



PEC Director District Rebalancing

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Why PEC Rebalances our Director Districts

- IRS Requirements for Democratic Control by Members

The IRS states a cooperative will meet their democratic control requirement by “periodically holding democratically conducted meetings, with members, each with one vote, electing officers to operate the organization.”

- PEC Bylaws Article III, Section 1

“Director Districts. Based upon Memberships, Cooperative growth, or other equitable considerations determined by the Board of Directors, the Board of Directors shall divide the general area in which the Cooperative provides Electric Service (the "Service Area") into seven (7) districts that equitably represent the Members (the "Director Districts"). As necessary, based upon equitable considerations determined by the Board of Directors, the Board of Directors may revise the Director District boundaries.”

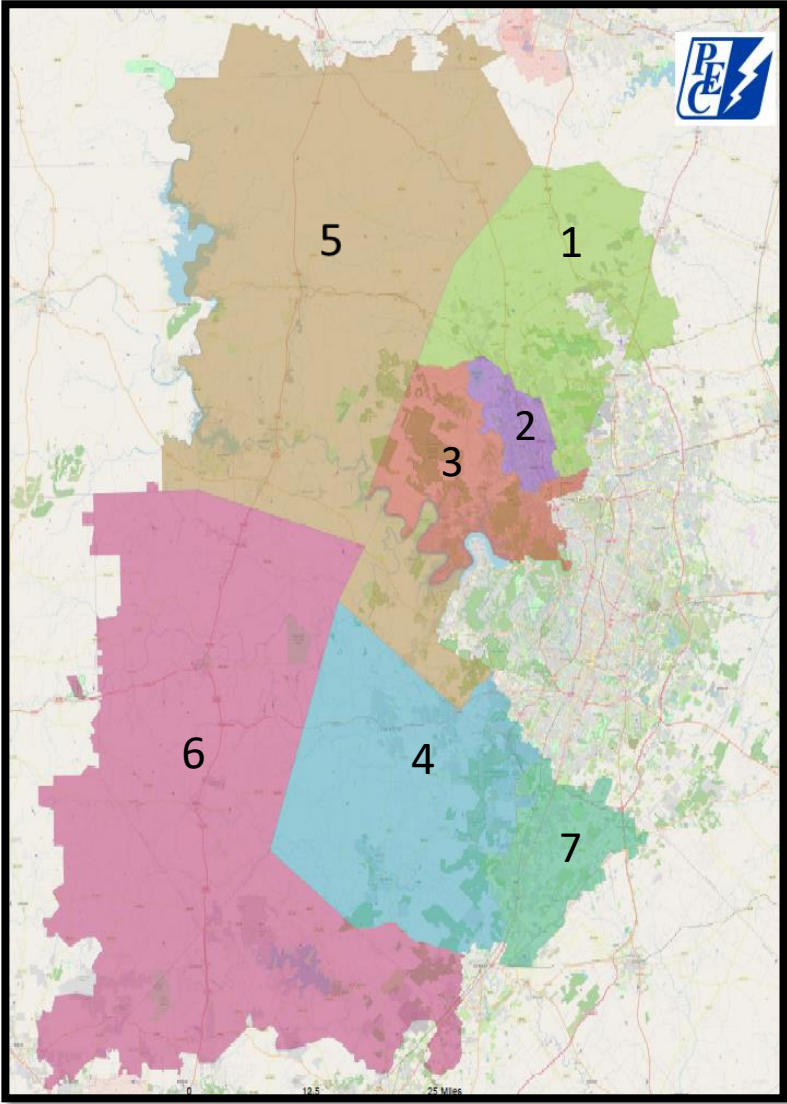
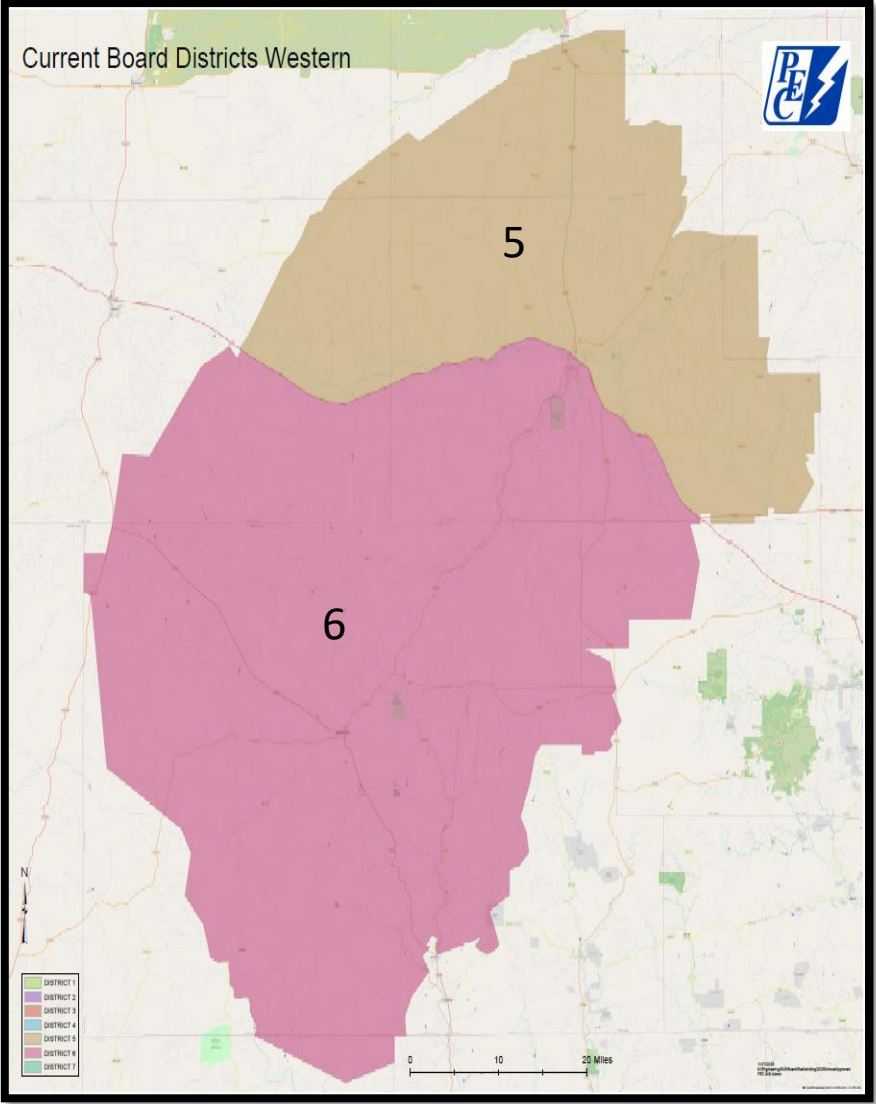
Rebalancing Process

- Staff pulls data on member count and the growth rate in each district.
- Staff and PEC's Board meet to discuss possible redistricting options based on member counts, growth and other equitable considerations.
- Draft maps are then produced for review by the PEC's Board of Directors.
- The Board had a special meeting last week to review the latest version of the district maps and made some adjustments to the district boundaries to account for the varying rates of growth in each district and other equitable factors.
- Consistent with IRS rules and PEC's Bylaws, the Board will review and approve a final draft of the map showing rebalanced Director Districts.

Considerations for 2025 Rebalance (As Presented in October Board Meeting)

1. Adjust district boundaries in light of changes to member counts within districts and the rate of growth within the district to ensure equitable representation.
2. Adjust district boundaries so that Director Districts reflect both the rural and suburban/urban nature of the Cooperative to reflect the full range of development across PEC's territory, consistent with equitable principles.
3. Account for the differing growth rates in each Director District by adjusting initial member count to minimize the impact of additional developments over the 3-year rebalancing cycle.

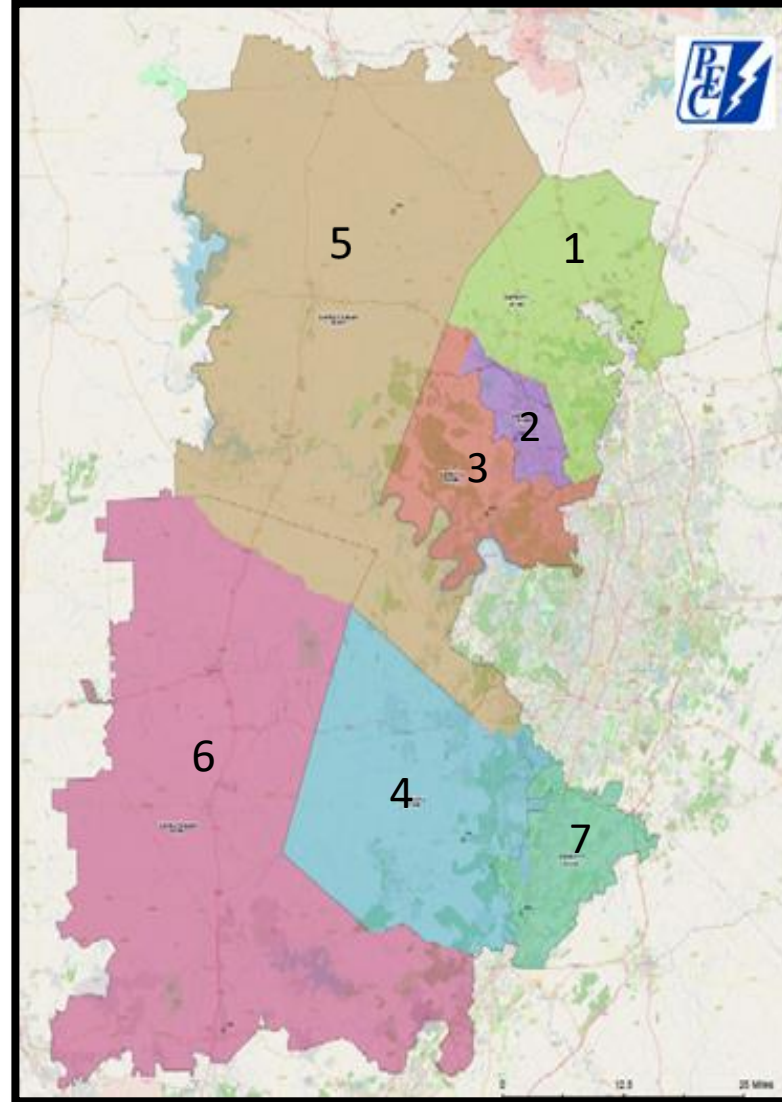
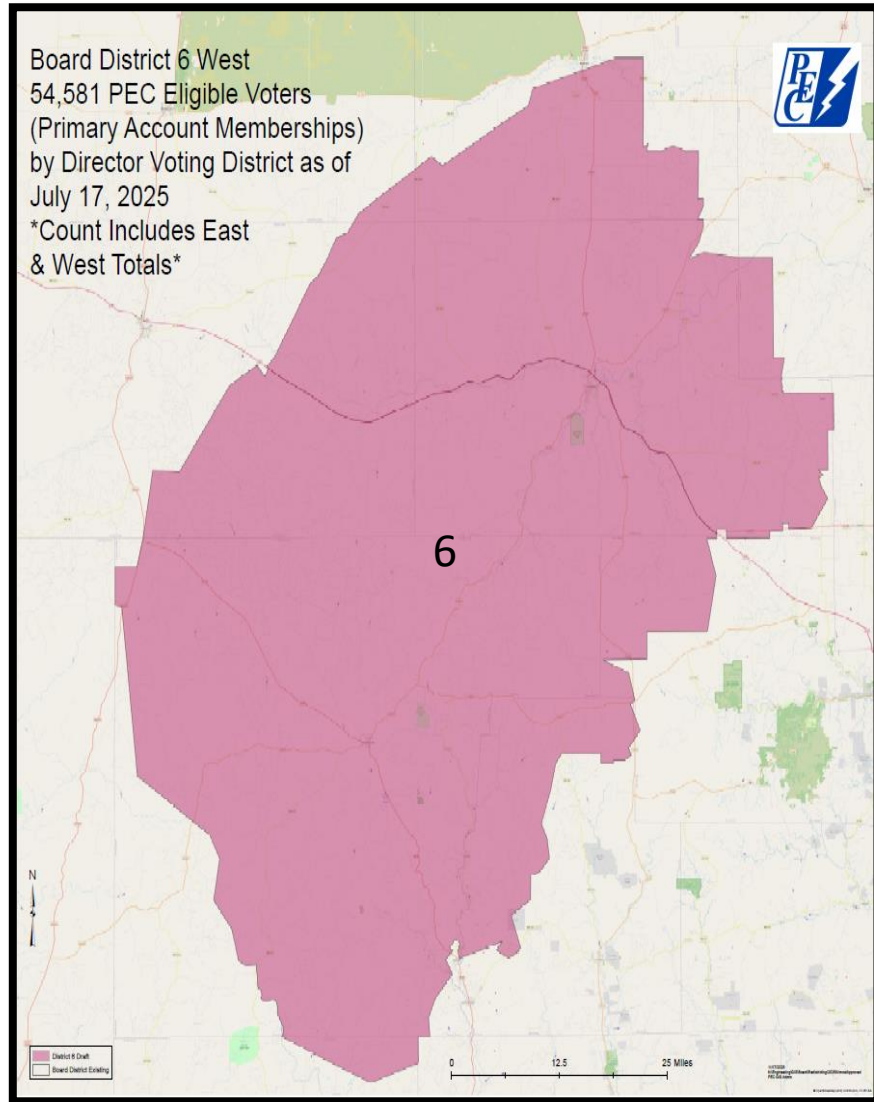
Current Map of PEC Director Districts



DISTRICT	Voting Members		GROWTH
	2022	2025	
1	40,485	54,171	33.79%
2	44,280	50,235	13.45%
3	46,202	48,459	4.88%
4	46,852	50,147	7.03%
5	44,991	49,151	9.24%
6	46,985	53,035	12.91%
7	44,348	58,517	31.92%

Statistics	
Average	51,959
Total	363,715

Proposed Map of 2026 PEC Director Districts

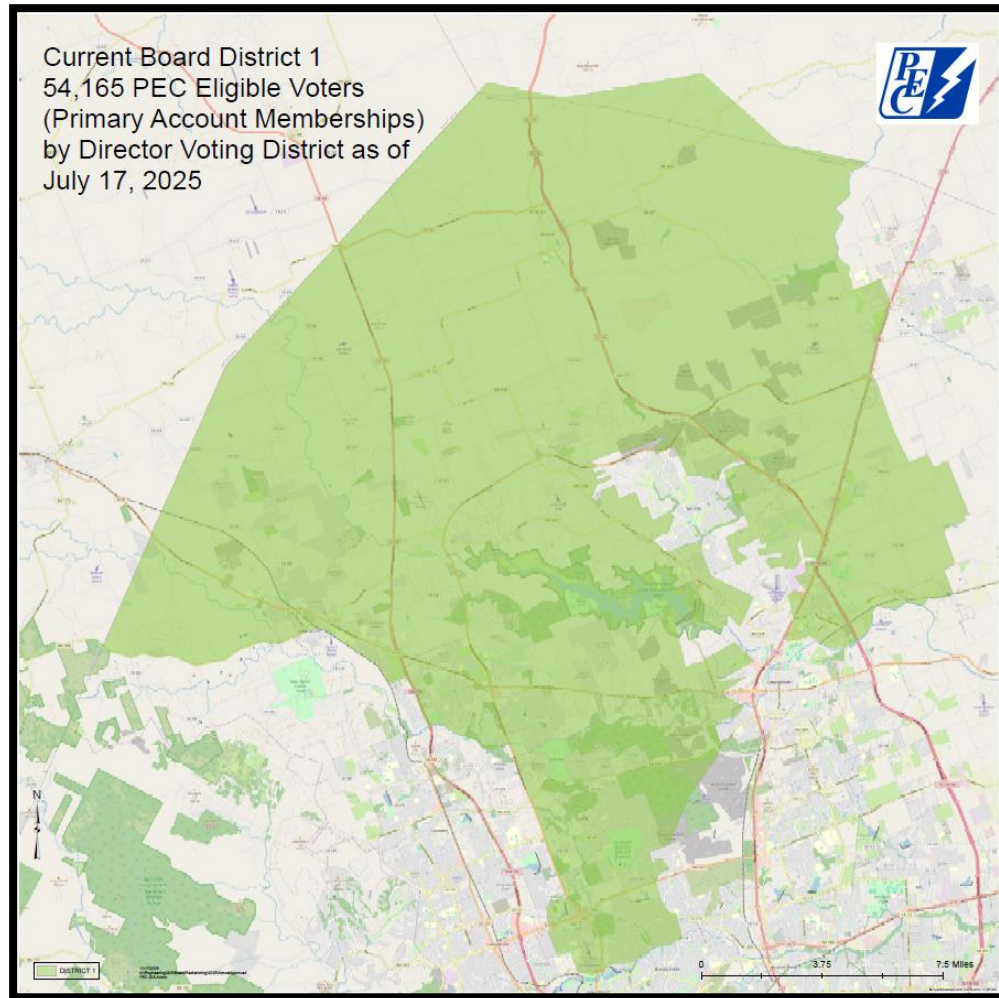


DISTRICT	Voting Members
1	47,182
2	51,583
3	54,096
4	51,048
5	53,810
6	54,581
7	51,415

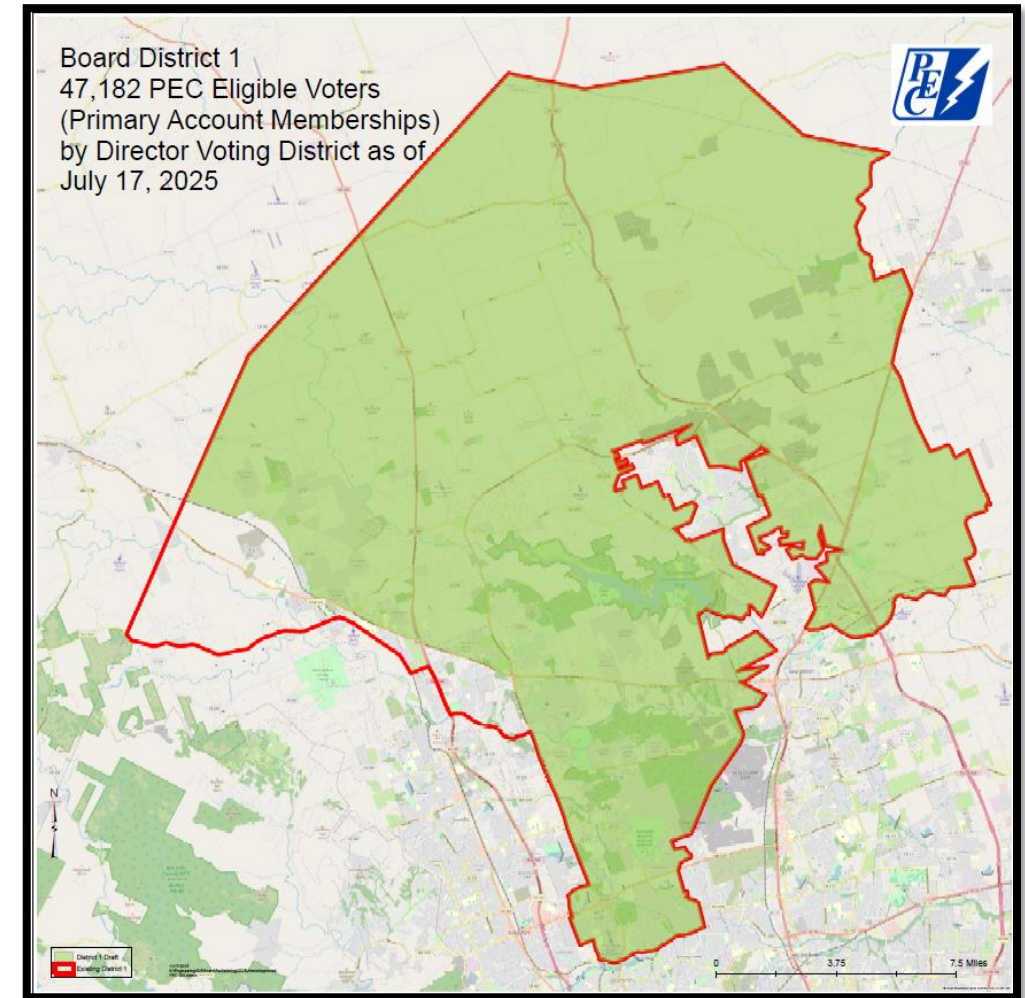
Statistics	
Average	51,959
Total	363,715

Director District 1

Current

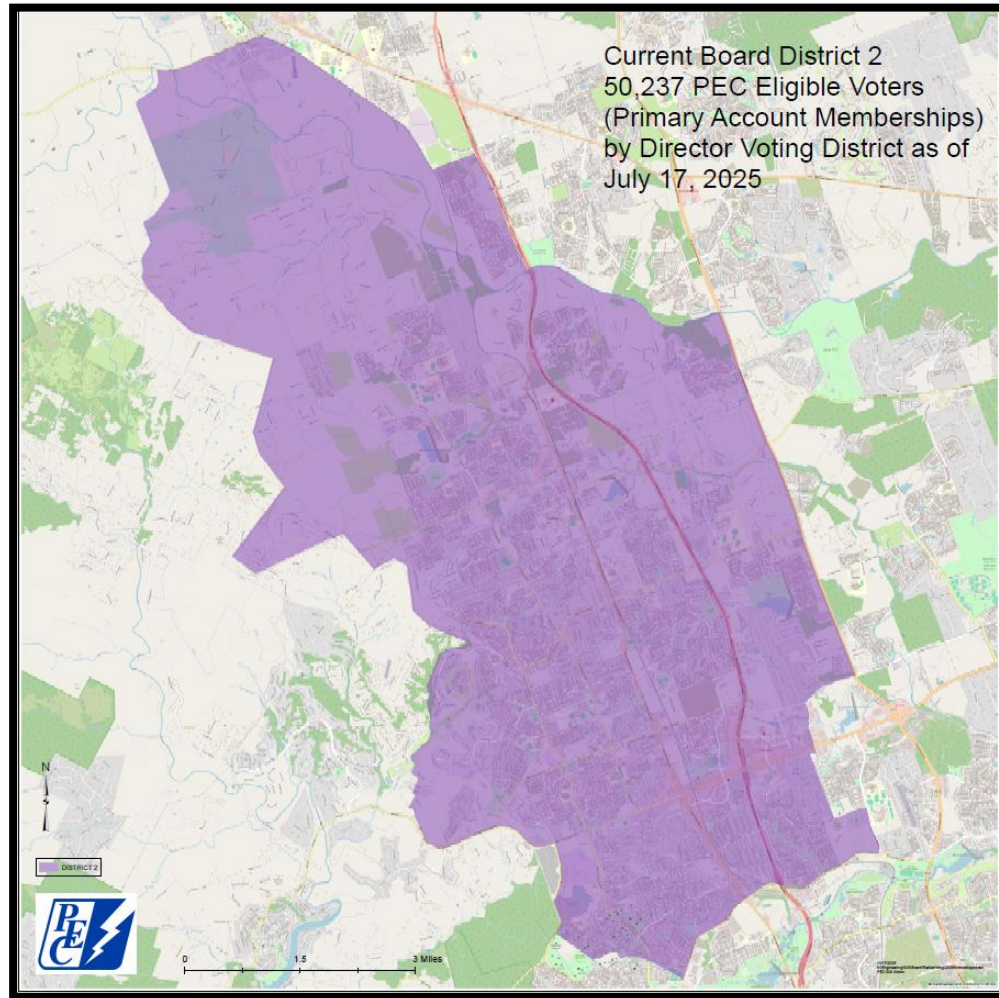


Proposed

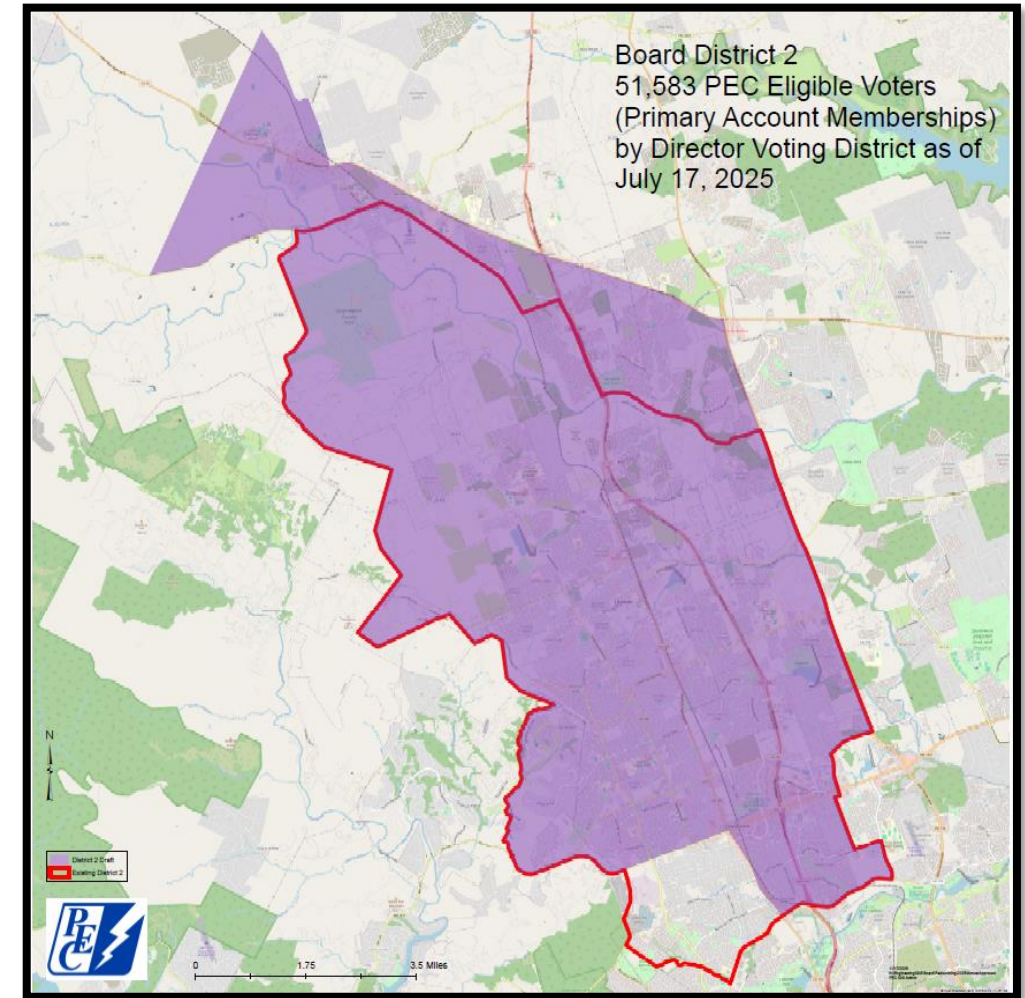


Director District 2

Current

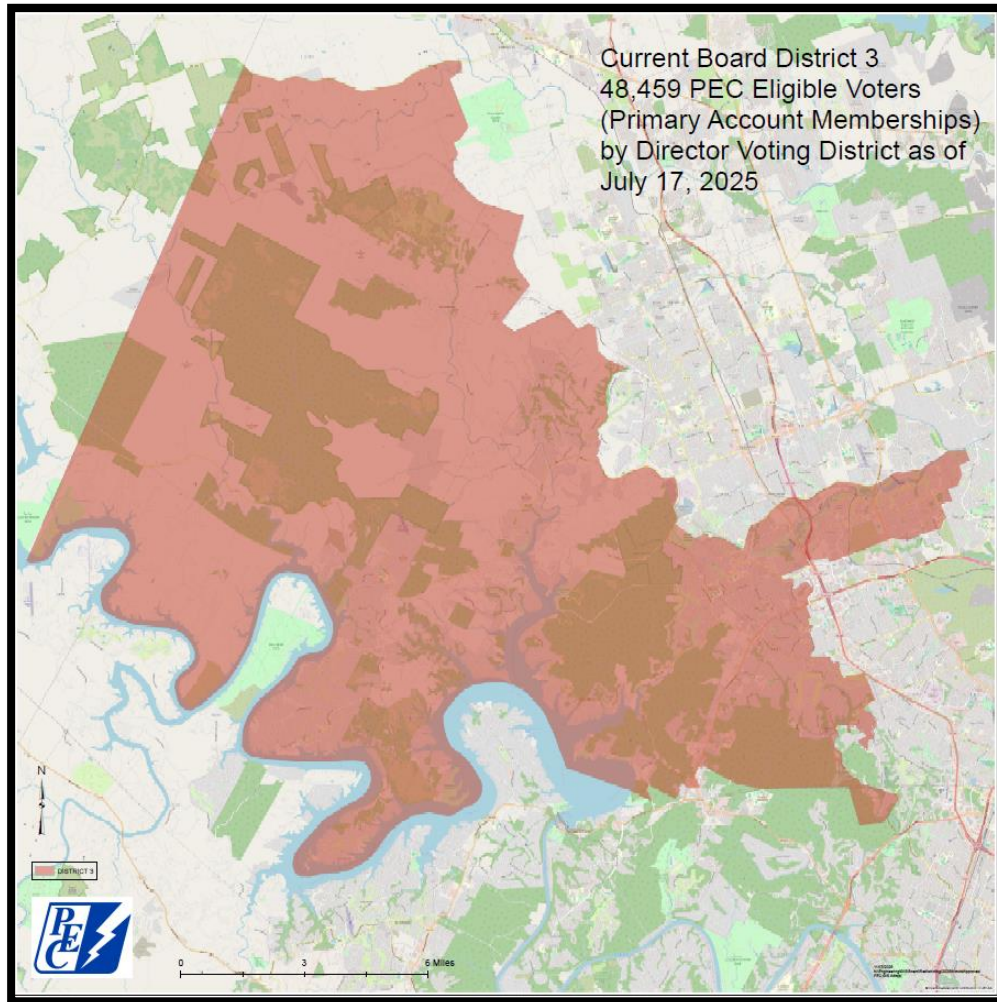


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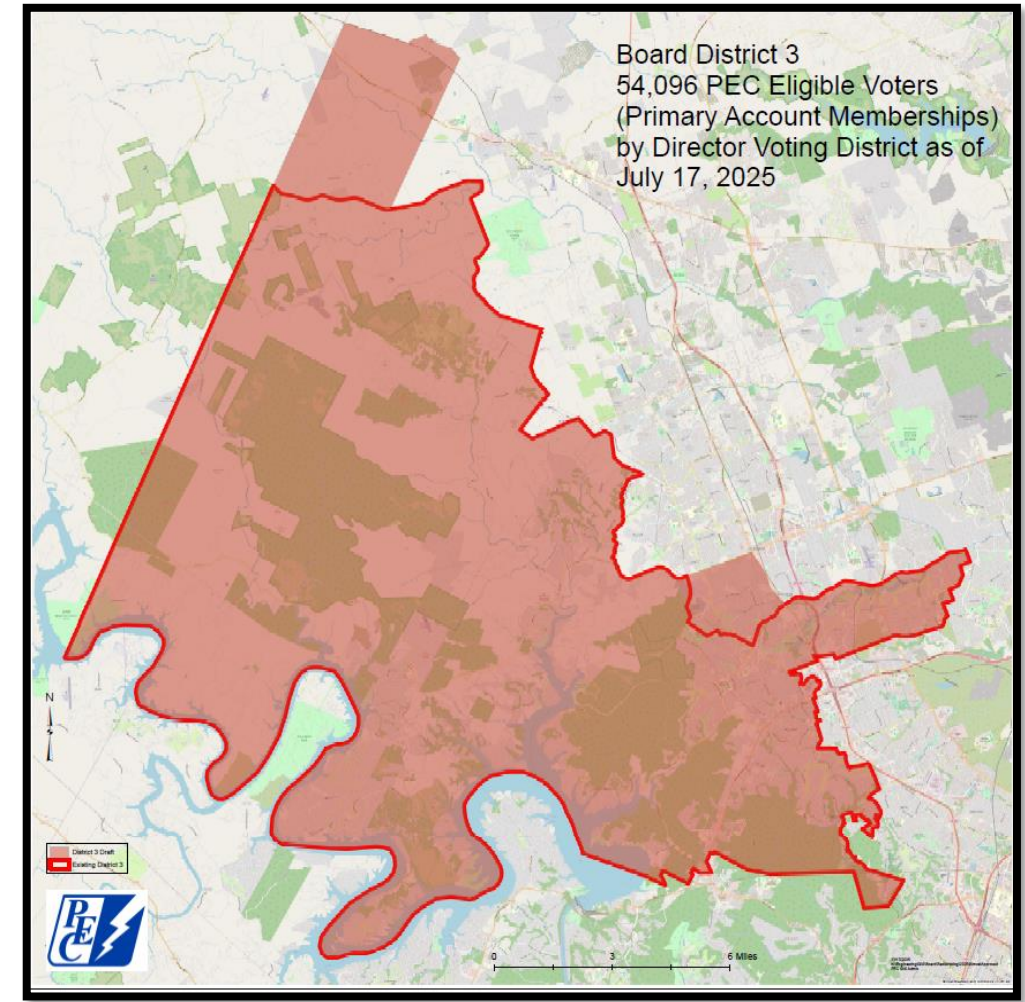


Director District 3

Current

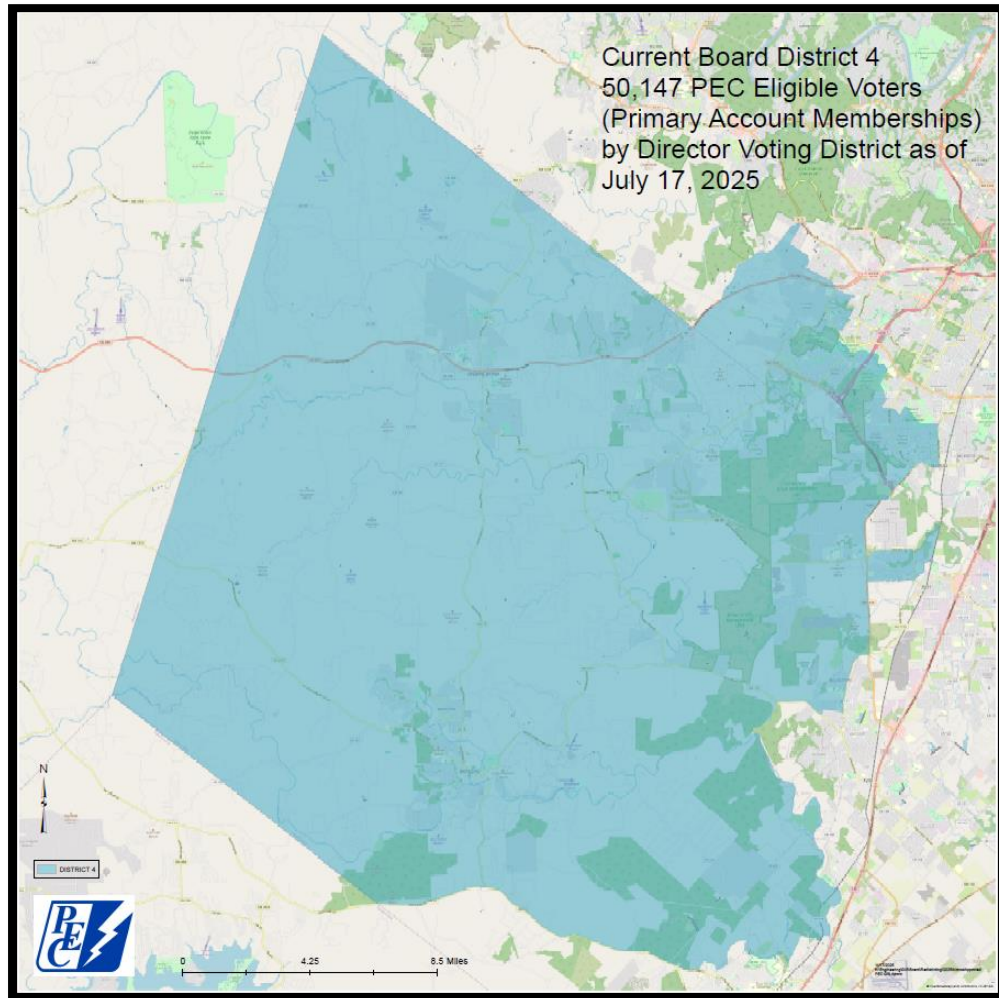


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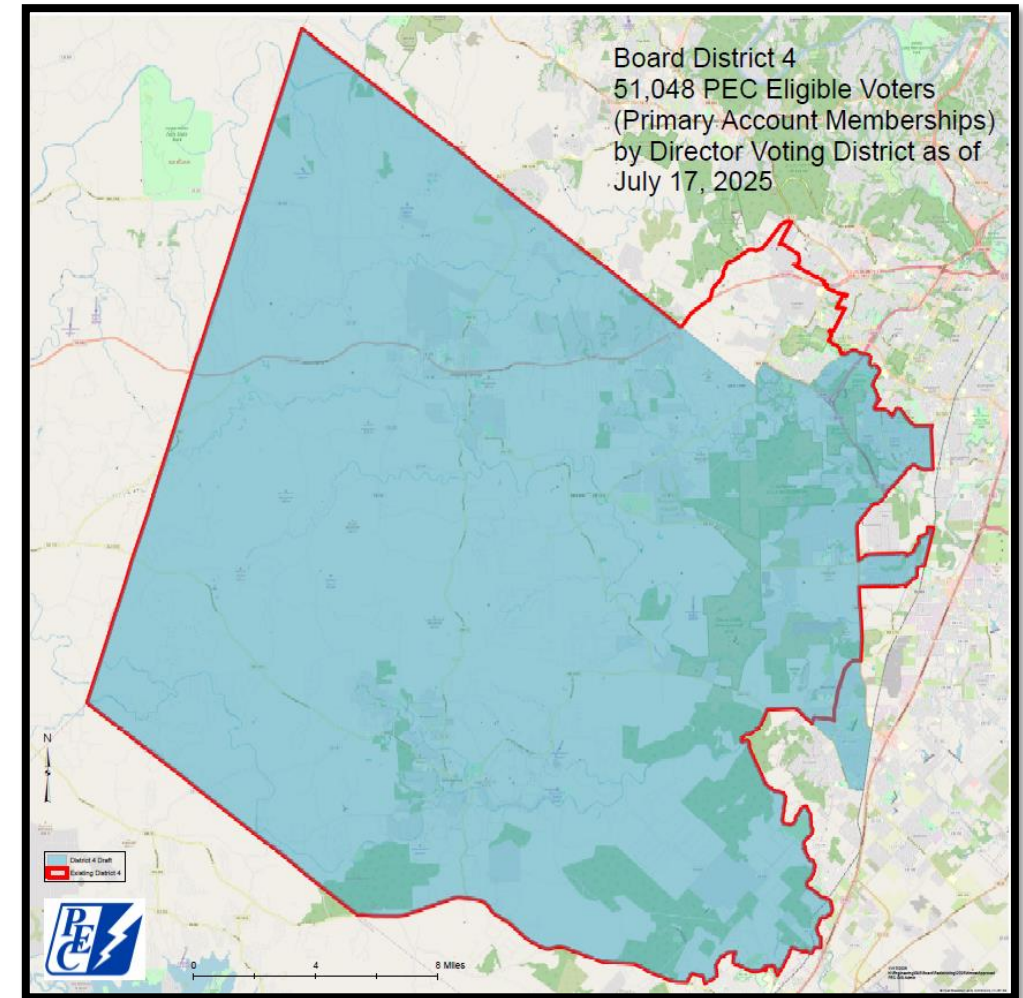


Director District 4

Current

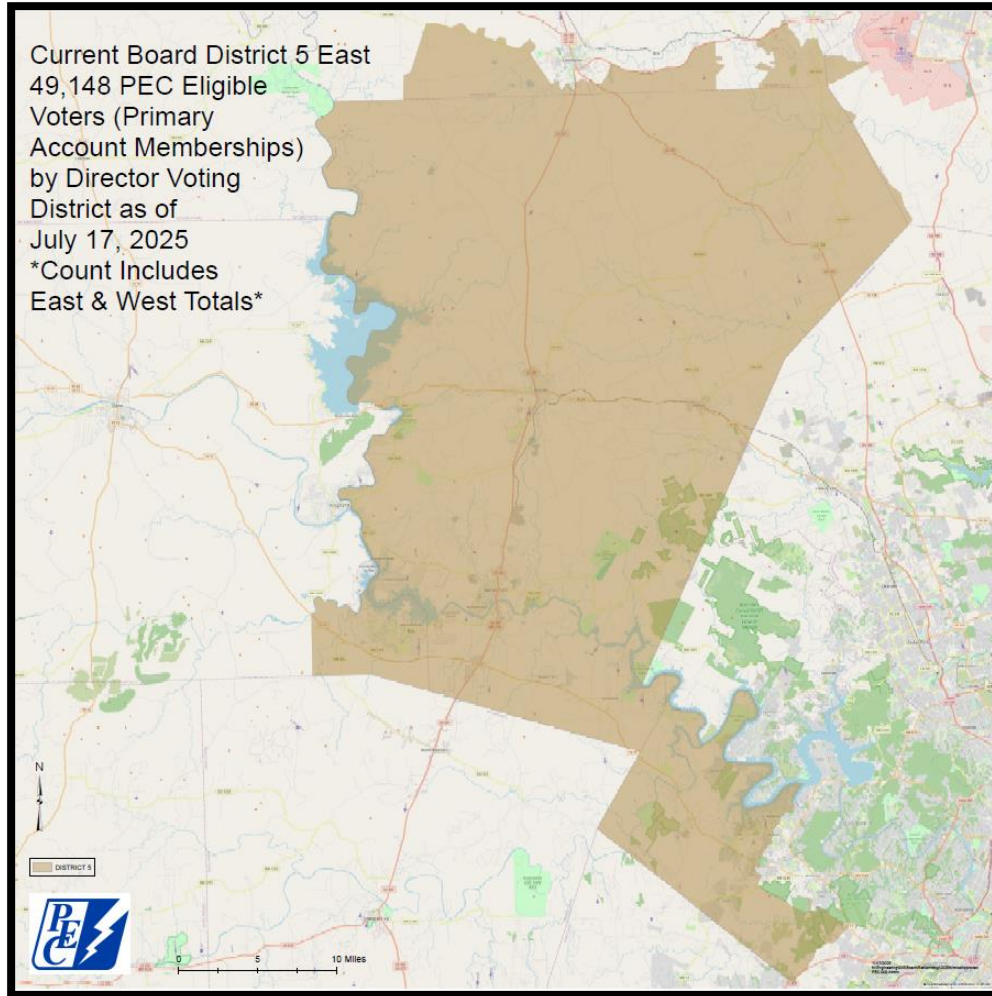


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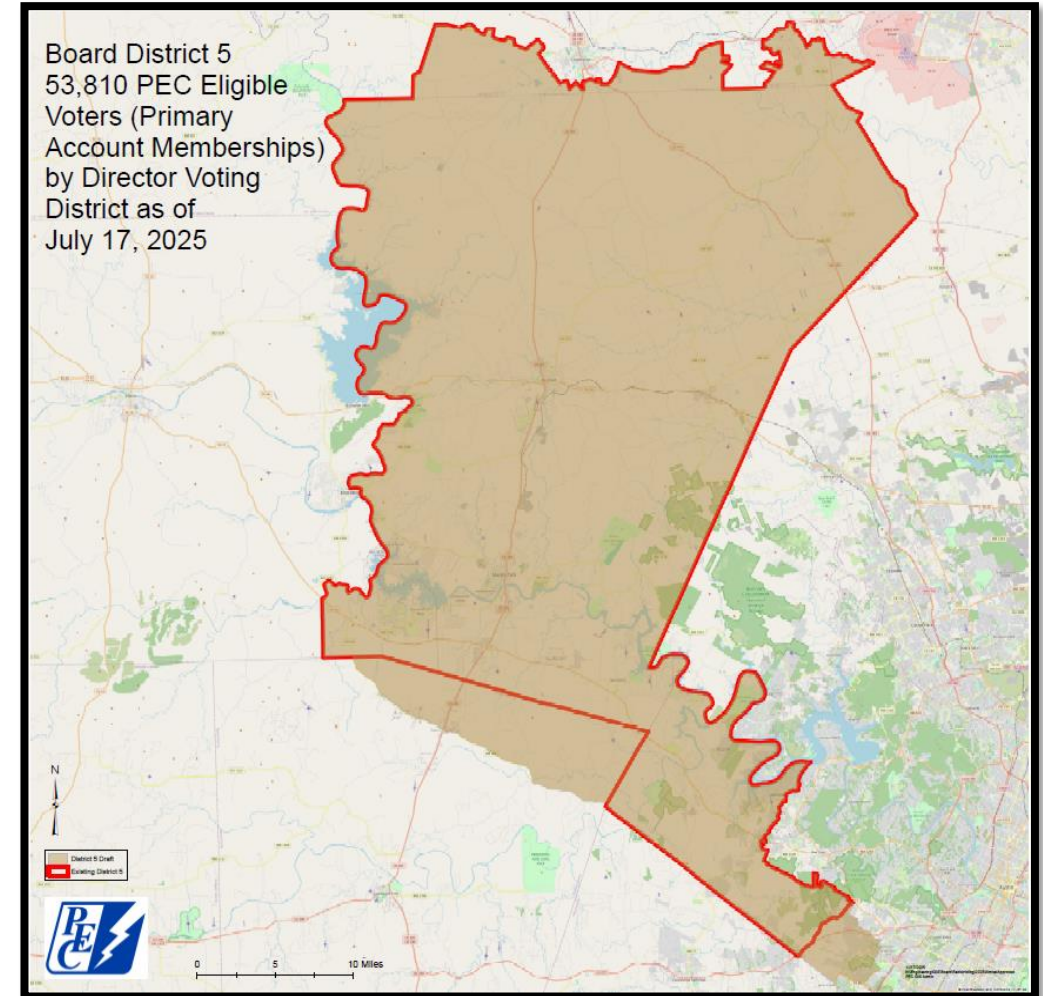


Director District 5*

Current



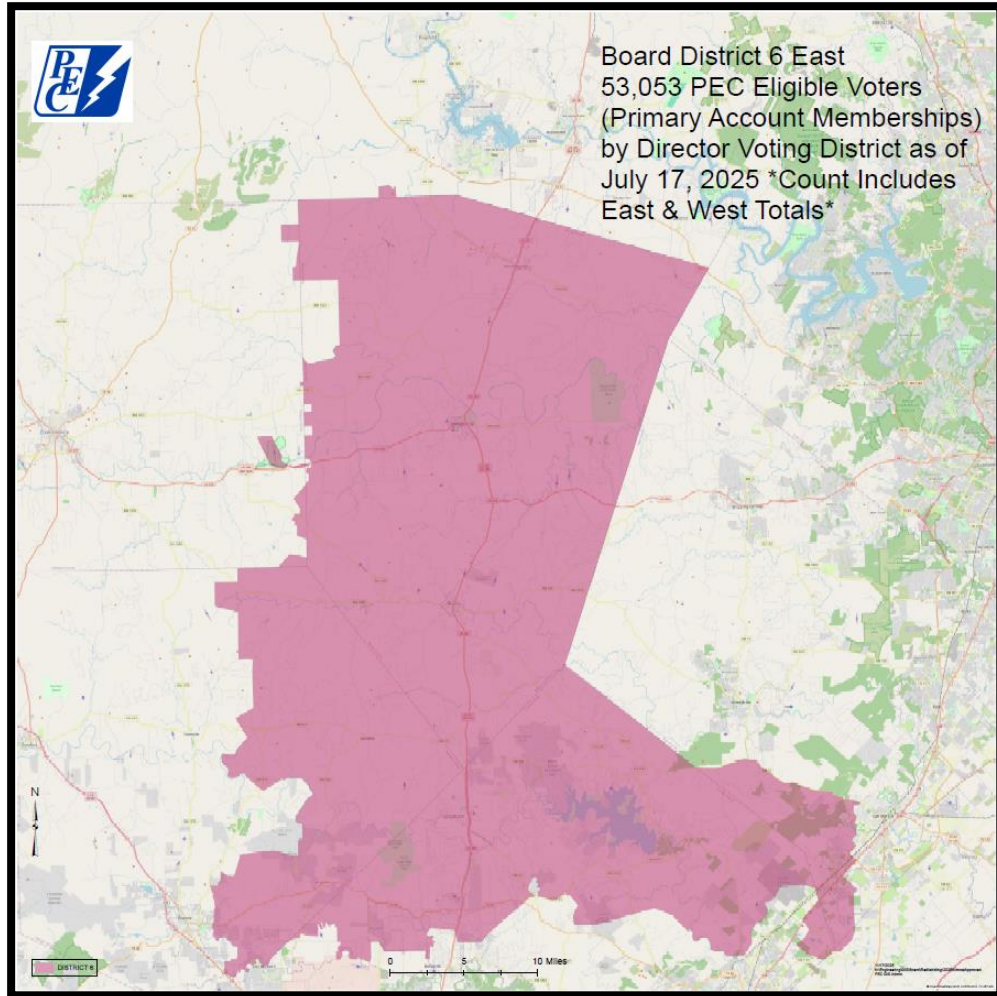
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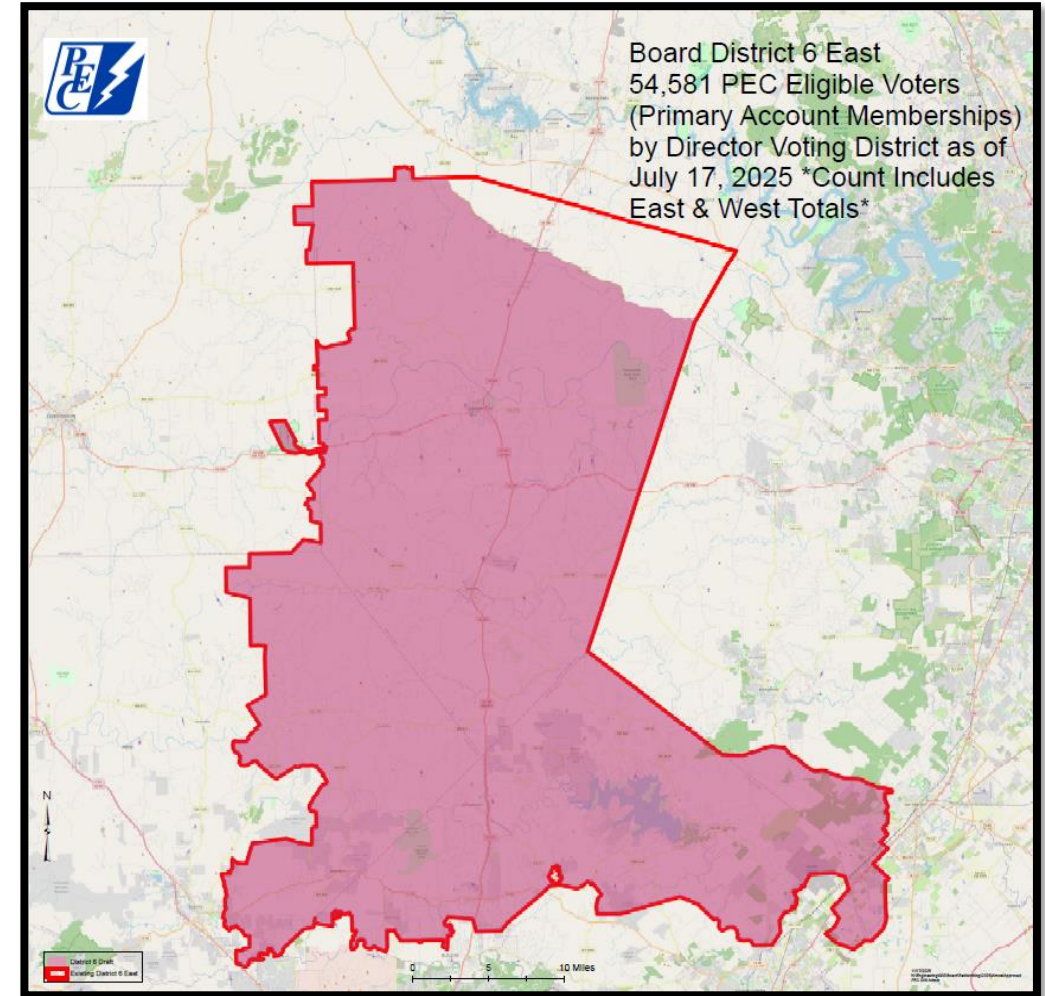
*Western Territory on Separate Slide

Director District 6*

Current



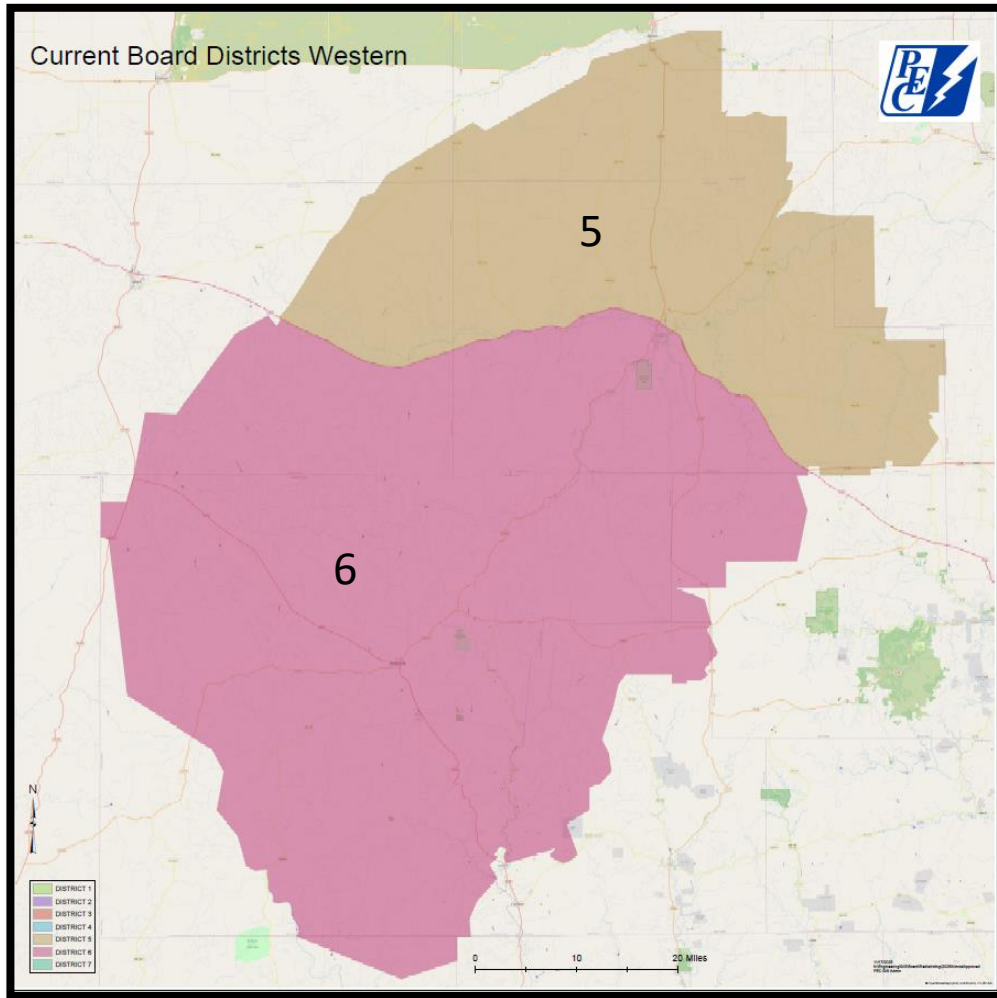
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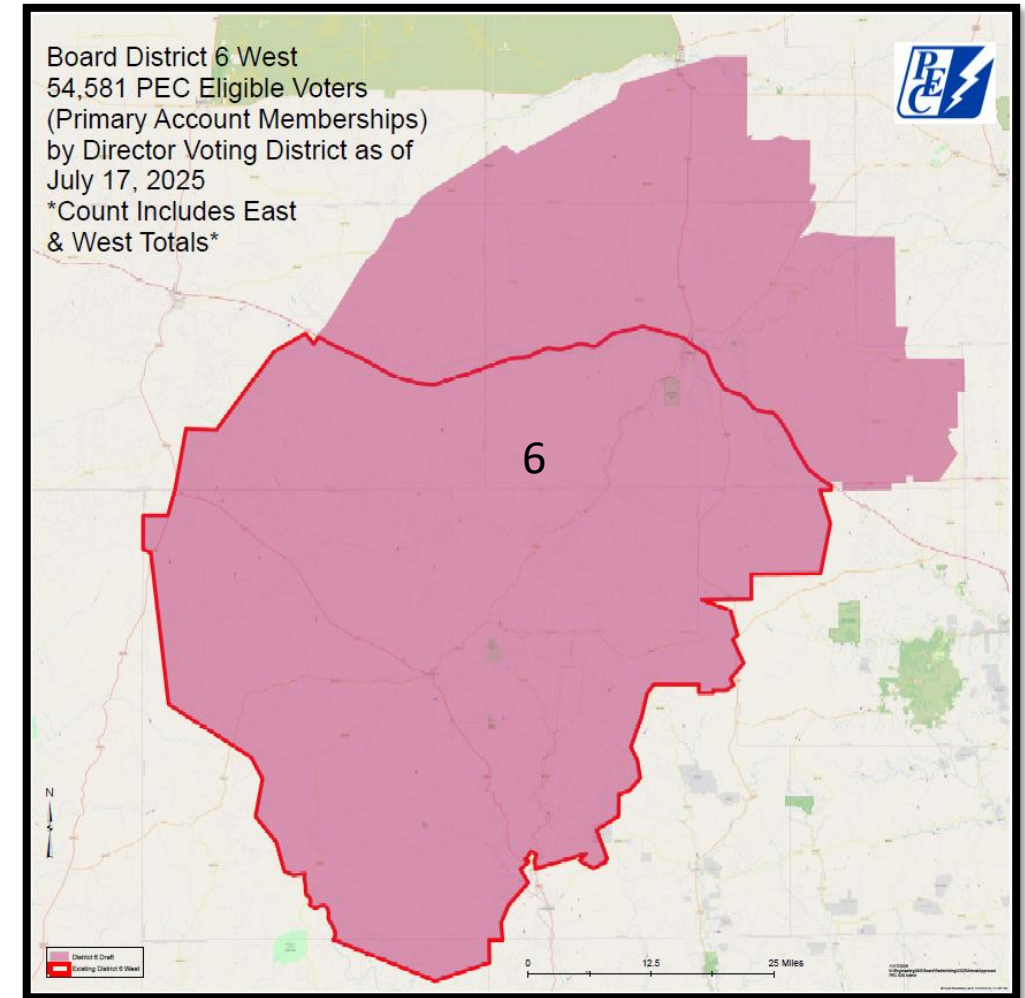
*Western Territory on Separate Slide

Western Territory

Current (Districts 5&6)

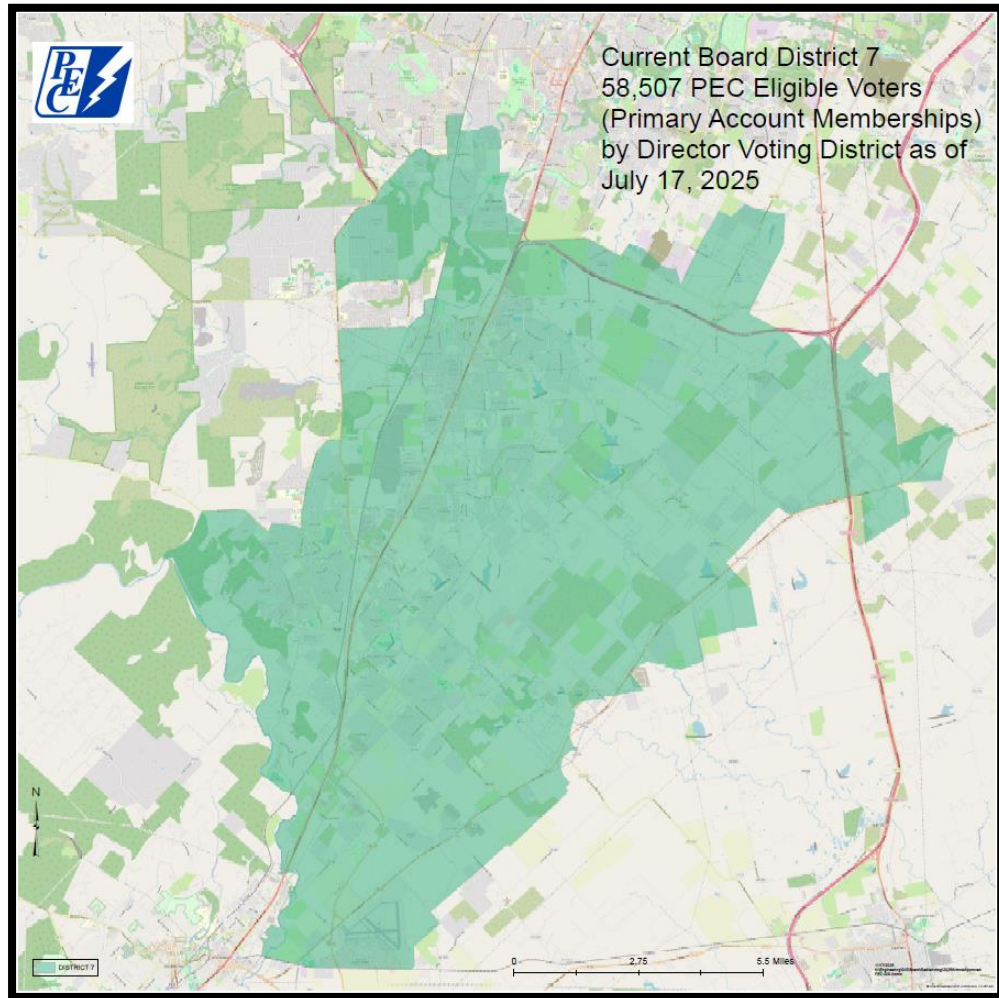


Proposed (District 6)



Director District 7

Current



Proposed

