



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Board of Directors

Friday, October 16, 2020

9:00 AM

PEC Headquarters Auditorium

201 S. Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting is held in the PEC Headquarters Auditorium and will be recorded in accordance with Board Meetings Policy. To address safety and health concerns and in compliance with federal, state, and local guidelines, this Regular Meeting is not open to member attendance.

Members may provide comments by sending the input to PECBoard@peci.com. All Board meeting comments will be provided to all Board directors and listed in the minutes of the Meeting. Board meeting dates, agendas, and supporting materials are available online at <https://pec.legistar.com/>.

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 9:05 a.m. on October 16, 2020 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas. President Pataki welcomed the Board of Directors. All Board members were present.

Present: 7 - Secretary/Treasurer Milton Rister, President Emily Pataki, Director Mark Ekrut, Director Travis Cox, Director James Oakley, Director Paul Graf, and Vice President 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. [2020-345](#) Friday, September 18, 2020 - Regular Meeting Minutes

Attachments: [2020-09-18 OS Meeting Minutes draft v.4](#)

2. [2020-379](#) Revised Conflict of Interest Form for Director James Oakley, District 5

Attachments: [Conflict of Interest - OAKLEY 9-18-2020](#)

Cooperative Monthly Reports

3. [2020-351](#) Cooperative Update - J Parsley

Attachments: [2020-10-16 Cooperative Update - FINAL](#)

Chief Executive Officer (CEO) Julie Parsley presented the Cooperative Update. She stated the COVID-19 relief fund contributions for members closes on November 1, 2020. CEO Parsley said as of October 15, 2020 PEC raised \$84,920 in donations. She said PEC lobbies and drive through lanes are open on a restricted basis, and payment kiosks are installed at every office. Additionally, CEO Parsley mentioned: Customer Service Appreciation Week; National Cooperative Month; the San Antonio Express-News ranked PEC as one of the Top Workplaces in 2020; the new printed bill design beginning in November; PEC Education Program Donations (PEC's education contributions are funded through its members' voluntary contributions to the Power of Change program); and member and employee thank you messages.

4. [2020-347](#) Operations Report - E Dauterive**Attachments:** [2020-10-16 Operations Report v1](#)

Chief Operations Officer (COO) Eddie Dauterive presented the September Operations Report including: growth this quarter is a record high for new meters and line extensions; Member Relations resumed collections; the new bill format; engineering projects are on schedule. Director Graf said he liked the new bill format. Director Oakley mentioned the growth in Burnet County and said that one of the new subdivisions has 500 new poles going into the subdivision, which is a lot of infrastructure.

5. [2020-346](#) Financial Services Monthly Report - R Kruger**Attachments:** [2020-10-16 August 2020 Financial Report to the Board - R Kruger](#)
[2020-10-16 August 2020 Financial Statements - R Kruger](#)

Chief Financial Officer (CFO), Randy Kruger presented the August 2020 Financial Report stating the following: Gross Margin was \$30 million, Net Margin was \$9 million; Year To Date (YTD) Gross Margin was \$196 million, YTD Net Margin was \$30 million; account growth is solid for the quarter; the COVID-19 impact is estimated at \$3.6 million for the year, of which, about \$1.2 million is estimated to impact margins.

Member Comments - Members may provide comments by sending input to PECBoard@peci.com.

6. [2020-348](#) Member Comments**Attachments:** [1. 092920, 146PM, McKim, Rashelle - Internet service](#)
[2. 100420 532PM - David Lombardi - Internet Service](#)
[3. 101520 1153AM - Bill Kelberlau - magazine avg usage](#)
[2015-09-21 Decorum Policy \(reference material\)](#)

President Pataki stated that member comments were submitted ahead of time, which the Board received and read. All of the members have received a response from the Cooperative.

Action Items / Other Items

7. [2020-349](#) **Resolution - Approval of 2020 Operational Expense Budget Amendment for Systems Vegetation Maintenance - R Arellano**
- Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Board approve an amendment to the Cooperative's 2020 Operational Expense Plan Budget for Systems Vegetation Maintenance; and
- BE IT FURTHER RESOLVED**, that the Chief Executive Officer, or designee, is authorized to take such actions as needed to implement this resolution.
- Mr. Richard Arellano, Vice President of Support Services presented the resolution and asked the Board for approval.
- A motion was made by Director Oakley, seconded by Vice President Akers, that this item be approved. The motion carried by the following vote:**
- Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers
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8. [2020-427](#) **Resolution - Approval of Contract Agreement for Kyle District Facility Improvements - R Arellano**
- Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approve the service contract for the CIP Project to improve the Kyle District facilities; 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.
- Mr. Richard Arellano, Vice President of Support Services presented the resolution and asked the Board for approval.
- A motion was made by Vice President Akers, seconded by Director Oakley, that this item be approved. The motion carried by the following vote:**
- Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers
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9. [2020-364](#) **Resolution - Approval of Contract Agreement Extension with Citrix - L Parnell**
- Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approve a 4 year extension to the Citrix agreement; 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.
- Chief Information Officer (CIO) Lawanda Parnell presented the resolution and asked the Board for approval.
- A motion was made by Director Graf, seconded by Vice President Akers, that this item be approved. The motion carried by the following vote:**
- Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

10. [2020-365](#) **Resolution - Approval of Contract Modification for Guadalupe Valley Communications Systems (GVCS) for Communication Services - L Parnell**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approve a 52 month extension to the GVCS agreement; 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.

Chief Information Officer (CIO) Lawanda Parnell presented the resolution and asked the Board for approval.

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

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

11. [2020-307](#) **Resolution - Approval of 2019 Capital Credits Distribution and Payment - R Kruger**

Body: **NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Board of Directors after its review, discussion and evaluation of the Capital Credits Policy and the financial state of the Cooperative and fairness to its members and former members, with input from the Cooperative's Chief Financial Officer, has determined that capital credit retirements as described herein will not result in any adverse impact to the Cooperative;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative distribute and pay out an amount not to exceed \$6,100,000 on or prior to December 31, 2020 to its eligible members as credits on electric bills, and to any former members who are entitled to a distribution of at least \$10.00 by check, as may be most effective and in the best interest of the Cooperative (General Capital Credits Retirements);

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative distribute and pay out an amount not to exceed \$300,000.00 to deceased members' estates who are entitled to a distribution, as may be most effective and in the best interest of the Cooperative (Special Capital Credits Retirements);

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative distribute and pay out an amount not to exceed \$5,600,000 to former members (inactive accounts) in 2021 in accordance with the Capital Credits policy (Special Capital Credits Retirements); and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Financial Officer of the Cooperative, or any person designated by the CFO for such purpose, is authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to take actions necessary or appropriate in the best interests of the Cooperative to implement these resolutions.

Chief Financial Officer (CFO) Randy Kruger presented the resolution and asked the Board for approval.

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

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

12. [2020-350](#) Resolution - Election Policy and Procedures Amendments - D Ballard

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to the Election Policy and Procedures and its regular review of Board policies, the Board has reviewed and adopts the Election Policy and Procedures presented to and discussed by the Board this day, with any amendments, as were discussed and approved by the Board; and

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

Attachments: [2020-10-16 Election Policy and Procedures - SAR Edits - Redline v2](#)
[2020-10-16 Election Policy and Procedures - SAR Edits - Clean v2](#)

General Counsel Don Ballard 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

13. [2020-352](#) Resolution - Approval to Rescind and Incorporate External and Internal Communications Policy and Code of Ethics - D Ballard

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that by adopting a revised Directors' Code of Conduct, presented to and discussed by the Board this day, that incorporates the former Code of Ethics and the External and Internal Policy, the Board approves incorporating the Code of Ethics and the External and Internal Policy into the Directors' Code of Conduct; and

BE IT RESOLVED, that the Board rescinds the External and Internal Communications Policy and Code of Ethics; and

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

Attachments: [2020-10-16 Code of Ethics](#)
[2020-10-16 External and Internal Communications Policy](#)

General Counsel Don Ballard 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

14. [2020-353](#) Resolution - Directors' Code of Conduct Policy - D Ballard

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 Directors' Code of Conduct, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-10-16 Directors' Code of Conduct 08-27-2020 - ETeam Review - Draft v3 - Redline](#)
[2020-10-16 Directors' Code of Conduct 08-27-2020 - ETeam Review - Draft v3 - Clean](#)

General Counsel Don Ballard stated that we have one request from Director Cox to look at Section V. Director Access to PEC Information, of the Directors' Code of Conduct Policy. He said Director Cox asked to add the word 'directly' to the second sentence of that particular section. He stated if the Board agrees to this particular change in this draft, the new sentence will say, "Directors may also contact the General Counsel directly, as needed, for information or assistance." He said that otherwise the Directors' Code of Conduct Policy is the same as the draft we saw previously. The Board agreed with Director Cox's revision related to Section V.

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

15. [2020-354](#) Resolution - Conflict of Interest Policy - D Ballard

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 Conflict of Interest Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-10-16 Conflict of Interest Policy - Board of Directors \(Redline\)](#)
[Ap...](#)
[2020-10-16 Conflict of Interest Policy - Board of Directors \(Clean\) for](#)
[...](#)

General Counsel Don Ballard mentioned some minor clean-up items of the language to the Conflict of Interest Policy. He said the difference from the draft we saw previously, is we have a more refined plan of the employees who report under the Conflict of Interest Policy of the Board of Directors. He said we will consolidate the levels of employees, as "disclosing employees" instead of having different definitions of the stratifications of employees. The new definition of employees would include both executives and other employees who met the

definitions we discussed last month, to include certain levels of employees in the hierarchy of the organizational structure, and their span of control. It also would include employees who had a procurement expenditure authority of \$250,000 or more, or where employees who had a span of control over 10% of the company's assets, and were listed on the Form 990, which the Cooperative completes for purposes of tax compliance. We would call all of those employees "disclosing employees," defining them as a defined term. General Counsel Don Ballard also mentioned the minor clean-up items that were not in this draft when moving the definitions within the document. The clean-up items are to add the word 'and' in the definition of Director of disclosing employee and officials, for officers who must comply with the Conflict of Interest Policy. He said in Scope of Section 2.2, there is a duplicate sentence that may be deleted.

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

16. [2020-355](#) Resolution - Decorum Policy - D Ballard

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

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

Attachments: [2020-10-16 Decorum Policy Final \(Red-Line\) Draft](#)
[2020-10-16 Decorum Policy - 8-23-20 ET Review - Draft - Clean](#)

General Counsel Don Ballard 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

17. [2020-356](#) Resolution - Ethics and Compliance Reporting Policy - J Burns

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 Ethics and Compliance Reporting Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-10-16 Ethics and Compliance Reporting Policy \(redline\) Draft](#)
[2020-10-16 Ethics and Compliance Reporting Policy \(clean\) Draft](#)

Ms. Janet Burns, Ethics and Compliance Officer presented the resolution and

asked the Board for approval.

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

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

18. [2020-357](#) **Resolution - Approval to Establish 2021 Annual Meeting Date and Location - M Viesca**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2021 Annual Membership Meeting of the Pedernales Electric Cooperative, Inc. ("PEC") be held within the PEC service territory at the Cooperative's E. Babe Smith Headquarters in Johnson City, Texas, on Friday, June 18, 2021, at 9:00 a.m.; and

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

Mr. Mike Viesca, Executive Vice President (EVP) presented the resolution and asked the Board for approval.

A motion was made by Director Oakley, 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

19. [2020-402](#) **Draft Resolution - Approval of Software Subscription Contract - L Cunningham**

Body: **now, therefore, be it RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Board approve a three (3) year software subscription and license agreement; and

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

Attachments: [2020-10-16 Approval of Software Subscription presentation - L Cunningham v3](#)

Ms. Natalia Mack, Rates Manager summarized the draft resolution indicating the software provider is switching to a three-year agreement, which requires Board approval. Ms. Mack said the resolution will be brought before the Board for approval next month.

20. [2020-381](#) **Draft Resolution - Approval of Distribution Poles Blanket Purchasing Agreement - B Gedrich**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve the Wood Poles Blanket Purchasing Agreement ("BPA") for system maintenance and growth, costs not to exceed \$15 million, and the term not to exceed 5 years, 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.

Mr. Brian Gedrich, Vice President, Engineering presented a summary of the draft resolution and indicated that the resolution will be brought before the Board for approval next month.

21. [2020-335](#) Draft Resolution - Designation of Competitive Matters Policy - D Ballard

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 Designation of Competitive Matters Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-10-16 Designation of Competitive Matters \(Redline\) for BOD Draft Re...](#)
[2020-10-16 Designation of Competitive Matters Final \(Clean\) for BOD Draf...](#)

General Counsel Don Ballard discussed the details of the draft resolution and said the item will be brought before the Board for approval next month.

22. [2020-336](#) Draft Resolution - Open Records Policy - D Ballard

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

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

Attachments: [2020-10-16 Open Records Policy \(Redline\) for BOD Draft Resolution](#)
[2020-10-16 Open Records Policy \(Clean\) for BOD Draft Resolution](#)

General Counsel Don Ballard presented a summary of the draft resolution and stated the resolution will be brought before the Board for approval next month.

23. [2020-377](#) Draft Resolution - Approval of Board of Directors Travel & Expense Reimbursement Policy - S Romero

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 Board of Directors Travel & Expense Reimbursement Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-10-16 Board Directors Travel and Expense Reimbursement Policy \(Redl...](#)
[2020-10-16 Board Directors Travel and Expense Reimbursement Policy \(Clea...](#)

Ms. Sylvia Romero, Governance Manager briefly discussed the draft resolution and said the resolution will be brought before the Board for approval next month.

24. [2020-337](#) Draft Resolution - Membership List Policy - S Romero

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

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

Attachments: [2020-10-16 Membership List Policy Final \(Redline\) for BOD draft resoluti...](#)
[2020-10-16 Membership List Policy Final \(Clean\) for BOD draft resolution...](#)

Ms. Sylvia Romero, Governance Manager briefly discussed the draft resolution and said the resolution will be brought before the Board for approval next month.

25. [2020-385](#) Plan Administration Committee (PAC) Update - B Dawson, PAC Chair

Attachments: [2020-10-16 PAC Activity Report to BOD](#)

Mr. Bernie Dawson, Plan Administration Committee (PAC) Chair introduced Mr. Drew McCorkle, CAPTRUST Advisor, who presented the PAC Investment Advisor Update via telephone.

26. [2020-386](#) Plan Administration Committee (PAC) Investment Advisor Update - Drew McCorkle, CAPTRUST Advisors

Mr. Drew McCorkle, CAPTRUST Advisors discussed the context of the report by telephone. Director Ekrut thanked Mr. McCorkle for the presentation and inquired whether an in-depth review, at a later date may be arranged. Director Cox also thanked Mr. McCorkle. President Pataki suggested an orientation may be arranged for the directors, and thanked Mr. McCorkle for his presentation.

Proposed Future Items / Meetings (subject to final posting)

27. [2020-292](#) List of Proposed Future Meetings

Attachments: [Approved 2020 Board Meeting Calendar 091820](#)

President Pataki stated the list of proposed meetings is in the materials packet.

28. [2020-358](#) Board Planning Calendar (Written Report in Materials)

Attachments: [2020-10-16 Board Planning Calendar v.1](#)

President Pataki said the board planning calendar is a list of items planned for discussion at Board meetings throughout the year.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:01 a.m. stated the Board would go into Executive Session.

Executive Session - Legal Matters

29. [2020-359](#) **Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

Executive Session - Personnel Matters

30. [2020-360](#) **Personnel Matters**

Executive Session - Legal Matters

31. [2020-361](#) **Litigation and Related Legal Matters - D Ballard**
32. [2020-362](#) **Resolution - Approval of Authorization for Settlement of Litigation Matter(s) - D Ballard**
33. [2020-363](#) **Resolution - Approval of Delegation of Authority to Chief Executive Officer to Implement Measures in Response to COVID-19 - J Parsley**
34. [2020-382](#) **Enterprise Risk Management (ERM) Update - B Headrick**
35. [2020-383](#) **Ethics and Compliance Quarterly Update - J Burns**
36. [2020-305](#) **Annual Review of Strategic Plan - E Pataki**

Executive Session - Contract and Competitive Matters

- [2020-325](#) **Resolution - Recommend Approval by Board of Directors of 2019 IRS Form 990 - B Miller, Bolinger, Segars, Gilbert & Moss, LLP (BSGM), and J Smith**

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 Board for approval.

Attachments: [2020-325 Audit Committee Resolution - Recommendation v1](#)

38. [2020-403](#) Draft Resolution - Approval of Authorization for Financing Programs - R Kruger
39. [2020-376](#) Draft Resolution - Review and Approval of Budget Policy Amendments - R Kruger
40. [2020-374](#) Draft Resolution - Approval of 2021 Operating Budget and 2021 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - R Kruger
41. [2020-380](#) Draft Resolution - Approval of Cooperative Owned Lighting Services Agreement - D Thompson / D Southwell
42. [2020-058](#) Draft Resolution - Approval of 2021 Rate Plan - D Thompson/N Mack
43. [2020-367](#) Markets Monthly Report - D Thompson

Executive Session - Real Estate Matters

- [2020-368](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - R Arellano
- [2020-369](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - R Arellano
46. [2020-370](#) Real Estate Update - R Arellano

Executive Session - Safety and Security Matters

47. [2020-371](#) Safety and Security Matters
48. [2020-315](#) Cyber Security Quarterly Update - S Stoppelmoor

Reconvene to Open Session

At 3:35 p.m., the Board reconvened to the open session meeting.

Items from Executive Session

37. [2020-325](#) Resolution - Recommend Approval by Board of Directors of 2019 IRS Form 990 - J Smith
- Body:** BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Form 990 as submitted to the Board at its regular meeting held on October 16, 2020, is approved, with such changes thereto, if any, as were discussed and approved by the Board;
- BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Financial Officer, or designee, is hereby

authorized and directed to file the Form 990 with the Internal Revenue Service as the official filing of the Cooperative and make it publicly available.

Attachments: [2020-325 Audit Committee Resolution - Recommendation v1](#)

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

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

44. [2020-368](#) Resolution - Approval of Purchases of Land in Burnet County - R Arellano

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the purchases 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 purchases to be publicly available upon public filing of instruments memorializing the transfer; 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.

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative are hereby confirmed, ratified and approved.

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

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

Abstain: 1 - Oakley

45. [2020-369](#) Resolution - Approval of 2020 Capital Improvement Plan Budget Amendment for Purchases of Property in Burnet County, TX - R Arellano

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

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

Abstain: 1 - Oakley

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:38 p.m.

Approved:

Milton Rister, Secretary

Emily Pataki, President