



PEDERNALES ELECTRIC COOPERATIVE

Audit Committee Agenda - Final

04/10/2025 | 10:00 AM | PEC Headquarters Auditorium

201 S Ave F, Johnson City, TX 78636

Open Session of this Audit Committee Meeting is held in the PEC Auditorium and audio recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

10:00 AM Meeting called to order on April 10, 2025, at PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, TX.

The following agenda items may be considered in a different order than they appear.

Safety Briefing

Adoption of Agenda

Consent Items

1. [2025-107](#) Tuesday, October 15, 2024 - Audit Committee Meeting Minutes

Attachments: [2024-10-15 Audit Committee OS Minutes.pdf](#)

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

2. [2025-108](#) Member Comments

Attachments: [Decorum Policy.pdf](#)

Recess to Executive Session

Executive Session - Legal Matters

3. [2025-109](#) Matters in Which the Audit Committee Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services
4. [2025-113](#) Update of the 2025/2026 Internal Audit Scope - C Powell

Executive Session - Contract and Competitive Matters

5. [2025-110](#) Presentation of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - T Canady, CPA/J Smith
6. [2025-111](#) Resolution - Recommendation of Acceptance of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - R Kruger/K Jones

Reconvene to Open Session

Items from Executive Session

Adjournment



File #: 2025-107, **Version:** 1

Tuesday, October 15, 2024 - Audit Committee Meeting Minutes



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Audit Committee

Tuesday, October 15, 2024

9:00 AM

PEC Headquarters Auditorium
201 S Ave F, Johnson City, TX 78636

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Open Session of this Audit Committee Meeting was held in the PEC Auditorium and audio recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

This meeting was called to order at 9:00 a.m., on October 15, 2024, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas. Director Amy SJ Akers was present by telephone.

Present: 3 - James Oakley, Amy Akers and Milton Rister

Safety Briefing

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. [2024-287](#) **Tuesday, April 2, 2024 - Audit Committee Meeting Minutes**

Attachments: [2024-04-02 Audit Committee OS Meeting Minutes.pdf](#)

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

2. [2024-288](#) **Member Comments**

Attachments: [Decorum Policy](#)

There were no members present wanting to address the Audit Committee.

Recess to Executive Session

Audit Committee Chairman James Oakley, announced the items to be discussed in Executive Session and at 9:03 a.m., stated the Audit Committee would go into Executive Session.

Executive Session - Legal Matters

3. [2024-289](#) **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

4. [2024-321](#) **Review of Internal Audit Report Provided by Sirius Solutions - B Mansfield, Sirius Solutions**
- [2024-291](#) **Resolution - Recommend Approval by Board of Directors of 2023 IRS Form 990 - B Miller, Bolinger, Segars, Gilbert & Moss, LLP (BSGM) - K Jones**

Reconvene to Open Session

At 10:23 a.m., the Audit Committee reconvened to the Open Session meeting.

Items from Executive Session

The following agenda items were discussed in Executive Session and set for approval in Open Session.

5. [2024-291](#) **Resolution - Recommend Approval by Board of Directors of 2023 IRS Form 990 - B Miller, Bolinger, Segars, Gilbert & Moss, LLP (BSGM) - K Jones**
- Body:** **BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Audit Committee recommends for Board approval the IRS Form 990 as submitted and discussed by the Audit Committee; and

BE IT FURTHER RESOLVED BY THE AUDIT COMMITTEE that the Chief Financial Officer, or designee, is authorized to take other actions as necessary to implement this resolution, including presenting to the Board for approval.

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

Yes: 3 - Chairperson Oakley, Director Akers and Director Rister

Adjourn

There being no further business to come before the Audit Committee, the meeting was adjourned at 10:24 a.m.

Approved:

Chairman, James Oakley



File #: 2025-108, **Version:** 1

Member Comments

Submitted By: Andrea Stover

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: N/A

All Cooperative Members have the right to attend any meetings called by the Board of Directors as defined in the Cooperative's Articles of Incorporation, and members may speak for up to 3 minutes or as otherwise directed by the Board.

Members may watch this meeting by live stream from the PEC website at <https://pec.legistar.com/Calendar.aspx> unless otherwise noted.

Board meeting dates, agendas, and supporting materials are available online <https://pec.legistar.com/Calendar.aspx>.

Members also may provide input by using the following methods. Comments are provided to all board directors.

- Members may submit comments and requests to the board by email or U.S. mail.
- Contact a member of PEC's Board of Directors at <https://www.mypec.com/board-of-directors>

Articles of Incorporation, Article IX, Section 3, Member Bill of Rights - Open Meetings:

A Member has the right to attend every regular, special, or called meeting of the Board of Directors and its committees, except for executive sessions as allowed by policy or law. All meetings shall be called with proper notice, and any final action, decision, or vote on a matter shall be made in an open meeting.

Articles of Incorporation, Article IX, Section 5, Member Bill of Rights - Right to Speak:

A Member has the right to speak at every regular, special, or called meeting of the Board of Directors and its committees, except for executive sessions, on any PEC matter at a time designated by the Board.

Members' attendance and their right to speak at all meetings called by the Board of Directors is further outlined in the Decorum Policy.

Decorum Policy, Purpose:

As a democratically-controlled and Member-owned Cooperative, Member participation in Pedernales Electric Cooperative ("Cooperative" or "PEC") affairs is valued and respected and individuals should be allowed to state opinions. Meetings or functions of the Cooperative whether conducted on or off premises shall be conducted in a professional and courteous manner.



DECORUM POLICY

Effective Date: February 21, 2025

1. PURPOSE

As a democratically controlled and Member-owned Cooperative, Member participation in Pedernales Electric Cooperative, Inc. ("Cooperative" or "PEC") affairs is valued and respected, and individuals should be allowed to state opinions. Meetings or functions of the Cooperative and any business interactions with the Cooperative, whether conducted on or off PEC premises or any PEC platform, shall be conducted in a professional and courteous manner.

2. SCOPE

This Policy applies to all Participants at meetings of PEC Board of Directors ("Board" or "Directors") and any other business meeting or function of the Cooperative, and any business interactions with the Cooperative, whether on or off PEC premises or any PEC platform.

3. POLICY AND IMPLEMENTATION

3.1. PEC Business Meetings, Functions, or Business Interactions with the Cooperative

- 3.1.1. Participants shall maintain an environment free of abusive, slanderous, or bullying behavior. To protect the security and safety of persons attending meetings or functions or with respect to any business interactions with the Cooperative, all Participants shall respect an individual's physical space and refrain from any form of physical intimidation or abuse. Any behavior demonstrating or threatening violence, personal attacks, or physical abuse will not be tolerated.
- 3.1.2. Participants may not display placards, bumper stickers, signs, or other campaigning, or political advocacy materials within the premises of a PEC meeting or function, other than those materials displayed on the individual Participants' body or clothing. Campaigning and electioneering for PEC elections is governed by the Cooperative's Election Policy and Procedures.
- 3.1.3. Participants shall refrain from disruptive or distracting behavior or from harassing or similar behavior. Personal or character attacks, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive or distracting behavior.
- 3.1.4. Directors and PEC Employees shall behave in an orderly fashion and preserve the decorum of any business meeting or function conducted on or off PEC premises or with respect to any business interactions with or on behalf of the Cooperative.

- 3.2. **Board Meetings** PEC Board meetings are conducted in accordance with the [Board Meetings Policy](#), the latest edition of Robert's Rules of Order Newly Revised, as practicable, and "Board and Committees – 'Procedure in Small Boards'" included therein.



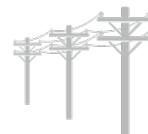
- 3.2.1. All Participants wishing to address the Board during the designated portion of a Board meeting shall sign a registry identifying themselves prior to speaking and shall open their remarks by stating their name and whether they are a Cooperative Member. Time allotted by the Board for each speaker cannot be shared or allotted with other speakers. The allotted time shall include and commence from the beginning of the speaker's remarks and include any time that passes during questioning or colloquy between the speaker and the Board. Additional time may be granted to a person by the Presiding Board Officer, or upon a majority vote of the Board.
- 3.2.2. When any Participant wishes to provide written or demonstrative materials to the Board or others, such Participant must, prior to the meeting's start, provide the information to the Board Secretary or their designee for distribution.
- 3.2.3. Participants shall refrain from disruptive or distracting behavior or from harassing or similar behavior. Personal or character attacks, speaking out of turn, approaching or standing at the Board meeting dais or areas designated for PEC employees without the permission of the Presiding Board Officer, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive or distracting behavior.
- 3.2.4. The Presiding Board Officer shall maintain order and preserve the decorum of Board meetings as provided in this Policy. Each Board Director shall cooperate with the Presiding Board Officer in preserving order and decorum, and no Participant shall, by conversation or otherwise, delay or interrupt the proceedings of the Board, nor disturb any person while speaking.

4. DEFINITIONS

- 4.1. **Participants** – Collectively includes Cooperative Board Directors, employees, Members, or any other persons in attendance at PEC Board meetings, other business meetings, functions, online interactions, or other discussions with respect to any business interactions with the Cooperative.

5. POLICY ENFORCEMENT

- 5.1. When a Participant's behavior violates this Policy, is severe, or threatens physical safety or property, the Presiding Board Officer, Chief Executive Officer, or designated Cooperative employee or agent may require the Participant to leave the PEC premises; to leave any PEC Board meeting, any other business meeting or function; or to discontinue any discussions regarding Cooperative business.
- 5.2. Upon repeated or severe violation of this Policy, the Presiding Board Officer, Chief Executive Officer, or designated Cooperative employee or agent, may prohibit a Participant from coming onto PEC premises, or from attendance at future PEC Board meetings, any other business meetings, functions, or discussions, or from oral discussions regarding Cooperative business. The duration of the prohibition shall be based upon the severity and nature of the violation and to be determined in the sole discretion of the Cooperative or its designee.
- 5.3. The Cooperative reserves the right to block, delete, or edit posts on its social media platforms where such posts are determined by PEC to be inappropriate, unprofessional, offensive, or otherwise in violation of PEC's policies.

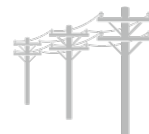


6. REFERENCES AND RELATED DOCUMENTS

Board Meetings Policy

Robert's Rules of Order Newly Revised (Latest edition, "Boards and Committees – Procedure in Small Boards")

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| Date adopted: | March 15, 2010 |
| Last reviewed: | February 21, 2025 |
| Review frequency: | Every Three Years |
| Amendment dates: | September 21, 2015, October 16, 2020; February 21, 2025 |
| Effective date: | February 21, 2025 |
| Approver: | Board of Directors |
| Applies to: | All Participants at meetings of the Board of Directors, any other business meeting or function of the Cooperative or with respect to any business interactions with the Cooperative, whether on or off PEC premises or any PEC platform. |
| Administrator: | Board of Directors and Chief Executive Officer |
| Superseding effect: | This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy. |





File #: 2025-109, **Version:** 1

**Matters in Which the Audit Committee Seeks the Advice of Its Attorney as Privileged Communications
in the Rendition of Professional Legal Services**

Submitted By: Andrea Stover
Department: General Counsel



File #: 2025-113, **Version:** 1

Update of the 2025/2026 Internal Audit Scope - C Powell

Submitted By: Christian Powell
Department: Chief Compliance Officer



File #: 2025-110, Version: 1

Presentation of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - T Canady, CPA/J Smith

Submitted By: Janelle Smith

Department: Chief Financial Officer

Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.



File #: 2025-111, Version: 1

Resolution - Recommendation of Acceptance of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - R Kruger/K Jones

Submitted By: Randy Kruger on behalf of the Audit Committee

Department: Audit Committee

Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.