



Meeting Minutes - Draft

Board of Directors

Friday, October 25, 2024

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 recorded in accordance with Board Meetings Policy. Members may watch the recording from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

This meeting was called to order at 9:01 a.m., on October 25, 2024, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

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

Safety Briefing

President Emily Pataki provided the 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. [2024-292](#) **Friday, September 20, 2024 - Regular Meeting Minutes**

Attachments: [2024-09-20 OS Meeting Minutes.pdf](#)

Cooperative Monthly Report

2. [2024-293](#) **Cooperative Update - J Parsley/A Stover/R Kruger/N Fulmer/J Urban**

Attachments: [2024-293 Coop Update Oct 2024 FINAL.pdf](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Ms. Andrea Stover, General Counsel, Mr. Randy Kruger, Chief Financial Officer (CFO), Mr. Nathan Fulmer, Chief Operations Officer - Distribution, and Mr. JP Urban, Chief Administrative Officer, presented a collaborative Cooperative Update.

Member Comments (3 minute limitation or as otherwise directed by Board)**3. [2024-294](#) Member Comments**

Attachments: [Decorum Policy](#)

There were no members present.

Action Items / Other Items**4. [2024-262](#) Resolution - Approval of Transformer Moves, Processing, and Testing Master Service Agreement - C DeWitt**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve a Master Service Agreement for substation power transformer assembly, disassembly, oil processing, testing and moving 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.

Mr. Charles DeWitt, Interim Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

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

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

5. [2024-307](#) Resolution - Approval of Pole Supply Contract for T318 Blanco to Devils Hill Upgrade - C DeWitt

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve an agreement for the purchase of materials for the upgrade of the T318 transmission line 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.

Attachments: [T318 Devils Hill to Blanco Project Summary 2024-307 Final](#)

Mr. Charles DeWitt, Interim Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

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

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

6. [2024-308](#) Resolution - Approval of Change to Authorization for Power (Substation) Transformer 5-Year Master Supply Agreement - C DeWitt

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve an increase in the approval amount for the 2020 master supply agreement for purchase of substation power transformers; 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. Charles DeWitt, Interim Chief Operations Officer - Transmission, 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

7. [2024-295](#) **Resolution - Approval of Election Policy and Procedures Amendments Related to 2024 Post-Election Analysis for Annual Director Elections and Annual Review of Election Policy and Procedures - A Stover**

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, with any such amendments to the Election Policy and Procedures, as were presented, 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: [Election Policy and Procedures Redline](#)
[Election Policy and Procedures Clean](#)

Ms. Andrea Stover, General Counsel, presented the resolution and asked the Board for approval.

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

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

8. [2024-296](#) **Resolution - Approval to Establish 2025 Annual Membership Meeting Date and Location - A Stover**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2025 Annual Meeting of 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 20, 2025, 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.

Ms. Andrea Stover, General Counsel, presented the resolution and asked the Board for approval.

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

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

9. [2024-297](#) Resolution - Approval of 2023 IRS Form 990 - S Houghton/K Jones

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Form 990, as submitted to the Board this day, is approved, with such changes, 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 once filed.

Attachments: [Audit Committee Resolution - 2024-291 Recommendation.pdf](#)

Ms. Sharon Houghton, Tax and Accounting Manager, presented the resolution and asked the Board for approval.

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

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

10. [2024-290](#) Draft Resolution - Approval to Review and Reconfirm/Amend Audit Committee Charter - A Stover

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board has reviewed the charter of the Audit Committee and reaffirms the charter of the Audit Committee as presented to and discussed by the Board this day, with such amendments or changes, if any, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the Chief Financial Officer, is hereby authorized and directed to take all such action as may be necessary to implement this resolution.

Attachments: [Audit Committee Charter Revisions](#)
[Audit Committee Charter_Redline.pdf](#)
[Audit Committee Charter_Clean.pdf](#)

Ms. Andrea Stover, General Counsel, provided a summary of the revisions to the Audit Committee Charter and said the final resolution will be presented to the Board for approval in November 2024.

11. [2024-298](#) Draft Resolution - Approval of 2025 Rate Plan - W Symank

Body: NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative approves the 2025 Rate Plan that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

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

Attachments: [2024-298 Draft 2025 Rate Plan.pdf](#)

Mr. Randy Kruger, Chief Financial Officer, provided a summary of the revisions to the 2025 Rate Plan and stated that the final resolution will be presented to the Board for approval in November 2024.

Proposed Future Items / Meetings (subject to final posting)

12. [2024-299](#) List of Board Approved Future Meetings

Attachments: [2024 Board Meeting Calendar.pdf](#)

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

13. [2024-300](#) Board Planning Calendar (Written Report in Materials)

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

President Emily Pataki stated that the planning calendars were included in the meeting materials.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:12 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

14. [2024-301](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services

15. [2024-302](#) Litigation and Related Legal Matters - A Stover

16. [2024-303](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover

17. [2024-304](#) Annual Review of 2021-2026 Strategic Plan - E Pataki

18. [2024-305](#) Annual Enterprise Risk Management (ERM) Update - K Krueger

Executive Session - Contract and Competitive Matters

[2024-260](#) Resolution - Approval of 2025-2029 Engineering Master Service Agreements and Approval of Aggregation of Authorization for 2020-2024

Engineering Master Service Agreements - P Lochte

- [2024-323](#) **Resolution - Approval of Interconnection Terms with Transmission Provider in Williamson County - C DeWitt**
- [2024-306](#) **Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - C Powell/E Kane**
22. [2024-309](#) **Draft Resolution - Approval of 2025 Operating Budget and 2025 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/A Murosko**
23. [2024-310](#) **Draft Resolution - Approval of Authorization for Increase and Amendments to Short-Term Debt Financing for the Cooperative - R Kruger**
24. [2024-318](#) **Draft Resolution - Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy - R Kruger**
25. [2024-311](#) **Draft Resolution - Approval of Construction Contract for La Cima Substation - C DeWitt**
26. [2024-320](#) **Draft Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell**
27. [2024-322](#) **Draft Resolution - Approval of Junction Warehouse Expansion - N Fulmer**
28. [2024-325](#) **Draft Resolution - Approval of Distribution Construction Contract Master Services Agreement - N Fulmer**
29. [2024-312](#) **Markets Report - R Kruger**
30. [2024-313](#) **Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey**

Executive Session - Real Estate Matters

31. [2024-314](#) **Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - C Powell**
32. [2024-315](#) **Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell**
33. [2024-282](#) **Real Estate Update - C Powell**

Executive Session - Safety and Security Matters

34. [2024-316](#) **Safety and Security Matters**

Executive Session - Personnel Matters**35. [2024-317](#) Personnel Matters****Reconvene to Open Session**

At 3:12 p.m., the Board 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.

19. [2024-260](#) Resolution - Approval of 2025-2029 Engineering Master Service Agreements and Approval of Aggregation of Authorization for 2020-2024 Engineering Master Service Agreements - P Lochte

Body: NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative approve master service agreements for a period of five years through 2029 with each engineering consultant for the transmission and substation and distribution systems as selected in amounts approved in the annual Capital and Operating Budgets in the categories and accounts referenced; and

BE IT FURTHER RESOLVED that the Cooperative approve an aggregation of the 2019 approval amounts for the engineering master services for distribution engineering services and transmission/substation engineering services in the amount of \$75 million; 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.

A motion was made by Vice President Cox, 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

20. [2024-323](#) Resolution - Approval of Interconnection Terms with Transmission Provider in Williamson County - C DeWitt

Body: NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative approve an agreement with Brazos Electric Cooperative, Inc.; 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.

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

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

21. [2024-306](#) Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - C Powell/E Kane

Body: NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative file an appropriate application to its Certificate of Convenience and Necessity with the Public Utility Commission of Texas as discussed in Executive Session; and

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

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

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

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:14 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President