ethics and Compliance Update - M Beyer

Executive Session - Contract and Competitive Matters

- [2023-140](#) Resolution - Approval of Power Supply Contractual Resources - D Thompson
20. [2023-154](#) Markets Monthly Report - D Thompson
21. [2023-115](#) Draft Resolution - Approval of Construction Contract for Paleface to Marshall Ford Transmission Line - J Treviño
22. [2023-132](#) Draft Resolution - Approval of Pole Purchase for Lago Vista to Nameless Transmission Project - J Treviño

Executive Session - Real Estate Matters

- [2023-157](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
24. [2023-158](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

Executive Session - Safety and Security Matters

25. [2023-159](#) Safety and Security Matters

Executive Session - Personnel Matters

26. [2023-160](#) Personnel Matters
- [2023-161](#) Resolution - Review and Approval of 2023 CEO Performance Evaluation and Compensation - M Rister

Reconvene to Open Session

At 2:37 p.m., the Board reconvened to the open session meeting. Director James Oakley was not present.

Present: 6 - Vice President Milton Rister, Director Emily Pataki, President Mark Ekrut, Director Travis Cox, Secretary/Treasurer Paul Graf, and Director Amy Akers

Absent: 1 - Director James Oakley

Items from Executive Session

The following agenda items were discussed in executive session and set for approval in open session. The resolutions under Executive Session Legal Matters were passed as resolutions 2023-153 and 2023-192.

17. [2023-153](#) **Resolution - Approval of Authorization for Settlement of Litigation Matter(s)**

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative is authorized to settle certain real property tax litigation that involves the Cooperative on the terms discussed this day in Executive Session, and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that all actions taken prior to the effective date by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing litigation, be ratified, confirmed, and approved, and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer, or designees, are authorized to negotiate any other terms as necessary for disposition of the litigation and execute, acknowledge, and deliver any such documents, and otherwise take any actions as needed to implement this resolution.

Real property tax valuations

In August 2022, the Board authorized Pedernales Electric Cooperative, Inc. (the "Cooperative") to seek judicial review with respect to its real property taxes in Williamson County, Texas (PEC Board Resolution 2022-332). PEC filed suit in August 2022, against Williamson Central Appraisal District with respect to its real property tax valuations. The Cooperative may consider settlement of these litigation matters on the terms discussed this day in Executive Session and permit the Chief Executive Officer or designees to negotiate any other terms as may be necessary.

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

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

Absent: 1 - Oakley

[2023-192](#) **Resolution - Approval of Authorization for Settlement of Litigation Matter(s)**

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative is authorized to settle certain personal property tax litigation that involves the Cooperative on the terms discussed this day in Executive Session, and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that all actions taken prior to the effective date by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing litigation, be ratified, confirmed, and approved, and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer, or designees, are authorized to negotiate any other terms as necessary for disposition of the litigation and execute, acknowledge and deliver any such documents, and otherwise take any actions as needed to implement this resolution.

Personal property tax valuations

In August 2022, the Board authorized Pedernales Electric Cooperative, Inc. (the "Cooperative") to seek judicial review with respect to its personal property taxes in certain Counties (PEC Board Resolution 2022-270). PEC filed suit in September 2022, against Gillespie County Appraisal District and Comal Appraisal District, with respect to the personal property tax valuations provided by each county. The Cooperative may consider settlement of these matters on the terms discussed this day in Executive Session and permit the Chief Executive Officer or designees to negotiate any other terms as may be necessary.

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

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

Absent: 1 - Oakley

19. [2023-140](#)

Resolution - Approval of Power Supply Contractual Resources - D Thompson

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.**, that the Cooperative in its evaluation of the best interests of the organization determines to not exercise its options with respect to its power supply portfolio as discussed in Executive Session;

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

Power Supply

The Cooperative obtains the majority of its power from the Lower Colorado River Authority (LCRA) pursuant to the Amended and Restated Wholesale Power Agreement with LCRA dated as January 5, 2011, as amended. PEC has been requested to evaluate certain contractual rights as to the power supply portfolio as further described on Schedule 1.

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

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

Absent: 1 - Oakley

23. [2023-157](#) **Resolution - Approval of Purchase of Land in Burnet County - E Dauterive**

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the purchase of real property, subject to satisfaction of any terms as discussed by the Board during Executive Session of this meeting, with certain details of any such purchase to be publicly available upon public filing of instruments memorializing the transfer; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that all actions taken prior to the date herein by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing, be ratified, confirmed, and approved; 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; and

BE IT FURTHER RESOLVED, that his resolution supersedes and replaces any other resolution adopted by the Board with respect to the subject matter herein.

Real property

The Cooperative will consider authorizing the purchase of real property located in Burnet County, Texas on such terms and conditions as further described in Schedule 1 as provided in Executive Session.

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

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

Absent: 1 - Oakley

27. [2023-161](#) **Resolution - Review and Approval of 2023 CEO Performance Evaluation and Compensation - 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, objectives and 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 compensation are approved as discussed this day in Executive Session.

Performance evaluation and compensation

This Board of Directors considers the Chief Executive Officer's ("CEO's") annual performance evaluation. The Board may consider performance, evaluation, and compensation.

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

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

Absent: 1 - Oakley

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:40 p.m.

Approved:

Paul Graf, Secretary

Mark Ekrut, President