



# PEDERNALES ELECTRIC COOPERATIVE

Board of Directors Agenda - Final

09/20/2024 | 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 Auditorium and recorded in accordance with Board Meetings Policy. Members may watch the 9/20/2024 recording after the meeting from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

## Call to Order and Roll Call

9:00 AM Meeting called to order on September 20, 2024, 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. [2024-209](#) **Friday, August 16, 2024 - Regular Meeting Minutes  
Tuesday, August 27, 2024 - Workshop Session Meeting Minutes  
Wednesday, August 28, 2024 - Workshop Session Meeting Minutes**

**Attachments:** [2024-08-16 OS meeting minutes.pdf](#)  
[2024-08-27 OS Meeting Minutes.pdf](#)  
[2024-08-28 OS Meeting Minutes draftv2.pdf](#)

## Cooperative Monthly Report

2. [2024-257](#) **Cooperative Update - J Parsley/E Dauterive/R Kruger/N Fulmer/J Urban**

**Attachments:** [September Cooperative Update\\_v7 CSO and CFO.pdf](#)

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

3. [2024-258](#) **Member Comments**

**Attachments:** [Decorum Policy](#)

## Action Items / Other Items

4. [2024-259](#) **Resolution - Review and Approval of the Open Records Policy - A Hagen**

**Attachments:** [Open Records Policy\\_Redline.pdf](#)  
[Open Records Policy\\_Clean.pdf](#)

5. [2024-264](#) Draft 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 Hagen
- Attachments:** [Election Policy and Procedures\\_Redline](#)  
[Election Policy and Procedures\\_Clean](#)
6. [2024-265](#) Draft Resolution - Approval to Establish 2025 Annual Membership Meeting Date and Location - A Hagen

Proposed Future Items / Meetings (subject to final posting)

7. [2024-266](#) List of Board Approved Future Meetings
- Attachments:** [2024 Board Meeting Calendar](#)
8. [2024-267](#) Resolution - Approval to Reschedule the October 2024 Regular Board Meeting
9. [2024-268](#) Board Planning Calendar (Written Report in Materials)
- Attachments:** [PEC Annual Board Planning Calendar.pdf](#)  
[3-Month Outlook Calendar.pdf](#)

Recess to Executive Session

Executive Session - Legal Matters

10. [2024-269](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services
11. [2024-270](#) Litigation and Related Legal Matters - A Hagen
12. [2024-271](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Hagen

Executive Session - Contract and Competitive Matters

13. [2024-285](#) Resolution - Approval for Renewal of 2025 Medical Insurance Benefits - N Fulmer
14. [2024-272](#) Draft Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - C Powell/E Kane
15. [2024-273](#) Draft Resolution - Approval of Pole Contract T318 Blanco to Devils Hill - C DeWitt
16. [2024-284](#) Draft Resolution - Approval of Power (Substation) Transformer 5-Year Master Service Agreement Extension - C DeWitt
17. [2024-274](#) Markets Report - R Kruger
18. [2024-286](#) Update - Pole Attachment Fee and Rate Structure - J Urban
19. [2024-276](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey

**Executive Session - Real Estate Matters**

20. [2024-277](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - C Powell
21. [2024-278](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell

**Executive Session - Safety and Security Matters**

22. [2024-279](#) Safety and Security Matters

**Executive Session - Personnel Matters**

23. [2024-280](#) Personnel Matters
24. [2024-281](#) Chief Executive Officer Corporate Initiative and Action Items Quarterly Update - J Parsley

**Reconvene to Open Session****Items from Executive Session****Adjournment**



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**File #: 2024-209, Version: 2**

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**Friday, August 16, 2024 - Regular Meeting Minutes**

**Tuesday, August 27, 2024 - Workshop Session Meeting Minutes**

**Wednesday, August 28, 2024 - Workshop Session Meeting Minutes**



# Pedernales Electric Cooperative

PO Box 1  
Johnson City, TX 78636

## Meeting Minutes - Draft

### Board of Directors

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Friday, August 16, 2024

9:00 AM

PEC Headquarters Auditorium

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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 9:05 a.m., on August 16, 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 announced 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. [2024-185](#) **Friday, July 19, 2024 - Regular Meeting Minutes**

**Attachments:** [2024-07-19 OS Minutes draftv2](#)

#### Cooperative Recognitions

2. [2024-235](#) **Moment of Silence**

President Emily Pataki asked for participation in a brief commemorative moment of silence for three individuals who tragically lost their lives; a PEC apprentice, a CPS lineman, and a PEC contractor.

3. [2024-202](#) **Recognition of PEC Participation at Annual Texas Lineman's Rodeo - E Dauterive**

Mr. Eddie Dauterive, Chief Strategy Officer, shared a video from the 2024 Annual Texas Lineman's Rodeo. Mr. Dauterive announced the PEC award recipients who participated in the 2024 Annual Texas Lineman's Rodeo. President Emily Pataki stated the Board would take a break for a photo opportunity. The Board took a break from 9:16 a.m. to 9:27 a.m.

### Cooperative Monthly Report

4. [2024-210](#) **Cooperative Update - J Parsley/E Dauterive/R Kruger/N Fulmer/J Urban**

**Attachments:** [August Cooperative Update FINAL 2024-210.pdf](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Eddie Dauterive, Chief Strategy Officer (CSO), Mr. Randy Kruger, Chief Financial Officer (CFO), Mr. Nathan Fulmer, Vice President, Workforce and Safety Operations, and, Mr. JP Urban, Executive Vice President, External Relations, presented a collaborative Cooperative Update.

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

5. [2024-211](#) **Member Comments**

**Attachments:** [Decorum Policy](#)

There were no members present.

### Action Items / Other Items

6. [2024-212](#) **Draft Resolution - Review and Approval of the Open Records Policy - A Hagen**

**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:** [Open Records Policy\\_Redline.pdf](#)  
[Open Records Policy\\_Clean.pdf](#)

Ms. Aisha Hagen, Senior Associate General Counsel, presented a summary of the draft resolution.

7. [2024-213](#) **Post Member-Election Analysis and Annual Review - A Hagen**

**Attachments:** [2024 Annual Election Post-Analysis](#)

Ms. Aisha Hagen, Senior Associate General Counsel, presented a summary of the annual review of the 2024 Director Election.

**Proposed Future Items / Meetings (subject to final posting)****8. [2024-214](#) List of Board Approved Future Meetings**

**Attachments:** [2024 Board Meeting Calendar](#)

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

**9. [2024-231](#) Draft Resolution - Approval to Reschedule the October 2024 Regular Board Meeting**

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

President Emily Pataki stated that due to a scheduling conflict with the International Lineman's Rodeo, the October 2024 Regular Board meeting will be moved to October 25, 2024. A final resolution will be presented to the Board for consideration at the September 2024 Regular Board Meeting.

**10. [2024-215](#) 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 10:13 a.m., stated the Board would go into Executive Session.

**Executive Session - Legal Matters****11. [2024-216](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services****12. [2024-217](#) Litigation and Related Legal Matters - A Hagen**

**[2024-218](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Hagen**

**14. [2024-219](#) Directors' Conflict of Interest Training and Directors' Code of Conduct Training - R Fischer****Executive Session - Contract and Competitive Matters**

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15. [2024-232](#) Draft Resolution - Approval of Engineering Master Service Agreements - P Lochte
  16. [2024-230](#) Draft Resolution - Approval of Pole Contract T358 Cedar Valley to Friendship - C DeWitt
  17. [2024-233](#) Draft Resolution - Approval of Transformer Move Master Service Agreement (5 yr. 2025-2029) - C DeWitt
  18. [2024-221](#) Markets Report - R Kruger
  19. [2024-222](#) 2024 Property (Real and Personal) Tax Appraisal Assessment and Strategy Update - S Houghton/K Jones/J Urban
  20. [2024-220](#) Update on Renewal of 2025 Medical Insurance Benefits - N Fulmer
  21. [2024-223](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey
  22. [2024-234](#) PEC Memberships and Subscriptions with Various Associations - J Urban

**Executive Session - Real Estate Matters**

- [2024-224](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
24. [2024-225](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

**Executive Session - Safety and Security Matters**

25. [2024-226](#) Safety and Security Matters
26. [2024-227](#) Cyber Security Semiannual Update - S Stoppelmoor

**Executive Session - Personnel Matters**

27. [2024-228](#) Personnel Matters

**Reconvene to Open Session**

At 3:11 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.



13. [2024-218](#) **Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Hagen**
- Body:** NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative is authorized to settle certain litigation in Hays County District Court 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 the Chief Executive Officer, or designees, are hereby authorized to make such determinations as necessary with respect to the matter and execute, acknowledge and deliver any such documents, and otherwise take any actions as needed to implement this resolution.
- 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
- 2024-283** **Resolution - Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Hagen**
- Body:** NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative file appeals with respect to its real property taxes in Williamson County on the terms discussed this day in Executive Session, and
- BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative is authorized to settle certain tax litigation in Blanco County 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 the Chief Executive Officer, or designees, are hereby authorized to make such determinations as necessary with respect to the appeal and settlement and execute, acknowledge and deliver any such documents, and otherwise take any actions as needed to implement this resolution.
- 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
23. [2024-224](#) **Resolution - Approval of Purchase of Land in Williamson County - J Urban**
- 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** 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 this resolution supersedes and replaces any other resolution adopted by the Board with respect to the subject matter herein.

**A motion was made by Director Rister, 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

**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:13 p.m.

Approved:

\_\_\_\_\_  
Mark Ekrut, Secretary

\_\_\_\_\_  
Emily Pataki, President



# Pedernales Electric Cooperative

PO Box 1  
Johnson City, TX 78636

## Meeting Minutes - Draft

### Board of Directors

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Tuesday, August 27, 2024

2:00 PM

Horseshoe Bay Resort

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200 Hi Circle North, Horseshoe Bay, TX 78657

Open Session of this Workshop Session was held at the Horseshoe Bay Resort, Travertine Room, Horseshoe Bay, TX, and audio recorded in accordance with Board Meetings Policy.

#### Call to Order and Roll Call

This meeting was called to order at 2:03 p.m., on August 27, 2024, at the Horseshoe Bay Resort, Hi Circle North, Horseshoe Bay, Texas 78657. Director James Oakley was not present during Open Session.

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

**Absent:** 1 - Director James Oakley

#### Safety Briefing

President Emily Pataki announced the Safety Briefing.

#### Adoption of Agenda

The agenda was adopted as posted and without objection.

#### Discussion and Deliberation of Workshop Items - E Pataki

President Emily Pataki stated the purpose of the Board Workshop Session is to discuss power supply.

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

1. [2024-241](#) **Member Comments**

**Attachments:** [Decorum Policy](#)

There were no members present.

#### Action Items / Other Items - None

#### Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 2:06 p.m., stated the Board would go into Executive Session.

**Executive Session - Personnel Matters**

2. [2024-248](#) Workshop Session on Strategies and Assessment of Personnel and Structure of Organization and Its Departments

**Executive Session - Legal Matters**

3. [2024-242](#) 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. [2024-243](#) Workshop Session on Strategies and Assessment of Power Supply Matters Including Power Supply Portfolio Review and Power Supply Contract Matters
5. [2024-244](#) Workshop Session on Strategies and Assessment of Financial Planning Scenarios, Including Revenue Recovery and Operational Expense and Capital Budgets

**Executive Session - Real Estate Matters**

6. [2024-245](#) Workshop Session on Strategies and Assessment of Facilities and Real Estate

**Executive Session - Safety and Security Matters**

7. [2024-246](#) Workshop Session on Strategies and Assessment of Safety Matters
8. [2024-247](#) Workshop Session on Strategies and Assessment of Electric System and Its Security and Reliability

**Reconvene to Open Session**

At 4:17 p.m., the Board reconvened to the Open Session meeting.

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

**Workshop Session Open Discussion**

President Pataki said the Board would reconvene to continue business discussions at the Board Workshop Session at 9:00 a.m., August 28, 2024.

**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 4:17 p.m.

Approved:

\_\_\_\_\_  
Mark Ekzut, Secretary

\_\_\_\_\_  
Emily Pataki, President



**Meeting Minutes - Draft**

**Board of Directors**

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Wednesday, August 28, 2024

9:00 AM

Horseshoe Bay Resort

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**200 Hi Circle North, Horseshoe Bay, TX 78657**

Open Session of this Workshop Session was held at the Horseshoe Bay Resort, Travertine Room, Horseshoe Bay, TX, and audio recorded in accordance with Board Meetings Policy.

**Call to Order and Roll Call**

This meeting was called to order at 8:58 a.m. on August 28, 2024, at the Horseshoe Bay Resort, Hi Circle North, Horseshoe Bay, Texas 78657.

**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 announced the Safety Briefing.

**Adoption of Agenda**

The agenda was adopted as posted and without objection.

**Discussion and Deliberation of Workshop Items - E Pataki**

President Emily Pataki stated the purpose of the Board Workshop Session is to discuss financial planning and revenue recovery.

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

1. [2024-249](#) **Member Comments**

**Attachments:** [Decorum Policy](#)

There were no members present.

**Action Items / Other Items - None**

**Recess to Executive Session**

President Emily Pataki announced the items to be discussed in Executive Session and at 8:59 a.m., stated the Board would go into Executive Session.

**Executive Session - Personnel Matters**

2. [2024-256](#) Workshop Session on Strategies and Assessment of Personnel and Structure of Organization and Its Departments

**Executive Session - Legal Matters**

3. [2024-250](#) 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. [2024-251](#) Workshop Session on Strategies and Assessment of Power Supply Matters Including Power Supply Portfolio Review and Power Supply Contract Matters
5. [2024-252](#) Workshop Session on Strategies and Assessment of Financial Planning Scenarios, Including Revenue Recovery and Operational Expense and Capital Budgets

**Executive Session - Real Estate Matters**

6. [2024-253](#) Workshop Session on Strategies and Assessment of Facilities and Real Estate

**Executive Session - Safety and Security Matters**

7. [2024-254](#) Workshop Session on Strategies and Assessment of Safety Matters
8. [2024-255](#) Workshop Session on Strategies and Assessment of Electric System and Its Security and Reliability

**Reconvene to Open Session**

At 10:01 a.m., the Board reconvened to the Open Session meeting.

**Workshop Session Open Discussion**

President Pataki stated the Board completed the business discussions of the Board Workshop Session.

**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 10:01 a.m.

Approved:

\_\_\_\_\_  
Mark Ekrut, Secretary

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Emily Pataki, President





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**File #:** 2024-257, **Version:** 1

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**Cooperative Update - J Parsley/E Dauterive/R Kruger/N Fulmer/J Urban**

**Submitted By:** Julie Parsley  
**Department:** Chief Executive Officer



# Cooperative Update

Julie C. Parsley | Chief Executive Officer

Eddie Dauterive | Chief Strategy Officer

Randy Kruger | Chief Financial Officer

Nathan Fulmer | Chief Operations Officer — Distribution

JP Urban | EVP, External Relations



# CEO Report

Julie C. Parsley | Chief Executive Officer

# Legislative Update

- Senate Committee on Business and Commerce — August 27.
  - Welcomed invited and public testimony on interim charges related to artificial intelligence and the Texas Energy Fund (TEF).
    - Review and report on impact of Senate Bill 2627 which created TEF.
    - Public Utility Commissioner Executive Director Connie Corona provided briefing.
- More information to come the week of September 16.



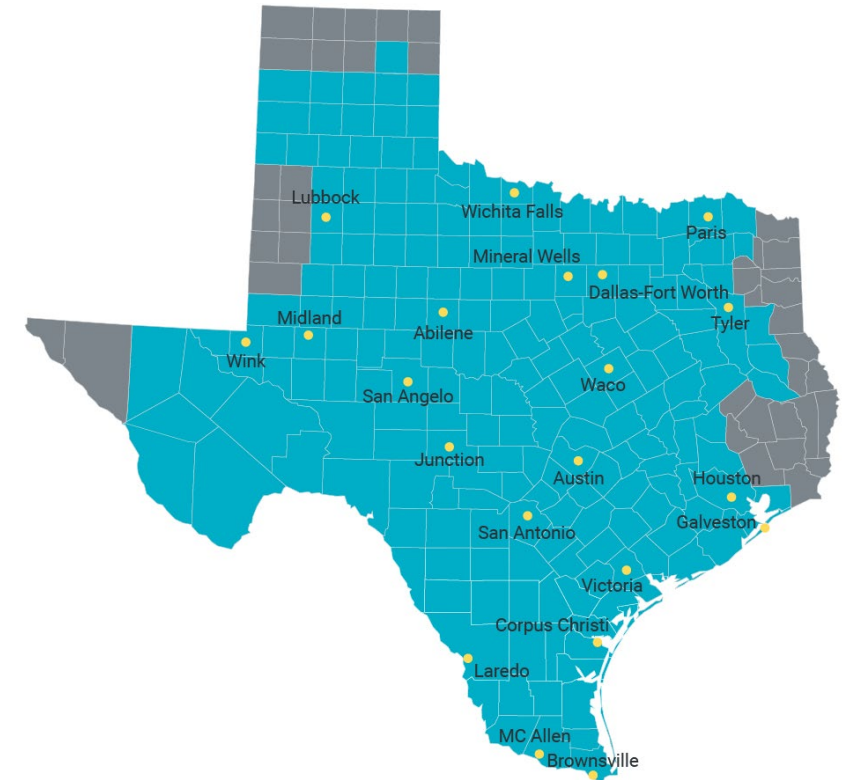
# Regulatory Update: PUC

- Open meeting August 29.
- Progress continues Texas Energy Fund loan program applications.
  - Commissioners are set to advance which companies will be vetted for loans to build new thermal power generation.
- Commission staff filed a memo including their recommendations and summary of recent Value of Lost Load (VOLL) study.
  - PEC participated in feedback.
  - Commission adopted a VOLL value of \$35,000/MWh.
- Staff filed a proposal for adoption establishing the reliability standard for the ERCOT market.



# Regulatory Update: ERCOT

- ERCOT board meeting August 20.
- CEO Pablo Vegas provided update on establishing new framework for market design and transmission issues.
- For market framework, ERCOT must evaluate investment signals and consider operational attributes needed to effectively operate system — ERCOT is creating a market design evaluation framework.
- Regarding transmission issues, Vegas discussed constraints across ERCOT, especially in South Texas.
  - ERCOT has developed a transmission switching plan to mitigate congestion.
  - ERCOT has submitted options to the PUC regarding the Permian Basin reliability plan.



# Junction District Receives Safety Award

## Congratulations to the Junction District!

- Reported no days away, restricted, or transferred (DART) incidents in 2023.
- Received Field Operations Safety Award last week at a luncheon held in their honor.

Photo to come September 16

# PEC Celebrates in Junction!

Photo to come September 16



# Upcoming Member Appreciation Events

**Boot scoot and  
boogie with PEC at  
Cedar Park's  
Fall Roundup!**

Saturday, October 26  
Noon – 4:00 p.m.  
Lakeline Park



# Upcoming Member Appreciation Events

**Join PEC and the Buda community for a spooktacular evening!**

**Saturday, October 26  
4:30 – 7:30 p.m.  
Buda City Park**

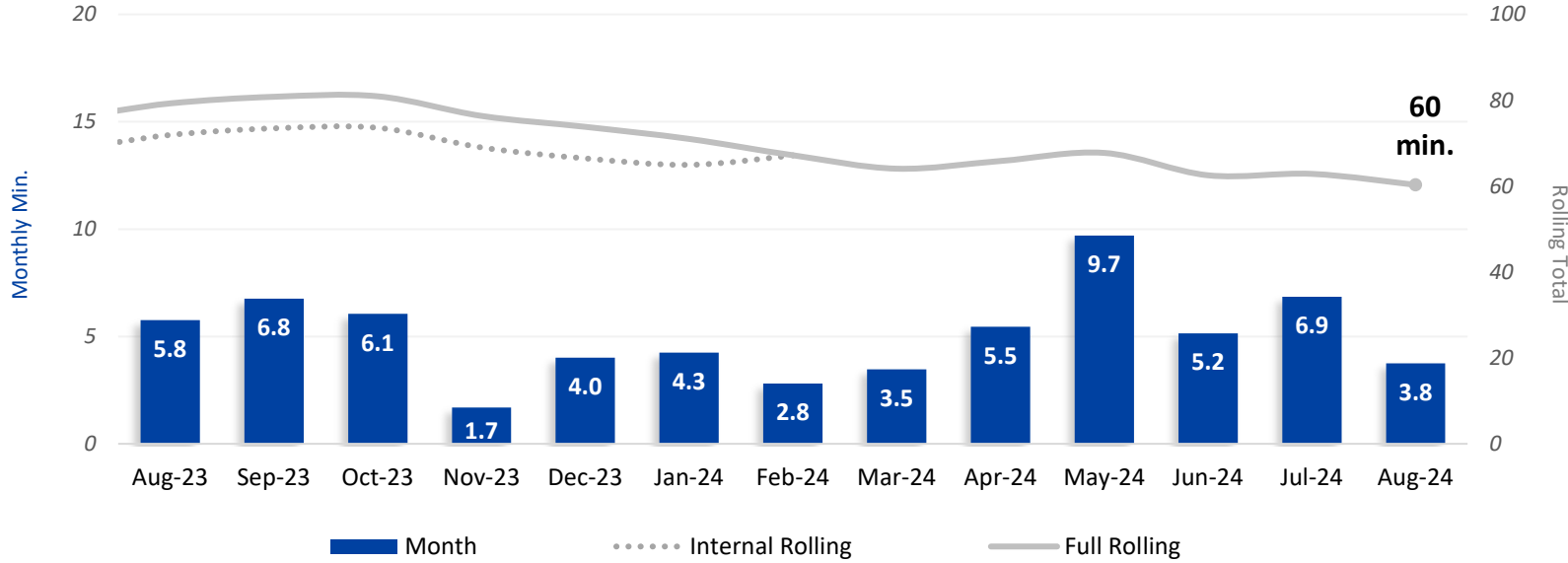




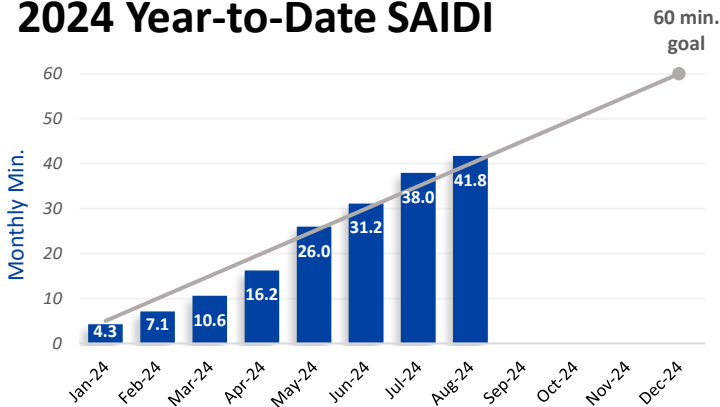
# Operations Report

Eddie Dauterive | Chief Strategy Officer

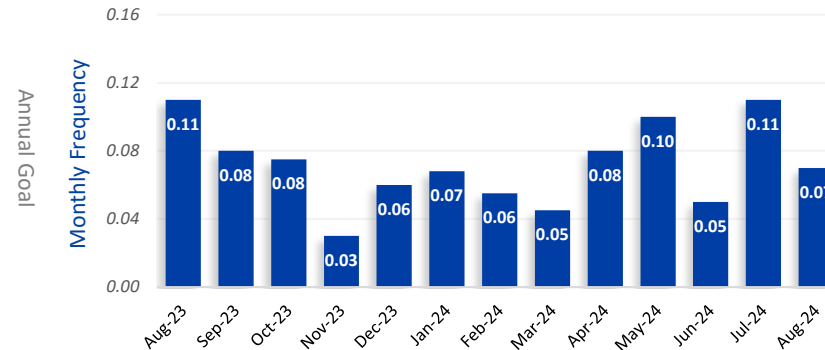
## SAIDI System Average Interruption Duration Index



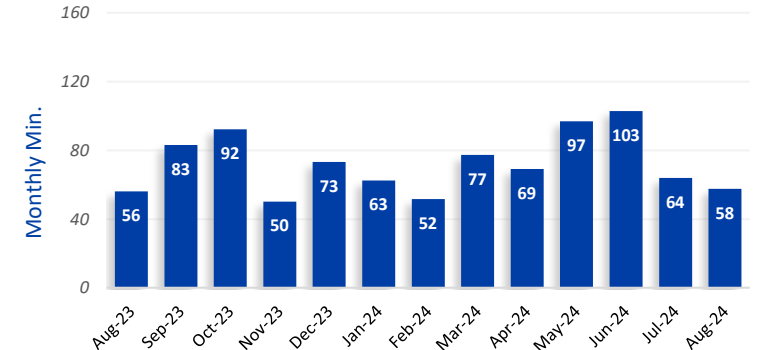
## 2024 Year-to-Date SAIDI



## SAIFI System Average Interruption Frequency Index



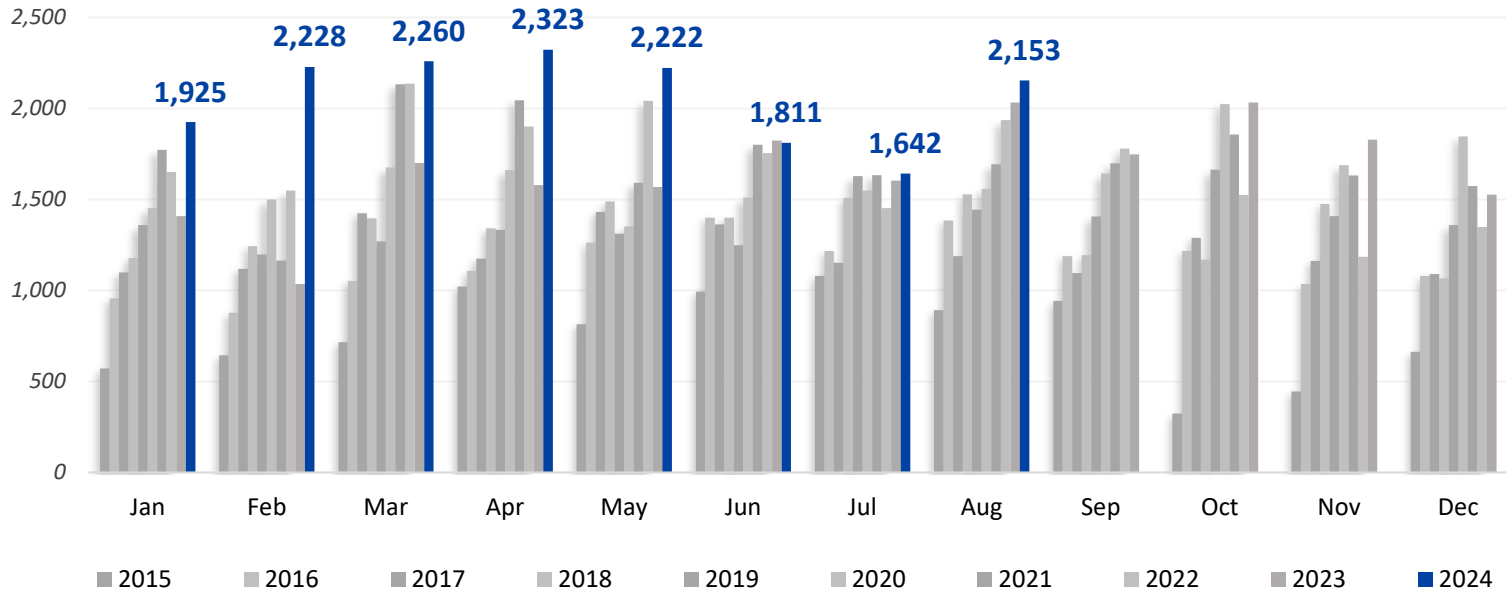
## CAIDI Customer Average Interruption Duration Index



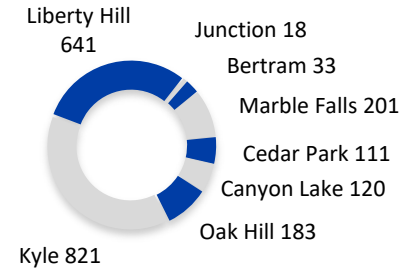
# System Growth

## Line Extensions Completed

2020: 19,458 2021: 20,592 2022: 20,262 2023: 19,886 2024 YTD: 16,564



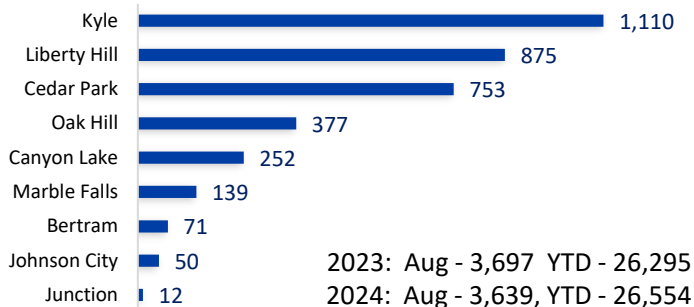
## Line Extensions Per District (2,153)



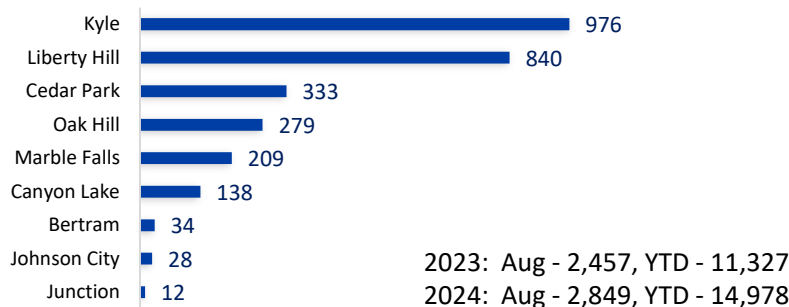
## Miles of Distribution Line:

Overhead: 17,788 (70%)  
 Underground: 7,634 (30%)  
 Total: 25,422

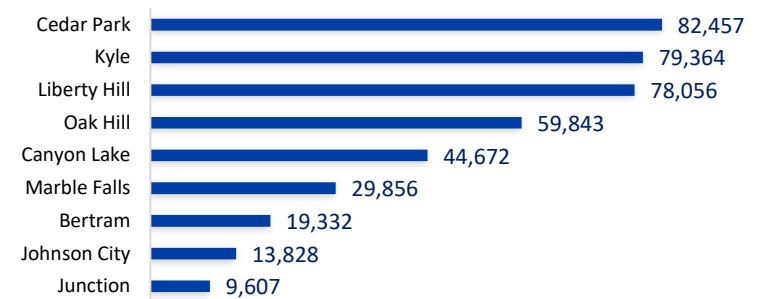
## Member Applications (3,639)



## Meter Growth (2,849)



## Meter Totals (417,015)



# AMI Deployment

## Deliveries and Exchange Schedule (as of September 1)

Estimated completion dates dependent on continued fulfillment of meter delivery.

Meters exchanged since  
deployments restarted:

**241,465**

Total RF meters installed  
coop-wide:

**387,541**

Projected full completion:

**3<sup>rd</sup> Qtr 2024**

Projected district completions:

CP: Oct. '23	MF: Aug. '24
KY: Feb. '24	BT: Aug. '24
OH: Jun. '24	CL: Sep. '24

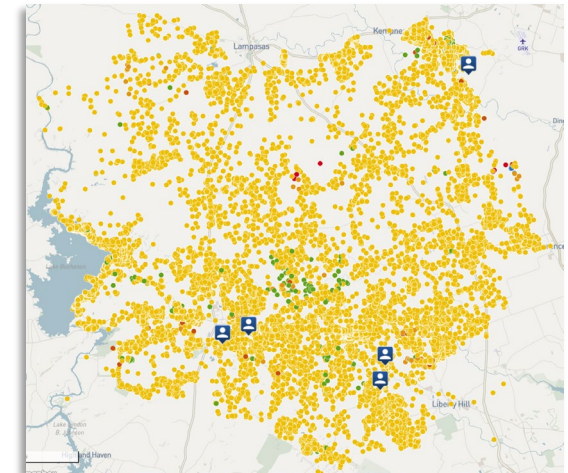
Canyon Lake Exchanges:

- Placed: 23,869
- Remaining: 21,327

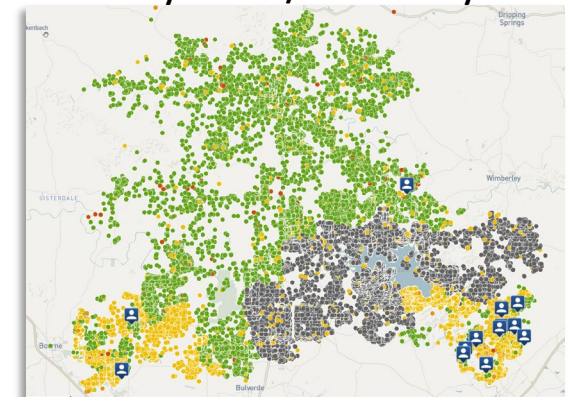
Correspondence Completed (in August):

- Letters: 14,257
- Emails: 12,234
- Calls: 14,137
- Texts: 13,659

**Bertram**



**Canyon Lake / Johnson City**

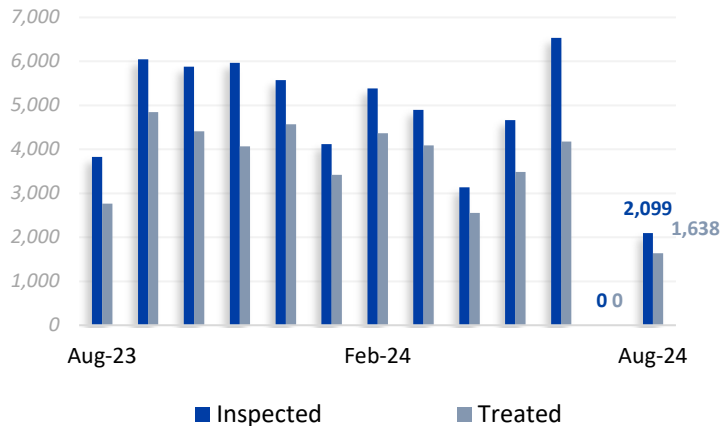


# Distribution Maintenance

## Pole Testing & Treatment (PTT)

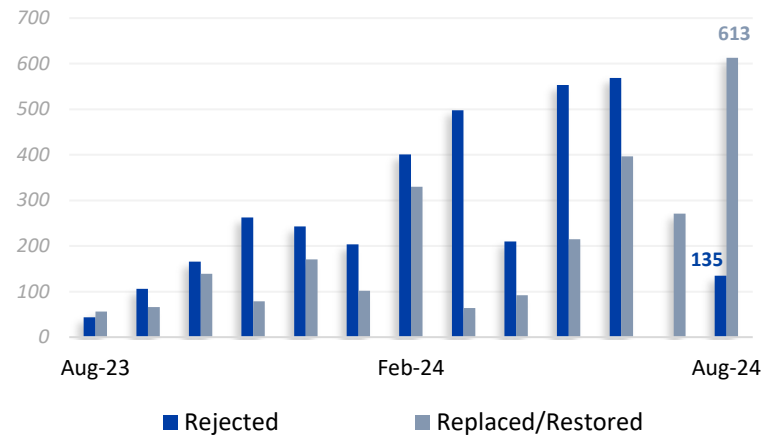
### Poles Inspected & Treated

2023 YTD: Inspections - 28,456 Treated - 22,308  
 2024 YTD: Inspections - 30,830 Treated - 23,720



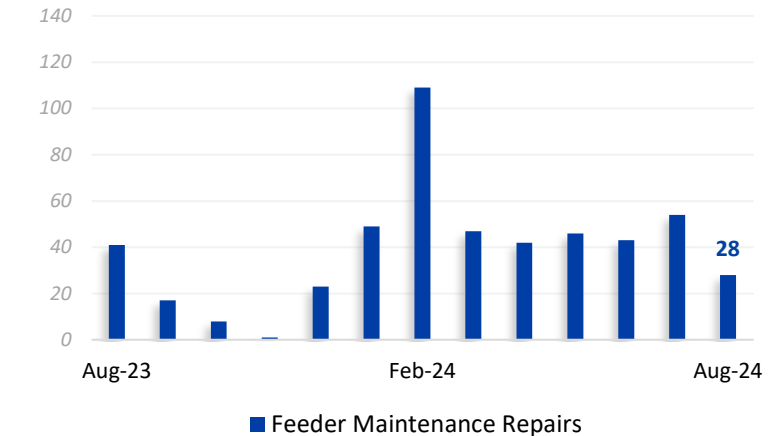
### Poles Rejected & Replaced/Restored

2023 YTD: Rejected - 399 Restored - 615  
 2024 YTD: Rejected - 2,570 Restored - 2,084



### UAV Inspection Maintenance Items

2023 YTD: Repairs Completed - 198  
 2024 YTD: Repairs Completed - 418



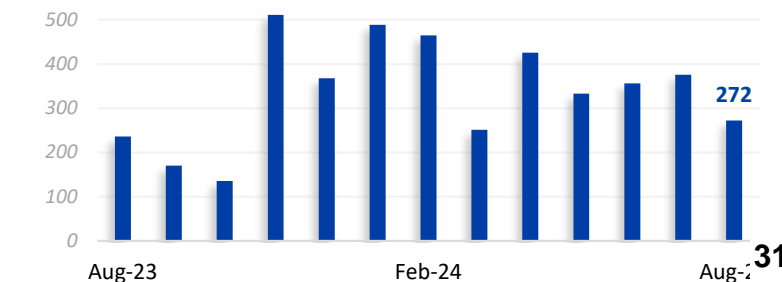
## Vegetation Management

LiDAR Assessment Audits Completed:

Type	Aug '23	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug '24
C&D WUI Ph 3	10	8	6	49	131	269	217	218	147	101	114	48	60
C&D WUI Ph 1	988	876	1,257	696	681	1,031	1,363	1,288	754	743	548	170	307
C&D Other Ph 3	193	179	164	140	91	125	286	321	207	121	135	91	152
C&D Other Ph 1	754	517	640	552	522	520	1,164	1,204	1,037	744	712	304	456
All C&D	1,945	1,580	2,067	1,437	1,425	1,945	3,030	3,034	2,148	1,711	1,510	613	976

## Underground Equipment

2022 YTD: Pad Restorations - 2,120  
 2023 YTD: Pad Restorations - 2,968





# August 2024 Financial Report

Randy Kruger | Chief Financial Officer

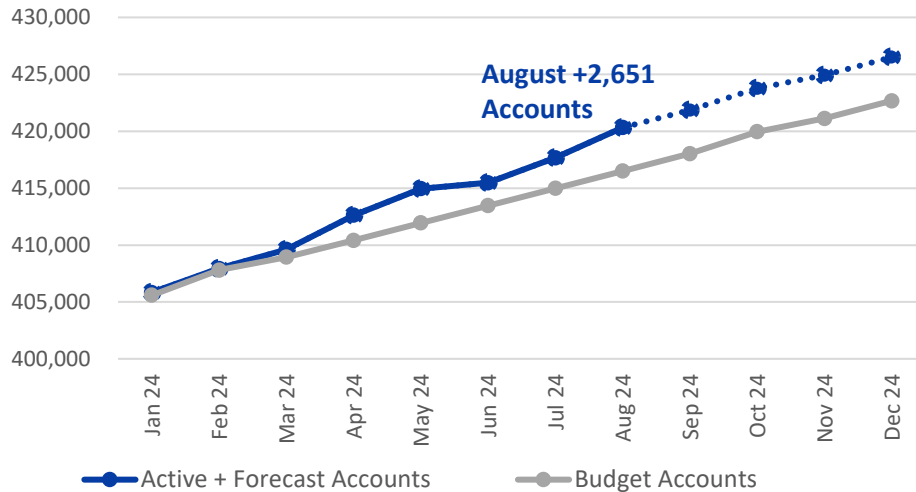


# Finance at a Glance – August 2024

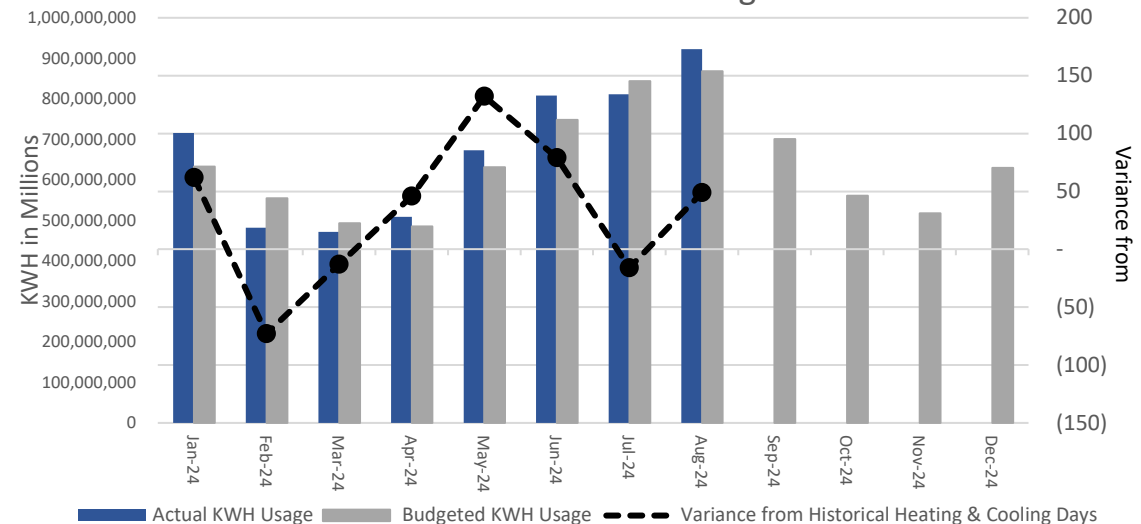
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>MWH Sold</b>	922,932	868,163	54,769	5,392,996	5,256,206	136,790
<b>Gross Margins</b>	\$ 38.2	\$ 36.7	\$ 1.5	\$ 250.6	\$ 249.4	\$ 1.2
<b>Net Margins</b>	\$ 12.7	\$ 9.6	\$ 3.1	\$ 42.5	\$ 34.1	\$ 8.4
<b>EBIDA</b>	\$ 23.3	\$ 22.1	\$ 1.2	\$ 137.4	\$ 133.3	\$ 4.1
<b>Revenue O/(U)</b>	\$ (3.0)	\$ 2.7	\$ (5.7)	\$ (3.8)	\$ 13.1	\$ (16.9)
<b>EBIDA(X)</b>	\$ 20.3	\$ 24.8	\$ (4.5)	\$ 133.6	\$ 146.3	\$ (12.7)

Liquidity Coverage	
Cash & Marketable Securities	\$ 9,461,958
Short Term Facilities	505,000,000
Less: Short Term Borrowings	94,557,375
Available Liquidity	\$ 419,904,583
<b>Liquidity Coverage (Days)</b>	<b>200</b>

Active Account Growth

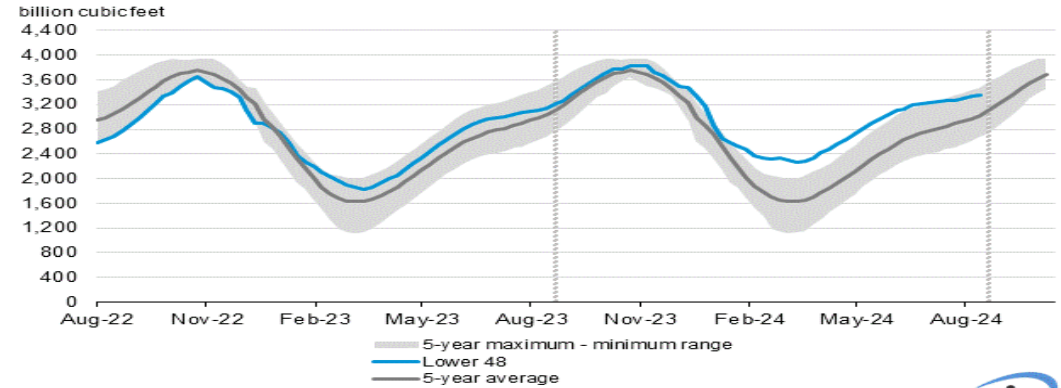


Weather and kWh Usage



# Power Market Fundamentals

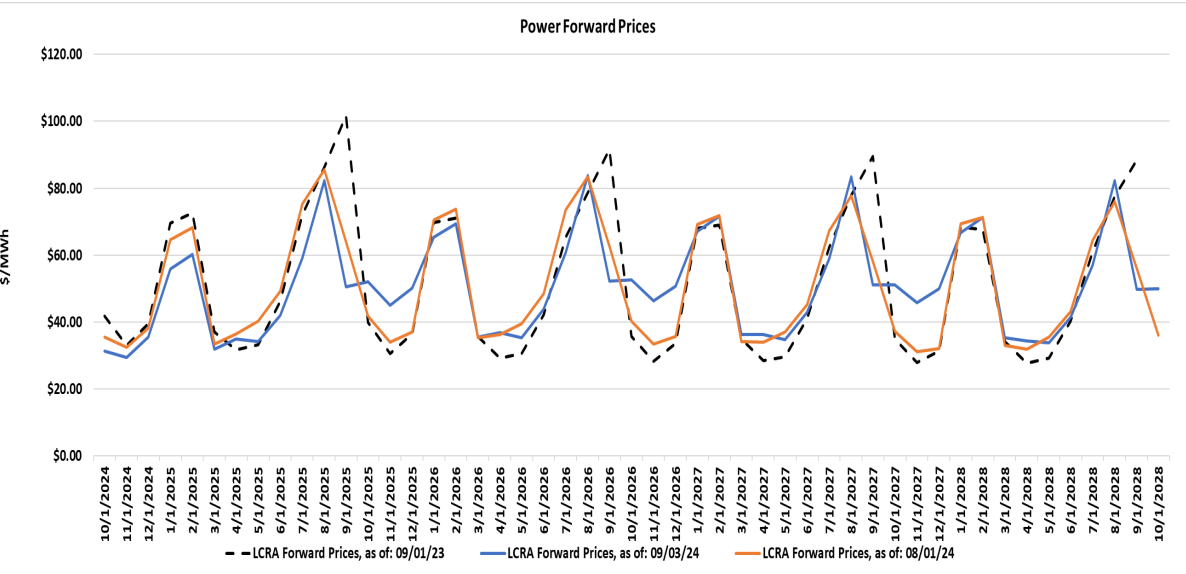
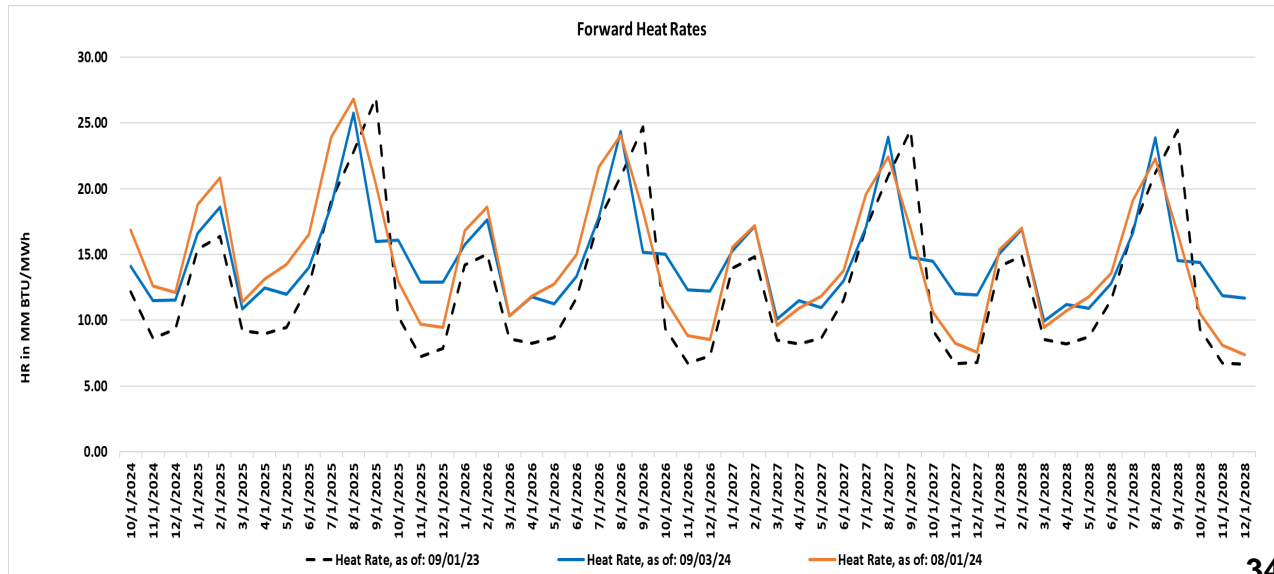
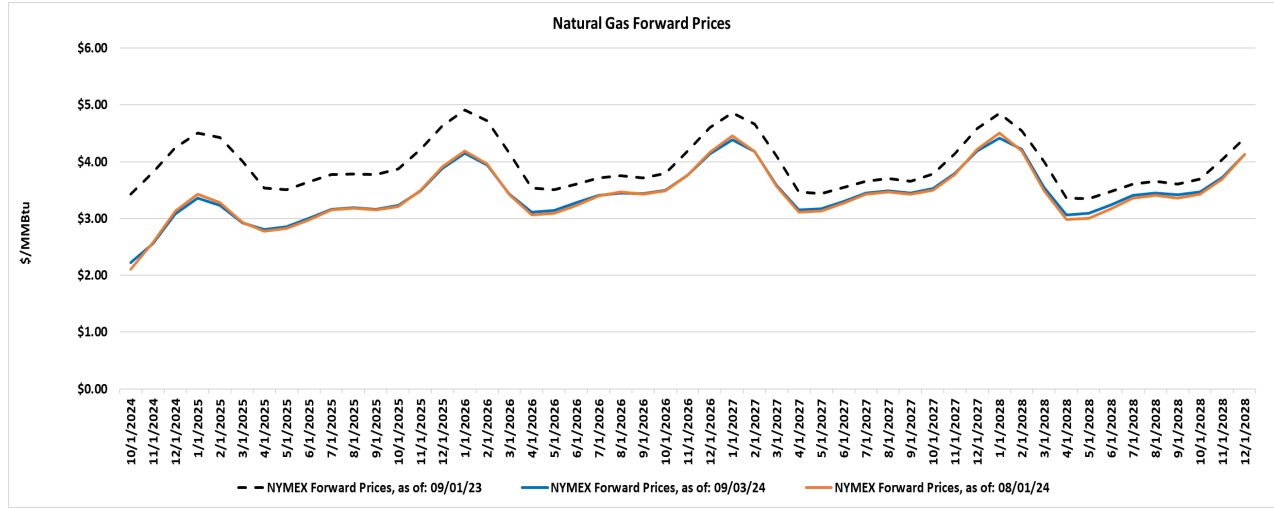
Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2019 through 2023. The dashed vertical lines indicate current and year-ago weekly periods.



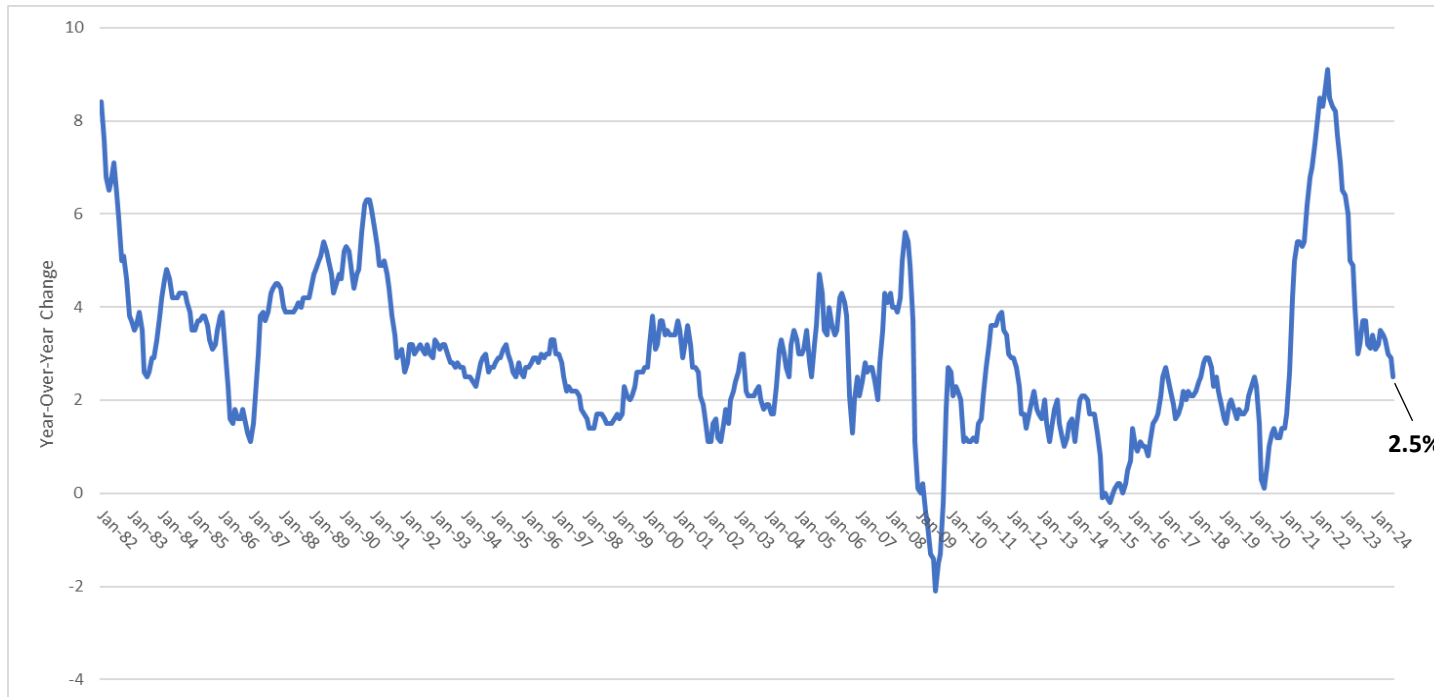
As of August 30



# Inflation

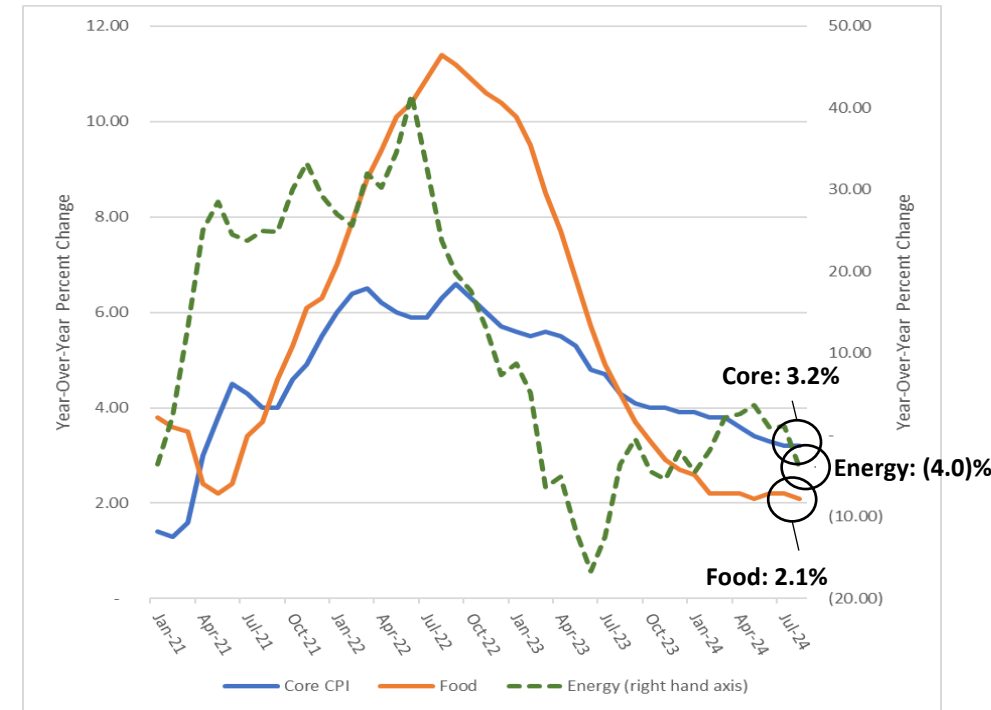
Overall CPI decreased to 2.5% YoY from 2.9% YoY in July; Core CPI constant at 3.2% YoY. Energy prices are down 4.0% YoY driven by fuel oil (-12.1%), gasoline (-10.3%), and utility gas service (-0.1%); partially offset by sustained increases to electricity prices (+3.9%).

CPI Jan 1982 to August 2024



Source: U.S. Bureau of Labor Statistics

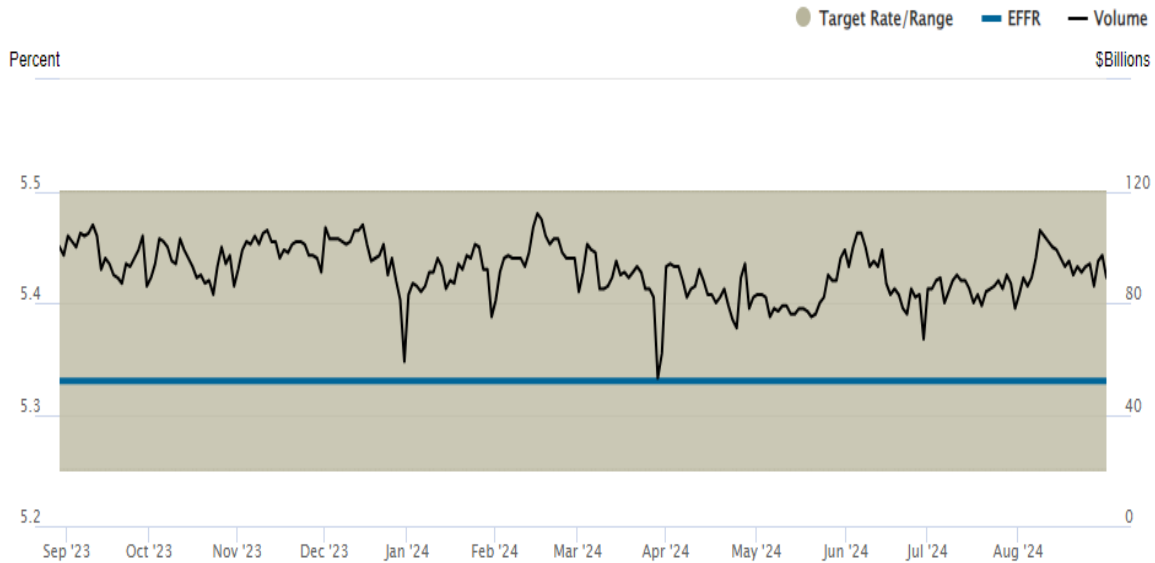
Core CPI, Food and Energy Jan 2021 to August 2024



Source: U.S. Bureau of Labor Statistics

# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York 09/03/2024

## 10-Year Note



Source: *The Wall Street Journal* 09/03/2024



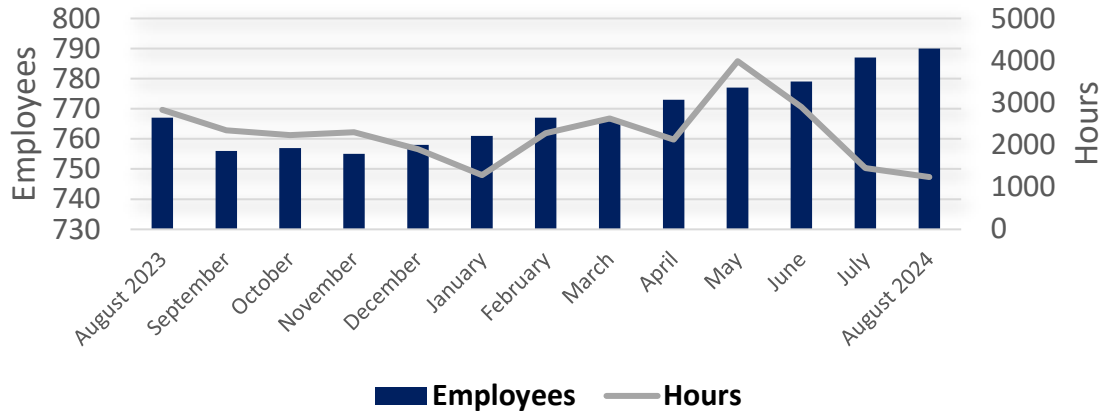
# Workforce and Governance Report

Nathan Fulmer | Chief Operations Officer – Distribution

# August Employee Development

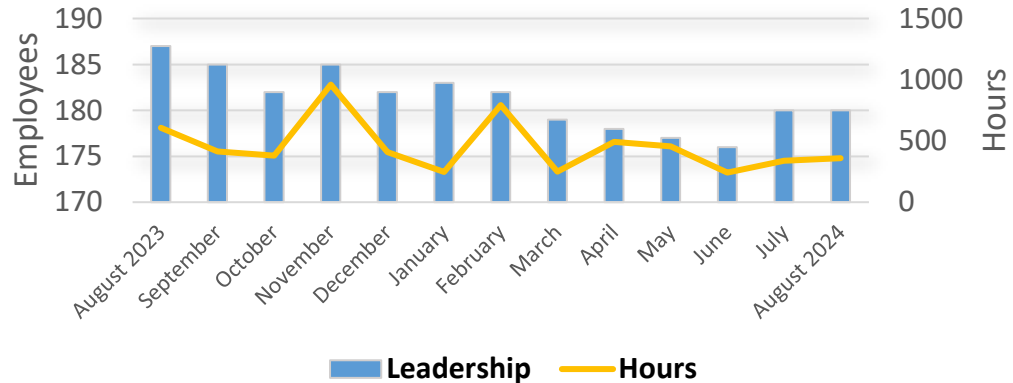
## Employee Training

Hours for employees and leadership overall by month



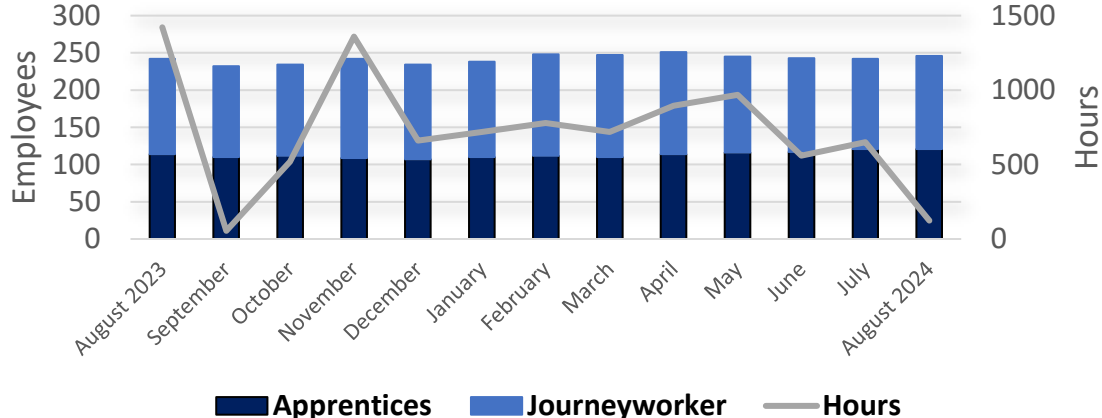
## Leadership Training

Hours for employees and leadership overall by month



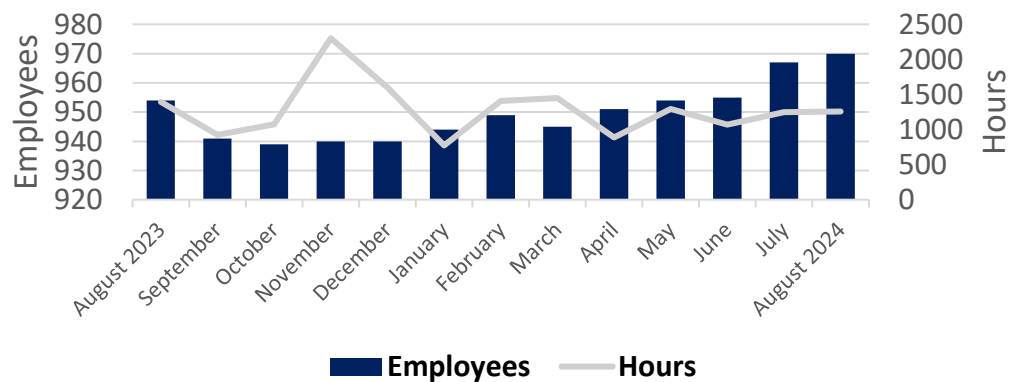
## Apprentices & Journeyworker Training Hours

Hours trained for Apprentices & Journeyworkers per month



## Safety Training Hours

Safety training hours per month



# HR and Safety + Technical Training

## Department Highlights

- Hosted class on crucial conversations with entire Procurement team.
- In August, two more managers completed their Level Up training.
- Made progress on TEEEX curriculum development.
- 58 JSSOs completed by Safety and Operation Management
- Provided safety training for field and office staff:
  - OSHA Right to Know
  - Hazard Recognition
  - Workplace Signs, Tags, and Labels
  - Cargo Securement

## Employee Safety Spotlight



**Blake Jackson**  
Lineworker  
Apprentice 4  
*Liberty Hill*

Before beginning work on a pole, Blake's crew proactively performed a visual inspection of the structures on either side. Blake discovered that the top of a pole one span down had split. The pole-top pin/insulator combo that the energized center phase conductor was tied on had fallen through the crack, almost contacting the top of the pole. Had he not discovered this, it could have floated free from the top of the pole and created an arc flash and un-intended outage when they moved the conductor on the pole they were to work on.

# CPS Visits PEC's Training Center

- Staff from CPS recently visited PEC's Safety and Technical Training Center in Marble Falls!
- Center officially launched four years ago this month.
- PEC's Team discussed the Cooperative's safety and training objectives.
  - Shared insights and learned from CPS their goals, too.
- CPS toured the facility and saw classes in action.







# Community and Member Engagement

## JP Urban EVP, External Relations

# Apply Today for a PEC Community Grant

## PEC Community Grants

- Applications open September 9 – October 18.
- Grants up to \$5,000.
- Can be used toward technology, capital improvement, and energy efficiency projects.
- Funded 100% through Power of Change.
- Apply today at [pec.coop/grants](https://pec.coop/grants)!



# Stay Ready with PEC



————— SEPTEMBER IS —————  
**NATIONAL PREPAREDNESS MONTH**

In honor of National Preparedness Month, PEC is hosting several events to help our members and local communities prepare for winter weather!

## Empowering Seniors: Winter Weather Roadshow

Kyle

Marble Falls

Cedar Park

## Power Connections

Burnet and Williamson  
counties and cities



# Appreciation and Look Ahead

# Employee Shoutouts\*



**Taylor Stuckey**  
Journeyworker  
*Liberty Hill*



**Heather Peterman**  
Member Relations  
Agent  
*Marble Falls*



**Janica Ortiz**  
Member Relations  
Analyst  
*Marble Falls*



**Woody Wall**  
Lineworker  
Apprentice 3  
*Johnson City*



**Journey Gonsoulin**  
Journeyworker  
*Johnson City*

\*These were selected from the hundreds of shoutouts PEC receives each month



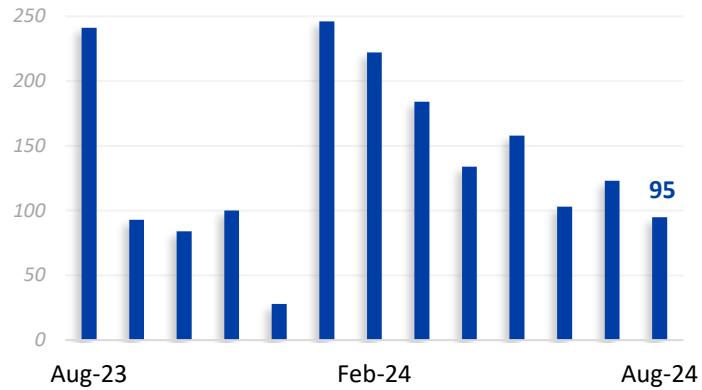
# Appendix Pages

# Distribution Maintenance

## Technical Services

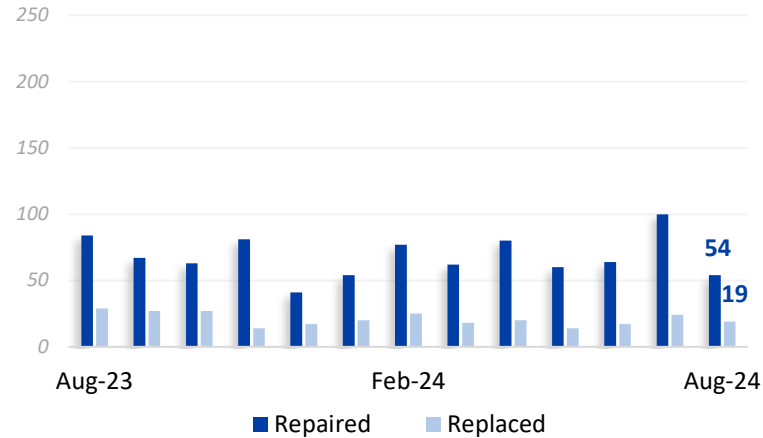
### Equipment Inspections

2023 YTD: 873  
2024 YTD: 1,260



### Equipment Repaired & Replaced

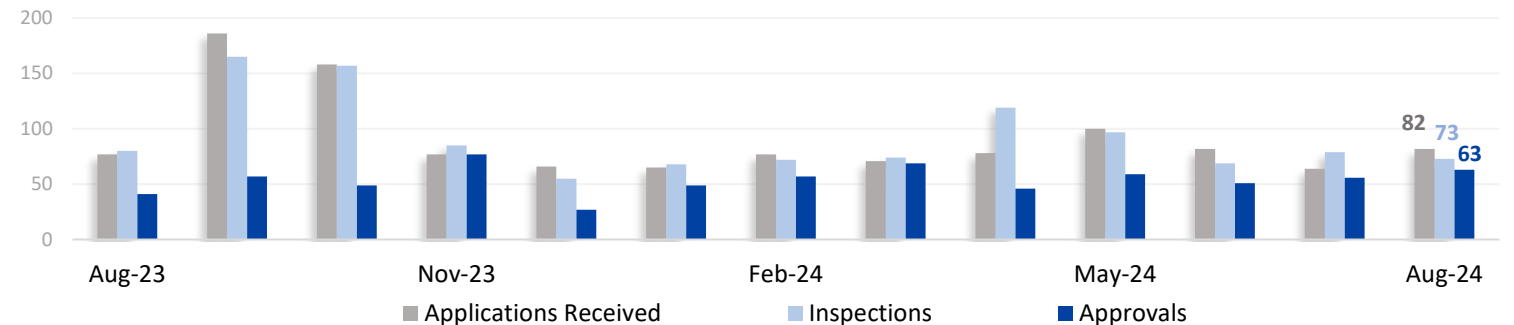
2023 YTD: Repaired - 541 Replaced - 216  
2024 YTD: Repaired - 530 Replaced - 157



## Pole Contacts

### Applications Received & Permits Issued

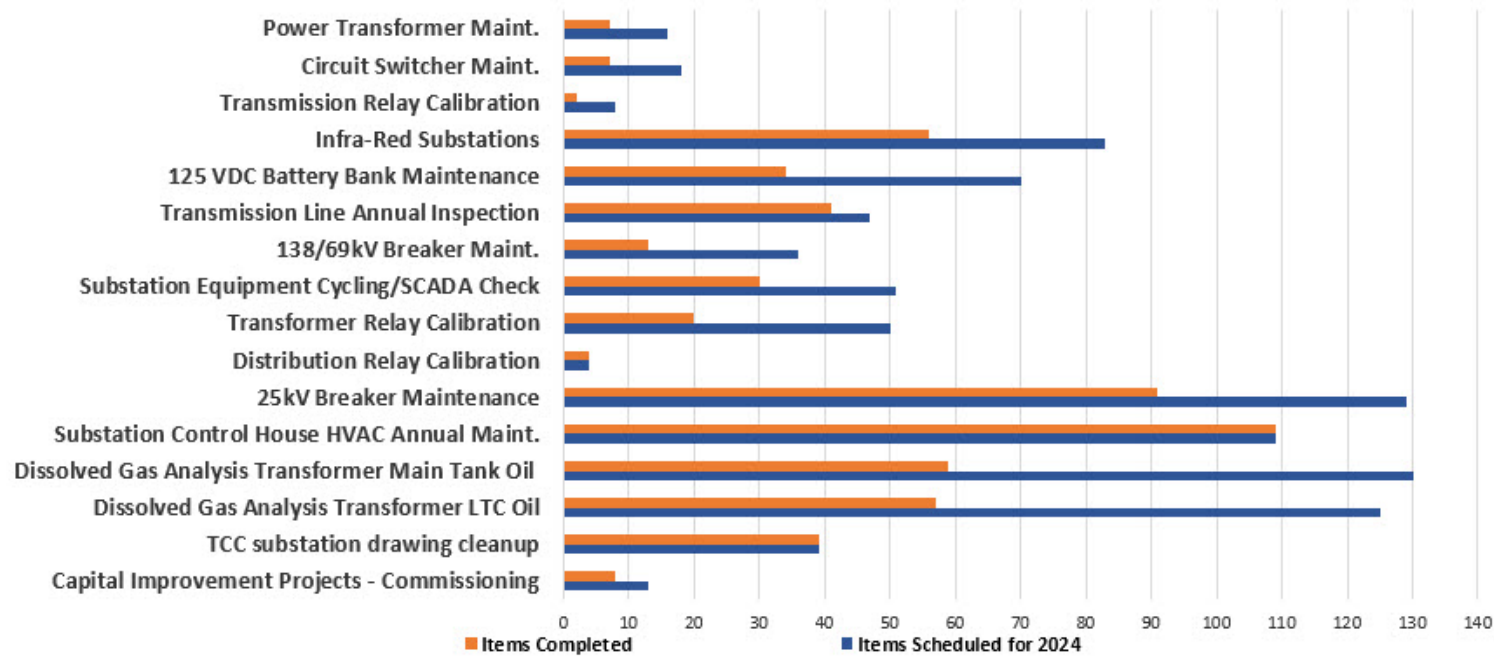
2023 YTD: Received - 495 Inspected - 504 Approved - 395  
2024 YTD: Received - 619 Inspected - 651 Approved - 450





# Substation & Transmission Maintenance

## 2024 Itemized Maintenance By Equipment



### 2024 Monthly Substation Inspections Completed



### 2024 Non-scheduled Work Items Completed



### 2024 Unplanned Repairs Completed



# Planning Engineering Projects

Project	Completion	Percent Complete
2024 CIP Project Maps	Feb 2024	100%
PEC System Arc Flash	Feb 2024	99%
Load Projections Study	Mar 2024	100%
Capacitor Settings	Mar 2024	98%
4CP Study	Apr 2024	100%
Summer Contingency	May 2024	100%
UFLS Study	Jul 2024	100%
CIP (1st draft) Study	Jul 2024	99%
2 Year System Protection Coordination Review	Jul 2024	90%
CIP (Final) Study	Aug 2024	0%
Mock UFLS Study	Dec 2024	0%
Winter Contingency	Dec 2024	0%

# Substation Engineering Projects

District	Phase	Description	Start	Completion	Percent Complete
Oak Hill	Construction	Upgrade line protection relay panels	Apr 2021	May 2025	84%
Junction	Construction	Upgrade transformer and add line breakers	May 2021	Jan 2024	100%
NA	Engineering	Upgrade circuit switchers and relay protection on 3 mobile substations	Nov 2021	Jun 2024	100%
Liberty Hill	Construction	Construct new substation	Dec 2021	Feb 2024	100%
Liberty Hill	Construction	Add third power transformer	Apr 2022	Feb 2024	100%
Kyle	Construction	Add third power transformer	May 2022	Feb 2024	100%
NA	Engineering	Develop configuration for engineering to have access to RTU settings/events	Nov 2022	Jan 2025	25%
Kyle	Construction	Construct new substation	Feb 2023	Jan 2025	83%
Liberty Hill	Construction	Construct new substation	Feb 2023	May 2025	70%
Oak Hill	Engineering	Upgrade two power transformers	Feb 2023	Feb 2025	78%
Cedar Park	Construction	Add third power transformer	Feb 2023	Apr 2025	74%
Liberty Hill	Construction	Upgrade power transformer	Feb 2023	Jul 2024	100%
Bertram	Engineering	Add Circuit Switcher on power transformer	Mar 2023	Jul 2025	65%
Kyle	Engineering	Construct new substation	Apr 2023	Oct 2025	5%
Kyle	Construction	Install capacitor bank	May 2023	Aug 2024	100%
Liberty Hill	Construction	Install capacitor bank	May 2023	Sep 2024	98%
Liberty Hill	Construction	Add second power transformer	Aug 2023	Aug 2024	100%

# Substation Engineering Projects (cont'd)

District	Phase	Description	Start	Completion	Percent Complete
Cedar Park	Engineering	Circuit switcher upgrade and capacitor panel replacement	Jan 2024	Oct 2024	86%
Kyle	Engineering	Capacitor panel replacement	Jan 2024	Nov 2024	78%
Kyle	Engineering	Upgrade line protection relay panels	Jan 2024	Dec 2024	74%
Kyle	Engineering	Upgrade line protection relay panels	Jan 2024	Dec 2024	71%
Canyon Lake	Engineering	Reinsulate Low-side of Substation to allow voltage conversion to 24.9 kV	Jan 2024	Jan 2025	68%
Marble Falls	Engineering	Upgrade line protection relay panels	Jan 2024	Jan 2025	68%
Oak Hill	Engineering	Upgrade two power transformers	Jan 2024	Jun 2025	0%
Liberty Hill	Engineering	Construct new substation	Jan 2024	Sep 2025	1%
Marble Falls	Engineering	Construct new substation	Jan 2024	Oct 2025	0%
Oak Hill	Engineering	Upgrade line protection relay panels	Jan 2024	Jan 2026	33%
Canyon Lake	Engineering	Upgrade line protection relay panels and replace power transformer	Feb 2024	Nov 2025	33%
Cedar Park	Engineering	Upgrade two power transformers	Apr 2024	Dec 2025	19%
Cedar Park	Engineering	Add third power transformer and revise the bus	Apr 2024	May 2026	24%
Oak Hill	Engineering	Upgrade two power transformers	May 2024	Jan 2026	21%
Kyle	Engineering	Construct new substation	Jul 2024	May 2026	8%
Bertram	Engineering	Upgrade power transformer	Jun 2024	Dec 2025	21%
Oak Hill	Engineering	Upgrade two power transformers	Oct 2024	Apr 2026	0%
Canyon Lake	Engineering	Upgrade line protection relay panels	Oct 2024	May 2026	0%
Liberty Hill	Engineering	Add second power transformer	Nov 2024	May 2026	0%
Kyle	Engineering	Add third power transformer	Nov 2024	May 2026	0%
Cedar Park	Engineering	Add second power transformer	Nov 2024	May 2026	0%

# Transmission Projects

District	Phase	Description	Completion	Percent Complete
Junction	Construction	Extend Junction Tap to new substation bay	Feb 2024	100%
Liberty Hill	Construction	Harden transmission line to meet severe weather requirements	May 2024	100%
Marble Falls and Cedar Park	Construction	Overhaul (Phase 2)	May 2024	75%
Liberty Hill	Procurement	Developer funded transmission line relocation	May 2024	50%
Kyle	Construction	Transmission line overhaul	Jan 2025	50%
Oak Hill	Construction	Harden transmission line to meet severe weather requirements	May 2025	50%
Cedar Park	Construction	Harden transmission line to meet severe weather requirements	May 2025	50%
Canyon Lake	Engineering	Replace 1 structure at substation	May 2025	15%
Marble Falls and Canyon Lake	Engineering	Transmission line overhaul and conversion to 138kV	Dec 2025	20%
Oak Hill	Engineering	Harden transmission line to meet severe weather requirements	Dec 2025	15%
Canyon Lake	Engineering	Transmission line overhaul and conversion to 138kV	Sep 2026	15%
Oak Hill	Engineering	Harden transmission line to meet severe weather requirements	Dec 2026	10%

## Large Project Updates

### Liberty Hill Fuel Island

Permit complete, construction started. Expected completion November 2024.



### Johnson City- Haley Road

Haley Road laydown yard and truck canopies. Base material being installed, canopies are up, completing electrical, and security cameras. Expected completion October 2024.



### Junction

Site work, fencing, new entrance, Fleet building, and warehouse expansion bid package being completed. Bids came in over budget. Going back out for bids after value engineering. Evaluating new bids.

### Marble Falls

Perimeter fence and new gate complete. Fuel Island in design submitted for permit.

### Johnson City- HQ

Phase 1 of the 2<sup>nd</sup> floor remodel in progress.



## Facility Management Metrics

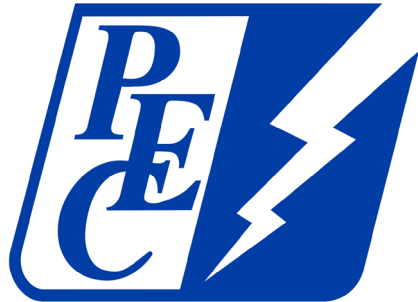
PEC Facilities staff completed 2090 work orders YTD.

	Goal	2024	2023
Avg Response Time	< 1 day	.11 days	.21 days

Completed On-Time	> 90%	76%	84%
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Proactive Work Orders	> 80%	95%	96%
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Satisfaction Rating	> 95%	94.1%	97.3%
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# Appendix to August 2024 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

### 3. Financial Report

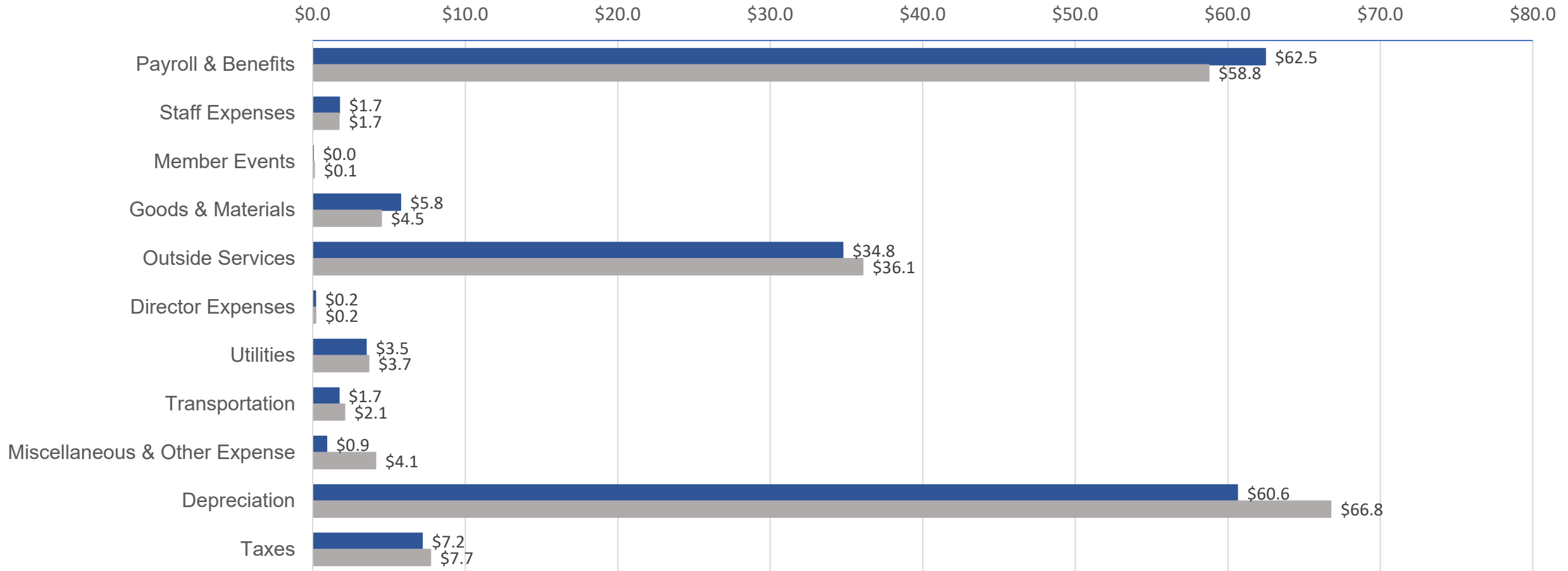
# Financial Performance

	MTD			YTD			Annual	2023 to 2024 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
<b>Gross Margins</b>	<b>\$ 38,161,916</b>	<b>\$ 36,714,262</b>	<b>\$ 39,039,193</b>	<b>\$ 250,607,621</b>	<b>\$ 249,381,279</b>	<b>\$ 247,928,243</b>	<b>\$ 367,871,381</b>	1.08%
Operating Expenses Ex. Depreciation	15,198,325	14,620,662	15,013,568	118,223,767	118,953,098	120,314,510	176,911,233	-1.74%
Depreciation	6,259,105	8,459,514	7,040,943	60,625,817	66,751,455	58,419,423	97,994,832	
Interest Expense	4,346,713	4,026,191	3,773,176	34,285,940	32,392,848	29,159,941	48,863,252	
Other Income	(371,309)	(15,000)	(110,075)	(5,033,443)	(2,838,500)	(3,236,216)	(3,996,000)	
<b>Net Margins</b>	<b>\$ 12,729,082</b>	<b>\$ 9,622,895</b>	<b>\$ 13,321,581</b>	<b>\$ 42,505,540</b>	<b>\$ 34,122,378</b>	<b>\$ 43,270,585</b>	<b>\$ 48,098,064</b>	
<b>EBIDA</b>	<b>\$ 23,334,900</b>	<b>\$ 22,108,600</b>	<b>\$ 24,135,700</b>	<b>\$ 137,417,297</b>	<b>\$ 133,266,681</b>	<b>\$ 130,849,949</b>	<b>\$ 194,956,148</b>	5.02%
Over (Under) Collected Revenues	(3,031,826)	2,705,944	(451,729)	(3,807,432)	13,075,773	28,525,859	18,064,732	
<b>EBIDA(X)</b>	<b>\$ 20,303,074</b>	<b>\$ 24,814,544</b>	<b>\$ 23,683,971</b>	<b>\$ 133,609,865</b>	<b>\$ 146,342,454</b>	<b>\$ 159,375,808</b>	<b>\$ 213,020,880</b>	
Total Long-Term Debt							\$ 1,206,954,034	
Debt Service							77,884,327	
Debt Service Coverage Ratio							2.80	
Equity as Percent of Assets							38.7%	
Net Plant in Service							\$ 2,122,214,034	
Capital Improvement Spend							\$ 217,170,576	
Energy Sales kWh	922,932,337	868,162,922	965,315,180	5,392,995,889	5,256,206,094	5,226,150,475	7,664,375,440	3.19%
Energy Purchases kWh	987,093,409	922,788,042	1,038,313,607	5,767,910,042	5,586,004,170	5,590,771,932	8,153,590,900	3.17%
Active Accounts				420,322	416,503	398,296	422,675	5.53%



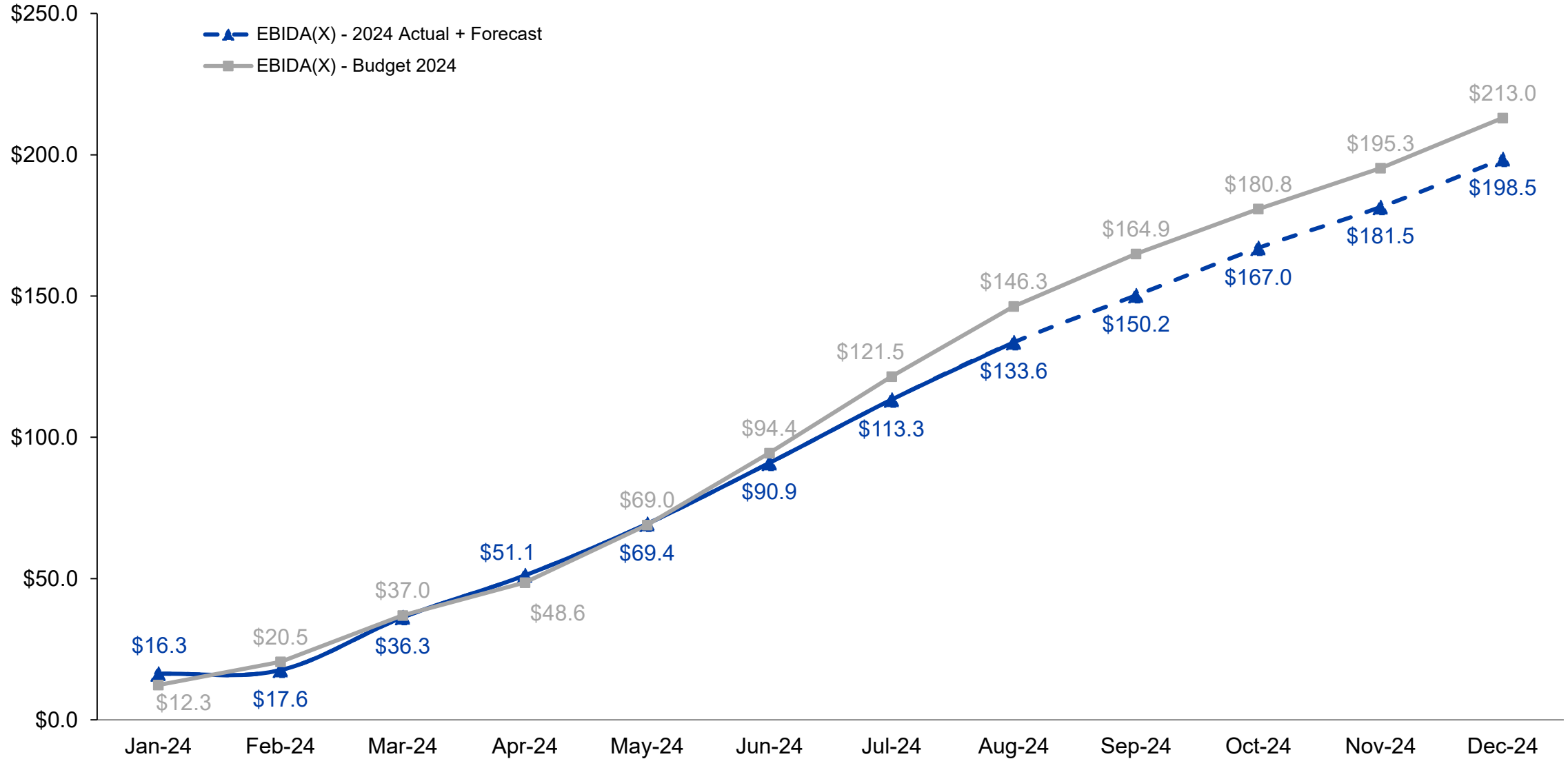
# Cost of Service (in millions)

## YTD Actuals vs Budget through August 2024



■ Actuals - 2024 ■ Budget - 2024

# EBIDA(X) Year to Date (in millions)



# CIP Spend

Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
<b>Distribution</b>					
100	New Lines (Line Extensions for new primary, secondary and service lines)	\$ 9,800,100	\$ -	\$ (9,800,100)	\$ -
200	Tie Lines (new construction between existing lines)	5,512,060	5,699,202	187,142	8,631,846
300	Conversions or Line Changes	12,214,400	13,531,422	1,317,022	20,252,150
600	Miscellaneous Distribution Equipment	45,026,838	40,240,312	(4,786,526)	53,547,799
700	Other Distribution Items	389,417	314,092	(75,325)	471,515
<b>Distribution Total</b>		<b>\$ 72,942,814</b>	<b>\$ 59,785,028</b>	<b>\$ (13,157,786)</b>	<b>\$ 82,903,310</b>
<b>Substation</b>					
400	New Substations, Switching Stations and Meter Points	\$ 10,990,029	\$ 22,447,107	\$ 11,457,078	\$ 29,615,812
500	Substations, Switching Stations and Meter Point changes	14,486,343	18,923,442	4,437,099	35,631,645
<b>Substation Total</b>		<b>\$ 25,476,372</b>	<b>\$ 41,370,549</b>	<b>\$ 15,894,177</b>	<b>\$ 65,247,457</b>
<b>Transmission</b>					
800	New Transmission Lines	\$ 833,473	\$ 450,962	\$ (382,511)	\$ 563,462
1000	Line and Station Changes	22,655,978	13,891,314	(8,764,664)	32,698,127
<b>Transmission Total</b>		<b>\$ 23,489,451</b>	<b>\$ 14,342,276</b>	<b>\$ (9,147,175)</b>	<b>\$ 33,261,589</b>
<b>General Plant</b>					
2000	Facilities	\$ 3,452,283	\$ 14,313,673	\$ 10,861,390	\$ 21,461,276
3000	Information Technology	2,344,326	3,655,671	1,311,345	5,536,944
4000	Tools & Equipment	128,629	593,334	464,704	760,000
5000	Vehicles	4,178,106	5,333,333	1,155,228	8,000,000
<b>Total General Plant</b>		<b>\$ 10,103,344</b>	<b>\$ 23,896,011</b>	<b>\$ 13,792,667</b>	<b>\$ 35,758,220</b>
<b>Accrued WIP</b>		<b>\$ 5,857,183</b>	<b>\$ -</b>	<b>\$ (5,857,183)</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>		<b>\$ 137,869,164</b>	<b>\$ 139,393,864</b>	<b>\$ 1,524,700</b>	<b>\$ 217,170,576</b>



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**File #:** 2024-258, **Version:** 1

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## Member Comments

**Submitted By:** Aisha Hagen

**Department:** Legal Services

**Financial Impact and Cost/Benefit Considerations:** N/A

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

Members may watch this meeting by live stream from the PEC website at [≤](https://pec.legistar.com/Calendar.aspx)  
<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)  
<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.pec.coop/board-of-director/>

### 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 Meetings Policy.

### Decorum Meetings 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: October 16, 2020

### 1. 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.

### 2. SCOPE

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

### 3. POLICY AND IMPLEMENTATION

- 3.1. PEC Business Meetings or Functions. Participants in any business meeting or function shall maintain an environment free of abusive, slanderous, or bullying behavior. To protect the security and safety of persons attending such meetings, 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, attack, or physical abuse is not tolerated.
  - 3.1.1. Meeting Participants may not display placards, bumper stickers, signs, or other campaigning, or political advocacy materials within the premises of a 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.
  - 3.1.2. Meeting Participants shall refrain from disruptive or distracting 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.
- 3.2. Board Meetings. PEC Board meetings are conducted in accordance with the [Board Meetings Policy](#) and the current edition of Robert’s Rules of Order Newly Revised, as practicable, and “Procedure for Small Boards” (for example, Robert’s Rules of Order Newly Revised § 49 (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)).
  - 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 Board President, or upon a majority vote of the Board.

- 3.2.2. When any Member or Participant wishes to provide written or demonstrative materials to the Board or others, such Member or 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. Personal or character attacks, speaking out of turn, approaching or standing at the Board meeting dais without the permission of the Presiding 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 behavior.

#### 4. DEFINITIONS

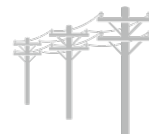
- 4.1. **Participants** – Collectively includes Cooperative Board Directors, employees, Members, or any other attendees at PEC business meetings or functions.

#### 5. PROCEDURE RESPONSIBILITIES

- 5.1. PEC Business Meetings or Functions. Directors and Employees shall maintain order and preserve the decorum of any business meeting or function conducted on or off the Cooperative premises.
- 5.2. Board Meetings. The Presiding Officer shall maintain order and preserve the decorum of Board meetings as provided in this Policy. Each Board Director shall cooperate with the Presiding 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.

#### 6. POLICY ENFORCEMENT

- 6.1. When Member or Participant behavior violates this Policy, is severe, or threatens physical safety or property, the Presiding Officer, CEO, or responsible Cooperative employee may require the Member or Participant to leave the PEC premises, meeting, function, or discussion.
- 6.2. Repeated or Severe Violation
  - 6.2.1. PEC Business Meetings or Functions. Upon repeated or severe violation of this Policy, the Board, CEO, or their designee, may prohibit a person from attendance at PEC meetings, functions, or discussions. The duration of the prohibition shall be based upon the severity and nature of the violation.
  - 6.2.2. Board Meetings. Upon repeated or severe violation of this Policy, the Board may prohibit a person from attendance at PEC Board meetings. The duration of the prohibition shall be based upon the severity and nature of the violation.

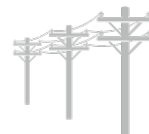


## 7. REFERENCES AND RELATED DOCUMENTS

### Board Meetings Policy

Robert's Rules of Order Newly Revised (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)

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







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**File #:** 2024-259, **Version:** 1

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## **Resolution - Review and Approval of the Open Records Policy - A Hagen**

**Submitted By:** Aisha Hagen

**Department:** Legal Services

**Financial Impact and Cost/Benefit Considerations:** N/A

Pursuant to the Board's Policy on Policies, the Board routinely reviews all Board policies as part of its policy management. Under the Board's approved review schedule, the Board may now consider review of the Open Records Policy. The purpose of the Policy is to implement the Cooperative's Member Bill of Rights regarding access to records of Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative"). This Policy establishes the framework for providing members access to records. It also describes exemptions to disclosure of Cooperative records.

**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 General Counsel, or designee, are hereby authorized to take all such action as may be necessary to implement this resolution.



## OPEN RECORDS POLICY

Effective Date: ~~November 20, 2020~~TBD

### 1. PURPOSE

The purpose of this Open Records Policy (“Policy”) is to implement the Cooperative’s Member Bill of Rights regarding access to Records of Pedernales Electric Cooperative, Inc. (“PEC” or “Cooperative”). This Policy establishes the framework for providing Members access to Records. It also describes exemptions to disclosure of Cooperative Records.

### 2. SCOPE

This Policy addresses how Members of the Cooperative may have access to Cooperative Records. The Policy applies to all Members and employees of the Cooperative. This Policy applies to Records that exist at the Cooperative. The Policy does not require the creation of Records.

### 3. POLICY AND IMPLEMENTATION

- 3.1. Member Right to Records. A Member has the right, on written request, to examine and copy at the Member’s expense the Records of PEC, except those Records exempted from disclosure for any of the following reasons:
  - 3.1.1. Privacy. The release of Records sought to be inspected would unduly infringe upon or invade the privacy or personal security of any person, including, without limitation, individual Member information (other than Member Contact Information distributed in accordance with the Cooperative’s [Membership List Policy](#)), Records relating to anticipated and planned travel of employees and Board Directors and related expenditures, or information pertaining to concerns reported under the Cooperative’s [Ethics and Compliance Reporting Policy](#).
  - 3.1.2. Attorney-Client Privilege. The Records sought to be inspected include:
    - 3.1.2.1. Information pertaining to litigation or settlement negotiations, until the litigation is complete or a settlement is finalized by a final disposition of the proceeding and all appeals are exhausted or foreclosed by law, and PEC’s Board of Directors (“Board”) is aware of the conclusion, except for settlement agreements that require confidentiality.
    - 3.1.2.2. Information that if released, would violate the privilege of confidential communication between the Cooperative and its attorneys, including, without limitation, information pertaining to concerns reported under the Cooperative’s [Ethics and Compliance Reporting Policy](#), or that is otherwise protected by court order.



- 3.1.3. Real Estate Subject Matters. The Records sought to be inspected include information relating to the location, appraisal, lease, purchase, sale, or condemnation of real property, until the announcement of the project or the formal award of contracts for the property, with details of any such transaction to be publicly available upon public filing of instruments.
- 3.1.4. Personnel Subject Matters. The Records sought to be inspected include personnel information the disclosure of which would violate the law or constitute a clearly unwarranted invasion of personal privacy, including, without limitation, salaries and compensation of any at-will employee except as required by law to be publicly reported.
- 3.1.5. Security Matters. The Records sought to be inspected include the safety or security of the Cooperative's facilities or electrical system, including, without limitation, information pertaining to concerns reported under the Cooperative's [Ethics and Compliance Reporting Policy](#).
- 3.1.6. Competitive Matters. The Records sought to be inspected include Competitive Matters as provided in the Designation of Competitive Matters Policy. Competitive Matters include commercial information and utility-related matters related to the Cooperative's competitive activity that would, if disclosed, give an advantage to individuals or entities who have sought or are likely to seek business from the Cooperative, or the dissolution, takeover, or sale of PEC, or would adversely affect PEC's ability to competitively purchase goods and services and further for which the Board determines in good faith that disclosure presents a compelling risk of likely harm to the Cooperative or its Members.

#### 4. DEFINITIONS

- 4.1. **Records** – Any information, regardless of medium or characteristic, made or received and retained by the Cooperative in observance of legal obligations or in the transaction of business, consisting in physical or electronic form.

#### 5. PROCEDURE RESPONSIBILITIES

- 5.1. The Board establishes the principles set forth in this Policy. The Chief Executive Officer ("CEO") shall implement this Policy, and the General Counsel, as the Policy's Administrator, shall ~~implement and~~ administer this Policy.

#### 6. POLICY ENFORCEMENT

- 6.1. The CEO, through the Administrator, is responsible for enforcement of this Policy.
- 6.2. If a Member is aggrieved by an action of PEC under this Policy, the Member may file a written complaint ~~with the CEO.~~ No later than the 30th day after ~~the date the CEO receipt receives of~~ such a complaint, the CEO Administrator shall take corrective action regarding the complaint, or shall explain to the Member in writing the grounds for declining to take corrective action.
- 6.3. Violations of this Policy may result in disciplinary or corrective action, up to and including, termination.



## 7. REFERENCES AND RELATED DOCUMENTS

[Articles of Incorporation, Article IX](#)

[Bylaws, Preamble](#)

[Tariff and Business Rules §§ 300.4, Member Access to Cooperative Records and ~~500.4~~ 500.8, Fee Schedule](#)

[Designation of Competitive Matters Policy](#)

[Ethics and Compliance Reporting Policy](#)

[Election Policy and Procedures](#)

[Membership List Policy](#)

[Board Meetings Policy](#)

[Policy and Procedure for the Disposition of All or a Substantial Portion of the Cooperative's Property](#)

[Privacy Policy](#)

Date adopted:	August 18, 2008
Last reviewed:	<del>September 29, 2022</del> TBD
Review frequency:	Every two years
Amendment dates:	September 20, 2010; December 19, 2011; November 14, 2016; November 20, 2020; TBD
Effective date:	<del>November 20, 2020</del> TBD
Approver:	Board of Directors
Applies to:	All PEC Members, <del>Staff</del> Employees and Board of Directors
Administrator:	General Counsel
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





## OPEN RECORDS POLICY

Effective Date: TBD

### 1. PURPOSE

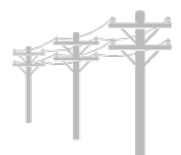
The purpose of this Open Records Policy (“Policy”) is to implement the Cooperative’s Member Bill of Rights regarding access to Records of Pedernales Electric Cooperative, Inc. (“PEC” or “Cooperative”). This Policy establishes the framework for providing Members access to Records. It also describes exemptions to disclosure of Cooperative Records.

### 2. SCOPE

This Policy addresses how Members of the Cooperative may have access to Cooperative Records. The Policy applies to all Members and employees of the Cooperative. This Policy applies to Records that exist at the Cooperative. The Policy does not require the creation of Records.

### 3. POLICY AND IMPLEMENTATION

- 3.1. Member Right to Records. A Member has the right, on written request, to examine and copy at the Member’s expense the Records of PEC, except those Records exempted from disclosure for any of the following reasons:
  - 3.1.1. Privacy. The release of Records sought to be inspected would unduly infringe upon or invade the privacy or personal security of any person, including, without limitation, individual Member information (other than Member Contact Information distributed in accordance with the Cooperative’s [Membership List Policy](#)), Records relating to anticipated and planned travel of employees and Board Directors and related expenditures, or information pertaining to concerns reported under the Cooperative’s [Ethics and Compliance Reporting Policy](#).
  - 3.1.2. Attorney-Client Privilege. The Records sought to be inspected include:
    - 3.1.2.1. Information pertaining to litigation or settlement negotiations, until the litigation is complete or a settlement is finalized by a final disposition of the proceeding and all appeals are exhausted or foreclosed by law, and PEC’s Board of Directors (“Board”) is aware of the conclusion, except for settlement agreements that require confidentiality.
    - 3.1.2.2. Information that if released, would violate the privilege of confidential communication between the Cooperative and its attorneys, including, without limitation, information pertaining to concerns reported under the Cooperative’s [Ethics and Compliance Reporting Policy](#), or that is otherwise protected by court order.



- 3.1.3. Real Estate Subject Matters. The Records sought to be inspected include information relating to the location, appraisal, lease, purchase, sale, or condemnation of real property, until the announcement of the project or the formal award of contracts for the property, with details of any such transaction to be publicly available upon public filing of instruments.
- 3.1.4. Personnel Subject Matters. The Records sought to be inspected include personnel information the disclosure of which would violate the law or constitute a clearly unwarranted invasion of personal privacy, including, without limitation, salaries and compensation of any at-will employee except as required by law to be publicly reported.
- 3.1.5. Security Matters. The Records sought to be inspected include the safety or security of the Cooperative's facilities or electrical system, including, without limitation, information pertaining to concerns reported under the Cooperative's [Ethics and Compliance Reporting Policy](#).
- 3.1.6. Competitive Matters. The Records sought to be inspected include Competitive Matters as provided in the Designation of Competitive Matters Policy. Competitive Matters include commercial information and utility-related matters related to the Cooperative's competitive activity that would, if disclosed, give an advantage to individuals or entities who have sought or are likely to seek business from the Cooperative, or the dissolution, takeover, or sale of PEC, or would adversely affect PEC's ability to competitively purchase goods and services and further for which the Board determines in good faith that disclosure presents a compelling risk of likely harm to the Cooperative or its Members.

#### 4. DEFINITIONS

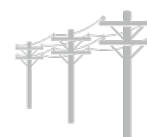
- 4.1. **Records** – Any information, regardless of medium or characteristic, made or received and retained by the Cooperative in observance of legal obligations or in the transaction of business, consisting in physical or electronic form.

#### 5. PROCEDURE RESPONSIBILITIES

- 5.1. The Board establishes the principles set forth in this Policy. The Chief Executive Officer ("CEO") shall implement this Policy, and the General Counsel, as the Policy's Administrator, shall administer this Policy.

#### 6. POLICY ENFORCEMENT

- 6.1. The CEO, through the Administrator, is responsible for enforcement of this Policy.
- 6.2. If a Member is aggrieved by an action of PEC under this Policy, the Member may file a written complaint. No later than the 30th day after receipt of such a complaint, the Administrator shall take corrective action regarding the complaint, or shall explain to the Member in writing the grounds for declining to take corrective action.
- 6.3. Violations of this Policy may result in disciplinary or corrective action, up to and including, termination.



## 7. REFERENCES AND RELATED DOCUMENTS

[Articles of Incorporation, Article IX](#)

[Bylaws, Preamble](#)

[Tariff and Business Rules §§ 300.4, Member Access to Cooperative Records and 500.8, Fee Schedule](#)

[Designation of Competitive Matters Policy](#)

[Ethics and Compliance Reporting Policy](#)

[Election Policy and Procedures](#)

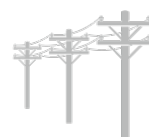
[Membership List Policy](#)

[Board Meetings Policy](#)

[Policy and Procedure for the Disposition of All or a Substantial Portion of the Cooperative's Property](#)

[Privacy Policy](#)

Date adopted:	August 18, 2008
Last reviewed:	TBD
Review frequency:	Every two years
Amendment dates:	September 20, 2010; December 19, 2011; November 14, 2016; November 20, 2020; TBD
Effective date:	TBD
Approver:	Board of Directors
Applies to:	All PEC Members, Employees and Board of Directors
Administrator:	General Counsel
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





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File #: 2024-264, Version: 1

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**Draft 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 Hagen**

**Submitted By: Aisha Hagen**

**Department: Legal Services**

**Financial Impact and Cost/Benefit Considerations: N/A**

The purpose of the Election Policy and Procedures is to ensure that PEC Elections are conducted in a fashion that maximizes and exemplifies Democratic Member Control.

Pursuant to the Board's Election Policy and Procedures Section 9.2, "within two months after the Annual Meeting at which Election Results are announced, the General Counsel will conduct a review of all facets of the PEC Elections, and will present to the Board any recommended modification to PEC Bylaws or Election Policy or Procedures."

In August 2024, a Post-Election Analysis for the 2024 Annual Director Elections was provided to the Board, and no revisions to the current Election Policy and Procedures or Bylaws were recommended.

Notwithstanding, the Board may now consider any amendments to the Election Policy and Procedures. Additionally, pursuant to its Policy on Policies, the Board routinely reviews all policies as part of its policy management; the Election Policy and Procedures is to be reviewed annually by its terms.

**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.





# ELECTION POLICY AND PROCEDURES

Effective Date: ~~October 20, 2023~~TBD

## POLICY AT A GLANCE

PEC and its Board of Directors recognize that matters put to a vote of Members are a cornerstone of PEC’s governance and compliance with the Cooperative Principle of **Democratic Member Control**.

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# Election Policy

## 1. PURPOSE

The Pedernales Electric Cooperative, Inc. (“PEC” or “the Cooperative”) and its Board of Directors (“Board”) recognize that matters put to a vote of Members (“PEC Elections”) are a cornerstone of PEC’s compliance with the Cooperative Principle of Democratic Member Control.

PEC further recognizes that the Internal Revenue Service has identified meaningful Democratic Member Control as a requirement for the tax exemption granted to PEC and other electric cooperatives.

The Board has retained the oversight of PEC Elections. In furtherance of the Board’s oversight of PEC Elections, this Election Policy (“Election Policy”) and accompanying Election Procedures (“Election Procedures”) are intended to ensure that PEC Elections are conducted in a fashion that maximizes and exemplifies Democratic Member Control. A copy of this Election Policy and the Election Procedures shall be included in materials made available to persons running in a Director Election (“Candidates”).

## 2. SCOPE

PEC shall seek to increase voter awareness and turnout in PEC Elections through educational efforts, communications, programs and effective use of technology. All PEC Elections shall be conducted in a manner that is uniform, impartial and fair to all Candidates and positions that are subject to vote.

The Board recognizes that consistent, credible PEC Elections are essential to maintaining Member confidence in PEC, and the key vehicle by which Members hold Directors accountable and influence the direction of the Cooperative, both through election of Directors (“Director Election”) and elections on issues of importance to the Cooperative (“Non-Director Election”). It is the policy of the Board that PEC Elections shall be administered in as impartial a manner as possible, utilizing the services of an independent, third-party (“Election Service Provider”) who will certify the accuracy of voting.

## 3. POLICY AND IMPLEMENTATION

PEC shall seek to maximize Member involvement and empowerment of Members in the electoral process through direct means, including the use of the Qualifications and Elections Committee called for in the PEC Bylaws. The Cooperative will, through its governing documents, policies and practices, encourage candor and maximum disclosure of actual and potential conflicts of interest by Candidates for PEC Director positions, including incumbent Directors. And, as a corollary to its Election vigilance, the Cooperative will provide robust Director removal and replacement mechanisms to address breaches of fiduciary duties by Directors.

## 4. PROCEDURE RESPONSIBILITIES

The procedural policies are delegated by the Board pursuant to the specifics which are detailed in the “Election Policy and Procedures,” a copy of which is attached, and incorporated herein.



## 5. POLICY ENFORCEMENT

Ultimate responsibility for enforcement of PEC elections lies with the Board. However, day-to-day enforcement, and any appeals, are detailed in the “Election Policy and Procedures” attached hereto and incorporated herein.

## 6. REFERENCES AND RELATED DOCUMENTS

This Policy shall be read in conjunction with and incorporates by reference sections dealing with Elections within the Texas Electric Cooperative Act ([Texas Utilities Code Chapter 161](#)), the Member Bill of Rights and other sections of the [PEC Articles of Incorporation](#) and [PEC Bylaws](#).

Date adopted:	November 19, 2012
Last reviewed:	<del>October 20, 2023</del> TBD
Review frequency:	Every year
Amendment dates:	January 21, 2014, September 15, 2014, October 20, 2014, December 8, 2014, August 18, 2015, January 19, 2016, November 14, 2016, October 16, 2017, October 15, 2018, October 18, 2019, December 13, 2019, October 16, 2020, October 15, 2021, October 21, 2022; October 20, 2023: TBD
Effective date:	<del>October 20, 2023</del> TBD
Approver:	Board of Directors
Applies to:	All PEC Board of Directors, Employees and Members
Administrator:	General Counsel
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.



# Election Procedures

## 1 INTRODUCTION

These Election Procedures (“Procedures”) are intended to ensure consistent compliance with the Election Policy (“Policy”) of Pedernales Electric Cooperative, Inc. (“PEC” or “the Cooperative”), applicable law, and PEC’s Articles of Incorporation and Bylaws (collectively, “Governing Documents”), which are incorporated by reference, including terms defined therein.

## 2 ROLES AND RESPONSIBILITIES

### 2.1 Board of Directors

The Board of Directors will:

- Exercise oversight of PEC Elections in a fashion that maximizes and exemplifies Democratic Member Control
- Ensure full compliance with the PEC governing documents and the law
- Designate the PEC Election Service Provider (as defined in the PEC Bylaws)
- Determine the location, date, and time of each year’s Annual Meeting
- Approve the Election Timeline for each election
- Direct the General Counsel to draft any Ballot language needed for a non-Director Election
- Appoint members to serve as a Qualifications and Elections Committee
- Call any Special Member Meeting required by the Bylaws for any Election to fill a vacant Board seat or for any other purpose, establish a timeline for nominations, voting and elections for such Special Member Meeting, and make any modifications to these procedures needed to effectuate such an Election
- Annually consider any needed modifications to the Election Policy and these Procedures
- Perform any other functions specified by the Board in these Procedures
- Approve the final ballot presented to PEC members

### 2.2 General Counsel

General Counsel within the Election Policy or Election Procedures means the Board of Director’s General Counsel whether an employee or outside counsel or their designee.

The General Counsel will:

- Work to ensure PEC Elections are conducted consistent with law, PEC’s Governing Documents, Election Policy and Procedures and other directives of the Board
- Work with PEC internal departments to ensure implementation of the Election Policy and Procedures
- Make determinations on the conduct of the election and candidates, presenting issues to the Qualifications and Elections Committee or the Board of Directors as appropriate
- Apprise the Board of and provide counsel on Election-related issues
- Prepare each year’s Election Timeline



- Designate campaigning zone for PEC Annual Meeting
- Make inquiry into the Bylaw-mandated qualifications of Candidate Applicants (as defined herein) and recommend qualified Candidates to the Board for inclusion on the Ballot, as such duty is delegated by the PEC Chief Executive Officer (“CEO”)
- Craft proposed Non-Director Election Ballot language as directed by the Board
- Initiate and oversee the evaluation and recommendation to the Board of an Election Service Provider
- Serve as or designate a single point of contact for the Election Service Provider
- Annually recommend any needed modifications to the Election Policy and Procedures
- Perform such other duties related to an Election as the Board may designate

### 2.3 **Qualifications and Elections Committee**

- Working with the General Counsel, the Qualifications and Elections Review Committee appointed under the Bylaws (“Qualifications and Elections Committee”), determine whether Candidate Applicants satisfy the qualifications to be eligible for election as a director
- Recommend a slate of Qualified Candidate Applicants to the Board
- Rule on any appeals brought forward by the General Counsel regarding decisions impacting the elections prior to the Annual Meeting
- Rule on any post-election contest

### 2.4 **Governance Team**

The Governance Team, including the Board Reporting Secretary, under the direction of the General Counsel, will:

- Coordinate and administer elections as directed and provided by this Policy and Procedures
- Perform the duties specified herein as designee of the Board Secretary
- Receive and maintain all records related to Director qualifications and nominations
- Make available to Members all required Director Election Nomination forms and related materials
- Serve as the point of contact or designate a person to provide answers to any questions about the Election process from Directors, Candidates, or Members

### 2.5 **Election Service Provider**

The Election Service Provider appointed by the Cooperative will:

- Provide services as specified in the Bylaws, Election Policy and Procedures, consistent with law and its contract with PEC
- Print, distribute, and collect the Ballots
- Tabulate and certify the election results
- Archive and manage all election materials, including destruction of materials from previous elections, according to terms of its contract with PEC



### 3 ESTABLISHING ANNUAL MEETING DATE, TIME, AND LOCATION AND ELECTION TIMELINE

#### 3.1 Establishing Annual Meeting Date, Time, and Location

At or before the August Regular Board Meeting, but no later than December, each year, the Board will determine the date, time, and location of the next year's Annual Meeting.

#### 3.2 Timeline

At a Regular Board Meeting at least 6 months prior to each Annual Meeting, the General Counsel or designee will develop and present to the Board a proposed timeline, with specific dates and deadlines for Election-related events, in the format shown in Appendix A of these Election Procedures ("Election Timeline"). The Board will consider, amend, if desired, and approve the Election Timeline at or before a Regular Board Meeting at least 5 months prior to each Annual Meeting.

#### 3.3 Coordination Meeting

Upon each Board approval of an Election Timeline, the General Counsel shall convene a meeting of internal PEC personnel and representatives of the Election Service Provider to plan the overall Election Timeline and the roles and responsibilities of each individual. Attendees at the meeting shall include the Governance Team, the General Counsel, representatives of the Election Service Provider, and representatives from Member Relations, Legal Services, Communications, and the IT departments, and such other personnel as may be necessary to coordinate and implement the Election process.

### 4 SELECTION OF ELECTION SERVICE PROVIDER

#### 4.1 Annual Decision

At or before the August Regular Board meeting each year, the General Counsel will recommend to the Board whether to extend the contract for the services of the Election Service Provider then retained by the Cooperative under the Bylaws and the Board will make a determination whether to extend the contract or seek an alternate Election Service Provider. Any such extension may be implemented without competitive procurement, notwithstanding any PEC policy or procedure.

#### 4.2 Competitive Procurement

When the Board decides to solicit for election service providers, the Board shall direct the General Counsel to initiate a competitive procurement to identify and recommend to the Board the most qualified Election Service Provider. In any such decision the Board should recognize that such procurement will typically take between four and six months. Unless the Board directs otherwise, a competitive procurement will be performed every three years.

#### 4.3 Criteria

Criteria for recommendation or selection of an Election Service Provider will include: experience, technical capability, past performance, understanding of and ability to comply with PEC Bylaws, policies and procedures, capability to integrate with PEC IT infrastructure, and ability to preserve and enhance the credibility of the Election process. Any prospective





Election Service Provider must meet the technical and security qualifications established by PEC and attached as Appendix B. Any such vendor shall establish its qualifications in this regard by providing detailed descriptions of demonstrated performance in quality-control methods and testing, system security specifications, and policies regarding storage, transmittal, access to and retention of Member information and voting data.

An Election Service Provider may serve the Cooperative only upon having agreed not to share with any person not employed by the Election Service Provider partial or complete voting results before the final tabulated and public announcement by the Election Service Provider at a meeting of Members; provided, however, the Election Service Provider may periodically provide the vote information described in these Procedures.

## 5 RECORD DATE(S)

By adoption of these Election Procedures, under the authority specified in the Article II, Section 9 of the PEC Bylaws, the Board hereby specifies the following Record Dates for Annual PEC Director Elections:

### 5.1 Petition signatures

The Record Date for a Member to be eligible to sign a nomination petition is the date of the verification of the signatures by PEC, meaning that a signature will be counted when the signatory is a Member on the date of verification. This provision shall not prevent reverification of a signature on a subsequent day, if a signatory becomes a Member before the deadline for signature verification, as allowed by these procedures. This provision shall not prevent the use of signature of a Member who appears on the Cooperative's Membership List as provided by this Policy.

Member signatures on a nomination petition will also be counted as eligible petition signatures when the Member appears on the Membership List, as provided to Candidate Applicants pursuant to Section 7.7 (Membership List Availability), in the Director District for which the Candidate Applicant is running.

### 5.2 Casting Ballot

The Record Date for a Member to cast a Ballot in a Director Election is the close of business on the eighth (8<sup>th</sup>) day preceding the date of the Member Meeting at which the announcement of election results are made, meaning that only parties that are Members at the close of that Record Date will be eligible to have their Ballot counted, and to be counted toward the Member Quorum for that Member Meeting or Director District Election. At the close of business on that Record Date, or as soon as practicable thereafter, PEC will provide the Election Service Provider with an up-to-date list of PEC Members as of the Record Date.

## 6 PREPARATION AND APPROVAL OF BALLOT

### 6.1 Non-Director Elections

The Board may, from time-to-time, submit matters under consideration by the Board to a vote of the Members. The vote in any such Non-Director Election shall be advisory only, except in such cases where a vote of Members is required by law or the PEC Bylaws, such as a vote to amend the PEC Articles of Incorporation. No later than the Regular Board Meeting 5 months



prior to an election, the Board will direct the General Counsel to prepare proposed Ballot wording for any items to be put to a vote in a Non-Director Election. Any such matters will be presented by the General Counsel in a way to enhance Member understanding of such measures, including any Board recommendation or position concerning such a vote.

## 6.2 Director Elections

### 6.2.1 Nominations

#### 6.2.1.1 Ballot Materials and Application

##### 6.2.1.1.1 Posting and Availability

The Governance Team will work with the PEC Communications and Member Relations departments to ensure one week prior to the date of the Regular Board Meeting 5 months prior to each election, the following items are made available to PEC Members on the PEC website and in PEC offices: Nominations applications and petitions; Director District map(s); Election timeline; PEC Bylaws; PEC Conflict of Interest Policy; and Conflict of Interest certification and disclosures; PEC Election Policy and Procedures; information about Membership List availability and procedures for obtaining and use of the list.

##### 6.2.1.1.2 Waiver

The application form for Board candidacy will include a waiver, which all persons seeking nomination to the Ballot ("Candidate Applicants") must execute to authorize PEC or its agent to perform background checks to verify the Candidate Applicant meets the Bylaw qualifications to serve as Director.

##### 6.2.1.1.3 Affirmation of Eligibility and Adherence to Election Rules

Candidate Applicants must affirm that the Candidate Applicant meets PEC Bylaw eligibility requirements to serve as a Director both at the time the application is filed and after the Candidate becomes a Director, if elected. Each Candidate Applicant must provide their date of birth, address history and other information, including specific questions or requests for information, the General Counsel deems necessary to confirm that the Candidate Applicant meets Bylaw requirements to serve as a Director.

Candidate Applicants must affirm that the Candidate Applicant will adhere to the policies, rules, requirements, or procedures established by the Cooperative for Director Elections.

##### 6.2.1.1.4 Candidate Application – Use of Legal Name

Candidate Applicants shall provide their legal name on the application to indicate the name as they wish it to appear on the Ballot, biography, questionnaire, PEC website and all PEC election materials. Names must be in a form substantially similar to the Member's legal name; however, the name may contain "commonly-known-as"



nicknames or abbreviated, diminutive forms of the legal name. Nicknames shall not be allowed if they are created solely for use in a PEC Director election. Titles, forms of address, designations, honorifics, professional titles or other credentials, such as education, military rank, or occupation, are prohibited. PEC shall publicly disclose and use the legal name provided by the Candidate Applicant in all election materials.

#### **6.2.1.1.5 Biographical and Platform Materials**

Candidate Applicants must provide biographical material in electronic format that can be opened by Microsoft Word to the Governance Team (as designee of the Board Secretary), as part of the application. Biographical materials are limited to 800 words, in the following required format: single spacing, Arial font with 11 point size, containing personal background information and the Candidate's stance on matters of importance to PEC and its Members. Word count will be measured using the Word Count function of Microsoft Word. If a Candidate Applicant submits biographical materials exceeding 800 words, or with incorrect spacing or incorrect font, the Governance Team will, if time allows, notify the Candidate Applicant. Candidate Applicants may submit revisions to biographical materials until the deadline for submission of application materials. Each Candidate Applicant is solely responsible for the content of his or her submitted biographical materials (including grammar, spelling, and punctuation) and PEC staff will not proofread, edit or otherwise alter any biographical materials, other than to truncate any biographical materials exceeding 800 words or to format in PEC election materials in order to efficiently utilize space or provide consistency. PEC will distribute Candidate Biographical Materials and Candidates' photographs by email to all PEC Members who receive PEC email notifications.

#### **6.2.1.1.6 Candidate Questionnaire**

Candidate Applicants have the option to complete and provide a board Candidate Questionnaire in electronic format that can be opened by Microsoft Word to the Governance Team (as designee of the Board Secretary), as part of the application. Candidate Questionnaire materials are limited to 400 words excluding questions. Word count will be measured using the Word Count function of Microsoft Word. If a Candidate Applicant submits Candidate Questionnaire materials exceeding 400 words (excluding questions), the Governance Team will, if time allows, notify the Candidate Applicant. Candidate Applicants may submit revisions to Candidate Questionnaire materials until the deadline for submission of application materials. Each Candidate Applicant is solely responsible for the content of his or her submitted Candidate Questionnaire materials (including grammar, spelling, and punctuation) and PEC staff will not proofread, edit or otherwise alter any Candidate Questionnaire materials, other than to truncate any Candidate Questionnaire materials exceeding 400 words (excluding questions). PEC will distribute Candidate Questionnaire by email to all PEC Members who receive PEC email notifications.

### **6.2.1.2 Petition Process and Signature**

To be nominated and included on the Ballot for a Director Election, a Candidate Applicant must submit, on a PEC-promulgated form or a copy of such form, verifiable signatures of at least 50 PEC Members with Voting Residence (as defined in the Bylaws) within the Director District for which the Candidate Applicant is seeking nomination,



along with a conflict-of-interest certification and disclosure form as required by the Bylaws. Executed conflict-of-interest and code of conduct forms shall be posted to the PEC website along with other election and candidate information.

**Any signatures submitted by a Candidate Applicant must be originals, not copies, submitted on the petition form promulgated by the Cooperative during the year in which the election is held, or a copy of such a form.**

No Candidate Applicant will be given access to a nomination petition form before such time as those forms are made available to all Members on the PEC website and at PEC offices. A Member may sign the petition of more than one Candidate Applicant. For Joint Memberships, as that term is defined in the Bylaws, either spouse may sign a petition, but only one signature from any joint membership will be counted for any Candidate Applicant. Any officer of an entity Member, as listed in Texas Secretary of State records, or any person listed in PEC's records as authorized to act on behalf of an entity Member, may sign a petition on behalf of that entity Member. Petition forms will include spaces for the printed name, signature, address and Membership List line number to assist in verification of signatures (see Signature Verification below).

### **6.2.1.3 Confidentiality**

PEC employees performing duties under these procedures shall, to the fullest extent practicable, keep confidential the name of any Member who has made inquiry about seeking nomination, or has identified him or herself as a Candidate Applicant or potential Candidate Applicant, unless such Member has consented to such disclosure or has publicly made known his or her intended candidacy. Candidate Applicant names, as provided by the Candidate Applicant in the nominations and petitions Application, may be disclosed publicly, in alphabetical order by Director District, at or after the time their names have been disclosed to the Qualifications and Elections Committee. Candidate Applicant names may be disclosed to the Qualifications and Elections Committee Members the first business day following the Candidate Application and Petition deadline.

All information received from a Candidate Applicant ("Candidate Information"), is confidential until Candidate Applicant names are disclosed publicly by PEC. The term Candidate Information does not include a request for a Membership List made pursuant to PEC's Bylaws. Requests for the Membership List shall be handled through the Membership List Policy. Any request for the names of persons who requested the Membership List shall be made through PEC's Open Records Policy, and any responses to such a request shall be provided to all Candidate Applicants, Candidates, and the Board.

Upon request and after names are disclosed publicly by PEC, PEC may release Candidate Information, including Candidate Applications as provided by this policy. Candidate Application materials may be released pursuant to PEC's Open Records Policy which includes exceptions to disclosure. The Member Privacy Policy does not apply to Candidate Application materials unless otherwise provided herein.

#### **6.2.1.3.1 Confidentiality – Nomination Petitions**

All signatory-specific information on nomination petitions submitted to PEC by a Candidate Applicant is private Member information under the Member Privacy Policy, not subject to disclosure under Open Records Policy.



#### **6.2.1.3.2 Confidentiality – Candidate Election Material**

All Candidate Applicant Biographical and Platform Materials, and Questionnaire, are confidential until candidates are Qualified and approved for the Ballot. PEC shall publicly disclose Qualified Candidate Biographical and Platform Materials, Questionnaire, at the same time and at least 5 days before Voting begins.

#### **6.2.1.3.3 Directors access to Candidate Information**

Directors may not seek or be provided access to Candidate Information by PEC employees, except as necessary for such Directors to perform duties mandated by law, PEC Governing Documents or this Policy, notwithstanding Directors' usual access to confidential Cooperative information.

#### **6.2.1.4 Deadline for Candidate Application**

To be considered for inclusion on the Ballot for election as a Director, a Candidate Applicant must deliver by hand or certified, trackable delivery method with signature required, a completed original application and petitions to the Governance Team (as designee of the Board Secretary) at PEC Headquarters, 201 South Avenue F, Johnson City, Texas, 78636, no later than 5 p.m. on the last business day falling 82 days or more before the date of the Member Meeting at which a Director Election is announced. Delivery to an alternate PEC address, delivery after the deadline, or mailing an item with a postmark before the deadline will not satisfy this requirement and will result in the application's rejection.

#### **6.2.1.5 Signature Verification**

The PEC Member Relations Department will verify the signatures on petitions by Candidate Applicants. A signature will be accepted as an eligible petition signature when the signer is identified in PEC account records as a Member with Voting Residence within the district for which election is being sought.

Member signatures on a nomination petition will also be counted as eligible petition signatures when the Member appears on the Membership List, as provided to Candidate Applicants pursuant to Section 7.7 (Membership List Availability), in the Director District for which the Candidate Applicant is running.

Signatures that cannot be identified because they are illegible or cannot be matched to an active PEC Member will not be counted as verifiable signatures.

Member Relations will verify signatures in the order they are presented on petitions, and will stop the verification process once 50 signatures have been verified, or when the list of signatures is exhausted without having reached the qualifying number. Members Services will notify the General Counsel and the Governance Team and provide a written summary of findings regarding signature verification.

**Candidate Applicants are strongly encouraged to gather and submit more than 50 signatures to provide a margin of error for disallowed signatures.** If time allows



before the Candidate Application and Petition deadline, the Governance Team will inform Candidate Applicants of the circumstances of questionable signatures. Candidate Applicants may submit supplemental signatures or request a reevaluation of signatures based on Members' changing account records until the deadline for submitting signatures (e.g., if a person has had himself or herself added to a Joint Membership in PEC's records).

#### **6.2.1.6 Qualifications And Elections Committee**

At least a week before the Regular Board meeting 4 months prior to an election, each Director may submit to the Governance Team the name of a person or persons residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee, as described in the Bylaws. At the Regular Board meeting 4 months before an election, the Board will appoint the Qualifications and Elections Committee, with no less than three (3) nor more than seven (7) members, preferably with one member from each Director District.

The resolution will set compensation, if any, deadlines, reimbursement, allowances for telephonic meetings, and any other terms specified by the Board, and will specify that the Committee shall operate in accordance with the Bylaws and these Election Procedures.

Members of the Qualifications and Elections Committee will have access to personal candidate information. The Qualifications and Elections Committee will use personal candidate information only as needed for service on the Qualifications and Elections Committee and will not further disclose the information unless required as a matter of law.

#### **6.2.1.7 Verification of Bylaw Qualifications**

The Qualifications and Elections Committee, with the assistance of the General Counsel, will recommend and report to the Board whether Candidate Applicants are qualified and eligible for election or service as a Director in Article III of the PEC Bylaws. The Qualifications and Elections Committee will recommend a slate of qualified Candidates to the Board for inclusion on the Director Election Ballot. Before attempting to verify the substantive qualifications described in the Bylaws and below, the Qualifications and Elections Committee will determine whether the Candidate Applicant has submitted required signatures, verified under Signature Verification of this Policy, and completed the conflict-of-interest certification and disclosure form required by the Bylaws. Upon request by the Qualifications and Elections Committee, a Candidate Applicant must provide information necessary to confirm that the Candidate Applicant meets Bylaw requirements to serve as a Director. Any requested information should be reasonably tailored to seek only the information necessary for a determination. In all matters, the Qualifications and Elections Committee shall assume the truth of matters asserted by Candidate Applicants, and act accordingly, unless the Committee has identified a reasonable and specific basis for acting otherwise. The Qualifications and Elections Committee may, at its sole discretion, allow for Candidate Applicants or Members to present any requested information, as described in this Section 6.2.1.7, at the time, place, and manner of the Qualifications and Elections Committee's choosing. The General Counsel will retain an independent third-party background verification firm ("Background Verifier") to assist the Qualifications and Elections Committee in verification



of the following eligibility requirements as described below:

- a) Be twenty-one (21) years of age or older on or by the date of the Member meeting at which the election is held;

**Background Verifier will attempt to locate voter registration information or driver's license for a Candidate Applicant, which will provide proof of age. If no voter registration or driver's license is found, a Candidate Applicant will be asked to provide a birth certificate, passport or other proof of age.**

- b) Have earned a high school diploma from an accredited institution, or obtained state certification through General Educational Development tests (GED), by the date of the Annual Meeting at which the Director is elected;

**Candidate Applicant will be asked to provide proof of having received the required credential, which may include degrees earned or other subsequent achievements that require such diploma or GED as prerequisites (e.g. law enforcement certification or other professional licensing requiring such a degree).**

- c) Be a United States citizen;

**Background Verifier will attempt to locate voter registration information for a Candidate Applicant, which will provide proof of citizenship. If no voter registration is found, a Candidate Applicant will be asked to provide a birth certificate, passport or other proof of United States citizenship.**

- d) Be a Member in good standing of the Cooperative, by having met and adhered to the Cooperative's payment policies in accordance with credit requirements contained in the Cooperative's Tariff and Business Rules, as amended from time to time, and any other requirements for membership in good standing established by Board resolution;

**The PEC Member Relations department will verify the Candidate Applicant's membership in the Cooperative and will review the billing history of the Candidate Applicant to verify good standing. Findings will be provided to the General Counsel for transmittal to the Qualifications and Elections Committee.**

- e) While a Director and during the five (5) years immediately prior to becoming a Director, not have been an employee of the cooperative;

**The PEC Human Resources and Finance Departments will review employment and other records for indications that the Candidate Applicant has been an employee, and will provide any relevant information discovered to the General Counsel for transmittal to the Qualifications and Elections Committee. The Candidate Applicant's affirmation of eligibility will be relied upon as to relatives'**



**prior employment or Board service. If the Qualifications and Elections Committee or General Counsel becomes aware of potential disqualification under this provision, the Cooperative staff will assist in the effort to confirm those circumstances.**

- f) While a Director, not have a child, spouse, domestic partner, parent, sibling, parent-in-law, stepchild, grandparent, or grandchild who is an employee or Director of the Cooperative;

**If the Qualifications and Elections Committee or General Counsel becomes aware of potential disqualification under this provision, the Cooperative staff will assist in the effort to confirm those circumstances.**

- g) Have his or her primary residence receiving continuous electric service from the Cooperative for one year and be located at the beginning of the calendar year of the election, in the district for which election is sought. Primary residence shall be determined based on factors including, but not limited to, real property rights, homestead exemption, electricity usage patterns, voter registration location, and address on a driver's license;

**Background Verifier will research the factors listed above and complete a standardized report to the General Counsel, identifying the indicators supporting or contradicting the Candidate Applicant's primary residence within the district where election is sought. The PEC Member Relations Department will research and report to the General Counsel on the continuity of electric service at the address. The General Counsel and the Qualifications and Elections Committee may seek clarification from the Candidate Applicant regarding information provided by Background Verifier or Member Services.**

- h) Annually complete and sign a conflict-of-interest certification and disclosure form approved by the Board of Directors;

**The General Counsel will verify that any incumbent Director running for reelection has met this requirement, and that any non-Director Candidate Applicant has executed the same, separately-required form for Candidates under the Bylaws.**

- i) While a Director or during the three (3) years immediately prior to becoming a Director, not sought to advance or have advanced a:
  - 1. Competing Interest with the Cooperative;
  - 2. Financial Interest that would likely impair the ability of the Director to serve the best interests of the Cooperative; or
  - 3. Conflicting Position that would likely impair the ability of the Director to serve the best interests of the Cooperative.

A "competing interest with the Cooperative" exists when judgment concerning the cooperative (such as financial, legal or general business decisions) is influenced or





may be reasonably influenced by another interest (such as financial or non-financial gain or interest).

A “Financial Interest” is likely to impair a Director’s ability to serve the best interests of the Cooperative if that Director has received more than ten percent (10%) of the Director’s annual gross income from serving as an employee, consultant, or contractor with or for a person or an entity that has done business with the Cooperative in the preceding three years.

A “Conflicting Position” is likely to impair a Director’s ability to serve the best interests of the Cooperative if there exists a possibility of that position requiring the Director to make business, legal or policy decisions adverse to the Cooperative or its membership. Examples of such conflicting positions include, but are not limited to:

1. Serving as an employee, consultant, or contractor assigned to negotiating or managing contracts with the Cooperative for any person or entity that has been a consultant, contractor, vendor, or bidder of the Cooperative during the preceding three years;
2. Having held an executive level or board position of a financial institution that has held Cooperative assets during the preceding three years; or
3. Having held an elected position to a public entity which has the authority to lawfully impose franchise fees.

**The Qualifications and Elections Committee will use its discretion, as advised by the General Counsel, to determine whether this qualification has been met. The determination will be based upon information provided by the Candidate Applicant under the Bylaws or this Policy or information required by the Qualifications and Elections Committee, including biographical information and the conflict-of-interest certification and disclosure form. The Committee may consider other sources of information, including public documents presented to or gathered at the direction of the Committee.**

- j) Not be or have been convicted of a misdemeanor involving moral turpitude or a felony pursuant to state or federal laws;

**Background Verifier will conduct a criminal records check of Candidate Applicants and report findings to the General Counsel. “Moral turpitude” will have the meaning ascribed to it in Texas administrative and case law.**

- k) Not currently be a member of the Qualifications and Elections Committee described herein;

**This qualification will be self-evident.**

- l) Not have been previously removed or disqualified as a Director as provided for under these Bylaws;



**General Counsel will determine and report to the Qualifications and Elections Committee whether this qualification has been met.**

- m) Have the capacity to enter into legally binding contracts;

**Beyond the age verification called for previously, no actions will routinely be taken to verify this qualification beyond receiving a Candidate Applicant's certification of eligibility and the winning Candidate's Affirmation to that effect, However, the General Counsel and the Qualifications and Elections Committee will make inquiry into any potential violation of which they become aware.**

- n) Be willing to devote such time and effort to his or her duties as a Director as may be necessary to oversee the Cooperative's business and affairs including: except as otherwise provided by the Board of Directors for good cause, beginning with election to the Board of Directors, attend at least seventy-five (75) percent of all regular and special called Board Meetings during each period from Annual Meeting to Annual Meeting; and obtain the Credentialed Cooperative Director (CCD) designation from NRECA within the first 18 months after election to the Board; attend state and national association meetings and Director continuing education training as needed to maintain current knowledge and improve awareness of potential risks to the Cooperative;

**The General Counsel will verify with the Governance Team that any sitting Director or former Director previously subject to this provision has fulfilled this qualification. No actions will be taken to verify other persons' qualifications in this regard.**

- o) Not be employed by another Director or be employed by an entity over which another Director exercises substantial control.

**No steps will routinely be taken to verify this qualification, beyond examination of information provided by the Candidate Applicant or others, including conflict-of-interest forms and certifications. However, if the General Counsel or the Qualifications and Elections Committee becomes aware of a potential violation, they will take steps to determine whether the qualification is satisfied, including seeking information from the Candidate Applicant as allowed by the Bylaws.**

- p) Execute and provide the relevant documents, waivers, or other materials reasonably needed to verify satisfaction of these qualifications, including criminal background checks to be performed by the Cooperative. A person subject to this provision shall not be requested or required to provide personal or business tax returns, financial or business records, or non-public, personal details unless legal counsel has justified and certified in writing and the majority of disinterested Qualifications and Elections Committee members have determined by record vote that conformity with Director Qualifications cannot be determined without such records. If such certification is made and the records are provided, the Cooperative and its agents shall not publicly disclose such records except with the consent of the person providing them, or in the course of a legal proceeding or as required by law.



**The Qualifications and Elections Committee, with the assistance of the General Counsel, will determine whether a person refusing to execute or provide the relevant documents under this section will be disqualified for failing to meet this qualification.**

- q) While a Director, act in good faith and represent the best interests of the Cooperative as a whole, representing all members on an impartial basis.

**No actions will routinely be taken to verify this qualification beyond receiving a Candidate Applicant's certification of eligibility and the winning Candidate's Affirmation to that effect, but the Qualifications and Elections Committee and General Counsel will make inquiry into any potential violation of which they become aware. Any such inquiry is for purposes of determining Candidate Applicant eligibility, and not ongoing enforcement of this Bylaw provision.**

#### **6.2.1.8 Notification to Candidate Applicants of Proposed Findings Regarding Qualifications**

The Qualifications and Elections Committee will provide written findings to the Governance Team regarding each Candidate Applicant's qualifications to serve as a Director. The Governance Team will notify each Candidate Applicant of those findings and advise them of the schedule for the Qualifications and Elections Committee to finally determine eligibility. Any Candidate Applicant receiving notice that the Committee has preliminarily found them not to have met the Bylaw qualifications to serve as a Director will be advised of such finding and its basis, and invited to present written or other information to the Committee that supports the Candidate Applicant's qualifications.

#### **6.2.1.9 Recommendation of Candidate Slate**

At least 2 months prior to an election, the Qualifications and Elections Committee will present to the Board the slate of qualified Candidates based on the inquiry described above. The Qualifications and Elections Committee and the General Counsel will also identify and explain the circumstances of any Candidate Applicant who has been found not qualified or has otherwise not met the requirements to be a Candidate. The General Counsel will present to the Board any information submitted for the Board's consideration by any Candidate Applicant not recommended for inclusion on the Ballot.

#### **6.2.1.10 Approval and Certification of Ballot**

At a Regular Meeting of the Board at least 2 months prior to an election, the Board will consider, approve and certify the Candidate slate and Ballot language for any Non-Director Election matters for vote. Any Director will recuse himself or herself or abstain from any discussion, deliberation or vote concerning the qualifications of Candidate Applicants in any Director Election in which the Director is a Candidate Applicant. Candidates for each Director District will be considered separately, to maximize the opportunity for Directors to participate in voting. Candidate Names shall appear on the Ballot in the form and order as provided herein.



## 7 VOTING AND PROCESSES DURING ELECTION PERIOD

### 7.1 Candidate Orientation and Photos

In the week preceding the Regular Meeting of the Board that is two (2) months before an election, an orientation will be conducted by PEC staff for Candidate Applicants at the Johnson City PEC Headquarters. The agenda may include, among other things: the history of PEC; CEO remarks; Board responsibilities and time demands; compensation and legal duties of Directors; review of the Election process and timeline; the drawing of names for Ballot position and a question-and-answer period. PEC will take Candidate pictures for use in PEC-generated Election-related press and promotional material, as described in Candidate Photographs (Section 7.5) below. Candidates for election who are incumbent directors, or past directors, may not use any picture of themselves which was paid for, or created by PEC, for use in a PEC official capacity.

### 7.2 Withdrawal from Election

At any time before the Board approves the Ballot, a Candidate may withdraw from a Director Election by notifying the Governance Team in writing or by email at [election@peci.com](mailto:election@peci.com) of his or her withdrawal. Any Candidate wishing to withdraw after the Board approves the Ballot and before election results are released (“Withdrawn Candidate”) should give written notice to the Governance Team. The Cooperative will use reasonable methods to advise the Membership of the withdrawal. If time allows, the withdrawn Candidate’s name will be removed from the paper ballot, and in that case from any electronic ballot as well. If time does not allow removal from the paper ballot, the name will remain on both the paper and electronic ballots, and the election website will not be altered to remove the Candidate’s name. Any votes cast for a Withdrawn Candidate will be counted but the winner will be selected in accordance with Director Election (Section 8.7.2) below.

### 7.3 Communications Plan

At or before the Regular Board Meeting five (5) months before an election, the PEC Communications Department will present to the Board an Election Communications Plan (“Communications Plan”), outlining the communications efforts that will be employed to inform PEC members of the issues in any Non-Director Election and the Candidates, and the contact information for Members who have questions about the election process. At a minimum, the Communications Plan will include prominent references to the Election on PEC’s Internet site, posting of Candidates’ biographical materials and conflict-of-interest certification and disclosure form, use and distribution of printed materials and information on how to obtain answers to Election-related questions, obtain Ballots (including replacement Ballots), and cast Ballots; and PEC Corporate Statistics in a form approved by the Board in the Communications Plan (a sample is attached as appendix D of this policy). PEC Corporate Statistics may be communicated multiple times during the election cycle as approved in the Communications plan.



## 7.4 Preparation and Distribution of Ballots

### 7.4.1 Printed Ballots

After approval of the Ballot, the Governance Team and General Counsel, as designees of the Board Secretary, will direct the Election Service Provider to prepare and print Ballots and accompanying biographical material (“Ballot Materials”) sufficient for distribution to the appropriate PEC Members in the form specified in the Bylaws, including wording sufficient to constitute required notice of the Election, website information, and credentials for electronic voting.

Candidate’s names will appear on the Ballot Materials in the order as drawn at Candidate Orientation as described in Section 7.1

Between 25 and 30 days before the Election, the Election Service Provider will, at the direction of the Governance Team (as designee of the Board Secretary), deliver by mail Ballot Materials to the appropriate PEC Members. The Election Service Provider will mail Ballot Materials no later than 16 days before the Member Meeting at which Election Results are Announced to any PEC Member that has joined the Cooperative since the date of the initial mailing of Ballot Materials.

#### 7.4.1.1 Voting and Receipt of Ballots

**Only the Election Service Provider shall accept ballots. Ballots are not to be accepted on PEC Premises or by PEC Employees, Directors or Candidates.**

### 7.4.2 Website

The Election Service Provider will, at the time of mailing, make available on the Internet a secure website for online voting, including Candidate biographical material.

### 7.4.3 Emails

The Election Service Provider will on the first day of the election, send emails to all Members for whom PEC has valid email addresses with election information, voting credentials, and direct, “one-click” links that allow Members to access the voting website and vote without manually entering credentials. The Election Service Provider will send follow-up emails according to the Election Timeline approved by the Board. Members who have opted-out of receiving communications from PEC will not receive these email notifications.

## 7.5 Candidate Photographs

At the Candidate Orientation and Photographs described above (Section 7.1), PEC will take pictures of Candidates for use in PEC-generated Election-related press and promotional material. Alternatively, Candidates wishing to provide photographs for use by PEC must provide the image electronically before the Candidate Orientation. Candidates must affirm in writing that any such image is copyright-free and that the person has and grants PEC permission to use the photo. Photos copied or digitally scanned from driver’s licenses or other sources are not acceptable. To be used, photos must meet the following criteria:



- Contain a current image or one taken within the proceeding 5 years
- JPEG or other electronic file type, with approval of PEC
- No other person pictured
- Plain background, preferably free of objects or “clutter”
- Full color
- High resolution (300 dpi or greater)
- Must be a copyright-free image or provide a no cost letter of permission or license for use
- Sized and cropped such that the height of the head is between 50 and 85 percent of the vertical dimension of the photograph.
- Taken in full-face view directly facing the camera
- Questions about the suitability of a photograph should be addressed in the manner described in Section 7.6 and submitted far enough in advance to allow preparation of an alternative photograph if the original submission is not acceptable

## 7.6 Questions by Candidates About the Election Process

The Governance Team, or designees, is the point of contact for any questions about the Election process from Members, Candidate Applicants, or Candidates. Questions must be submitted by email to [election@peci.com](mailto:election@peci.com). The Governance Team, or designees, is also the point of contact for any questions by Candidates, Candidate Applicants, or Qualified Candidates about PEC operations. The Governance Team will provide or designate a person to provide all Candidate Applicants or Candidates copies of any question submitted and answers. Questions and answers are provided without the name of the person that submitted the question. Exceptions to this rule may be made with the approval of the General Counsel, based on sensitivity of subject matter, or in cases where a question and answer apply uniquely to a questioner.

Directors who are Candidates should likewise address election issues through the Governance Team and not through the direct access to PEC staff. Questions from Directors who are Candidates should also submit their questions by email to [election@peci.com](mailto:election@peci.com).

## 7.7 Membership List Availability

In accordance with the Bylaws and the PEC Membership List Policy, Director Candidates and Candidate Applicants may obtain an electronic or printed list of PEC members, including member addresses, election district numbers and unique line numbers for each Member by contacting [openrecords@peci.com](mailto:openrecords@peci.com). The Candidate requestor must provide the director district to which the member is seeking election, name, address, and other contact information. The requestor must affirm in a sworn, notarized affidavit to use the list only for nomination or candidacy to the PEC Board of Directors and no other purpose.

Consistent with Section 6.2.1.5 (Signature Verification), the Membership List will be made available to Candidate Applicants 2 months before the Deadline for Candidate Application in Section 6.2.1.4. The Membership List provided to Candidate Applicants pursuant to this Section may be utilized for Verification of Petition Signatures pursuant to Sections 5.1 and 6.2.1.5.



## 7.8 Campaigning on PEC Premises

Members may not engage in Campaigning (as that term is defined herein) on PEC premises or PEC events, except at PEC-sanctioned Candidate events, or within a zone designated by the General Counsel for campaigning at PEC events. PEC premises include parking lots, the exterior and interior of PEC-operated facilities or those same areas of any facility where a Member Meeting or Board Meeting is conducted.

“Campaigning” is: the distribution of materials designed to influence the outcome of a Cooperative election; direct communications to Members designed to influence the outcome of a Cooperative election, including gathering of signatures on petitions; displays of placards, bumper stickers, signs or other campaign promotional material, other than those displayed on vehicles or on wearing apparel or accessories.

### 7.8.1 PEC Employee Campaigning

Employees should be mindful that PEC has established an independent election process to promote consistent and credible elections by the Membership. As such, employees should make known that any Campaigning in which they voluntarily choose to participate is on their own behalf, on their personal time and that the employee's campaign activities don't reflect any endorsement by PEC. Employees may sign candidate petitions (when they are also PEC Members) and campaign for candidates just as any other non-employee. Participation in Board Director Campaigning, however, is voluntary.

Employees shall not Campaign on Cooperative time, premises or use Cooperative resources for Campaigning, such as PEC phones, e-mail, or vehicles. Employees who choose to Campaign must not do so while in a PEC uniform or PEC branded apparel.

## 7.9 Use of PEC Brand

Candidates may not deploy web pages or other campaign materials that suggest that their candidacy is endorsed or supported by PEC, and specifically may not use any PEC logos or, trademarks. “Hot links” to the PEC electronic media are acceptable. Candidates who are incumbent directors may not use their PEC provided email addresses or any PEC provided resources for correspondence related to the election.

## 7.10 Access to Vote Information; Updates on Voter Turnout; Election Results

No PEC employee, Director, Candidate or person acting on their behalf, except as described in this Section, shall seek or accept from the Election Service Provider access to information about details of votes cast by a PEC Member or Members, other than aggregated information about voting turnout or voting methodology across the entire Cooperative, as described in this section.

PEC Employees. Only PEC employees who are specifically responsible for implementing, developing, and testing registration software for use in an Election shall have access to data indicating if a member has voted or not voted and the method by which their vote was submitted. This data shall not contain any member's individual voting selection(s).



Once weekly after Ballots are initially mailed, the General Counsel, or designee, will provide voting updates to Candidates and the Board. Those updates will be based on information transmitted by the Election Service Provider and will include the aggregate number of Ballots cast and received Cooperative-wide and by Director election district, with comparisons to similar, historical data. The updates shall include method by which votes were cast. Those updates shall not include the specific number of votes cast for any particular Candidate or issue in a Non-Director Election.

Election Results. Upon conclusion of the deadline for casting ballots, but no later than four (4) days prior to the Member Meeting at which Election Results are announced, the Election Service Provider shall certify and provide the Election Results to the General Counsel, or designee. The General Counsel, or designees, shall release the results to Candidates and the Board of Directors three (3) days prior to the Member Meeting at which Election Results are announced. Immediately after releasing the Election Results to Candidates and the Board of Directors, the General Counsel, or designees, will release the Election Results to the Membership, but no later than three (3) days prior to the Member Meeting at which Election Results are announced.

#### **7.10.1 Candidates' Access to Voting History**

After a Candidate has been duly qualified and approved to be listed on the Ballot, the Candidate may request and be provided a Voter History List that contains only the names and mailing addresses of Members who voted in any, or each, director district election for the three (3) elections involving the Candidate's director district immediately preceding the current Election. The Voter History List shall not contain any information that could indicate or otherwise reveal any selections made by the Member in the election (for example, for whom the Member voted or how the Member voted on any question). To obtain the Voter History List, a Candidate must request this information by contacting the Governance Team at [election@peci.com](mailto:election@peci.com). The accuracy and completeness of the list is undisputable. The Candidate must affirm in a sworn, notarized affidavit to use the list only as directly related to the PEC Board of Directors election and for no other purpose. Any member may by written communication to the Cooperative choose to have his/her/its member information excluded from any Voter History List.

#### **7.10.2 Interim Voting Totals**

Once weekly after Ballots are initially mailed, the election status of total votes cast Cooperative-wide and by Director election district may be posted to the PEC website and released publicly. No records of a member's individual vote, or a candidate running vote total shall be disclosed.

### **7.11 Quality Control**

Before the Regular Meeting of the Board four months prior to the Member Meeting where election results are announced, the Election Service Provider shall provide PEC a list of quality-control steps to be taken before the Member Meeting, including process for the release and announcement of election results, to assure the accuracy of voter rolls and vote counts ("Pre-Member Meeting Quality Control") and after tabulation to verify the accuracy of Election results before such results are announced at the Member Meeting (Post-Tabulation, Pre-Announcement Quality Control).





Pre-Member Meeting Quality Control shall include, but not be limited to, the following steps:

- Verify the previous removal or remove from the voting database the votes of any person or entity that was not a PEC Member as of the close of business on the day before Annual Meeting.
- Remove from the voting database the votes of any Member that has “double voted,” by submitting a paper Ballot received by the Election Service Provider after that same Member has electronically voted.
- Verify that the PEC voter registration system is loaded with the list of PEC Members as of the record date.
- Verify that the PEC voter registration system accurately reflects whether or not a Member has previously voted.

#### 7.12 **Completion and Certification of Quality Control, Votes Cast in Advance of Member Meeting, and Mailing of Notice to Members**

The Election Service Provider must perform all Post-Tabulation and Pre-Release or Pre-Announcement Quality Control tasks and must certify in writing to the PEC General Counsel that each step has been completed delivery of Election Results to the General Counsel. The Election Services Provider shall deliver the Elections Results to the General Counsel, or designee, no later than four (4) days before the Member Meeting at which the Elections Results are announced.

Before the Member Meeting, the General Counsel will prepare and transmit to the Governance Team certifications of the following:

- Notice of the Member Meeting was mailed in accordance with the Bylaws.
- The number of votes cast by mail or electronically, or as otherwise approved by the Board of Directors.

Before a Member Meeting, the Governance Team will prepare for execution by the Board Secretary at the Member Meeting, a certificate affirming that quorum was satisfied at the meeting or for a Director Election, for filing with the official records of the Cooperative.

## **8 MEMBER MEETING AND TABULATION OF VOTES**

### **8.1 One Member-One Vote**

Each Member shall be entitled to one (1) vote upon each matter submitted to a vote of the Membership. Any officer of an entity Member, as listed in Texas Secretary of State records, or any person listed in PEC’s records as authorized to act on behalf of an entity Member, may cast a vote on behalf of that entity Member.

Each Member of a Director district shall be entitled to one (1) vote upon each Director election for that individual Director district, and only Members of a Director district may vote in that Director district election.

A Member’s individual Director district is established by the location of the Member’s Primary Account as that term is defined in the Tariff and Business Rules. For a Member with multiple accounts, a Member may request and PEC will only change a Member’s Primary Account once every (3) three years.



## 8.2 Voting Prior to the Member Meeting; Deadline for Casting a Ballot

The Election Services Provider will tabulate all ballots cast at a time and date before the date of the Member Meeting as established by the Board of Directors on the Election Timeline (“Deadline for Casting a Ballot”). At the same time, the Election Services Provider will perform its quality control related to the voting procedures, process for release and announcement of elections results, and provide the certification to the General Counsel required in Completion and Certification of Post-Tabulation, Pre-Release and Pre-Announcement Quality Control (Section 8.8).

**Deadline for Casting a Ballot.** The Deadline for Casting an Election ballot shall be no later than seven (7) days prior to the Member Meeting at which the Elections Results are announced. All ballots must be received by the Election Services Provider by the Deadline for Casting a Ballot.

## 8.3 Proxies Prohibited

Except in instances specifically mandated by law or PEC Governing Documents, a Member may not appoint another individual person to vote on any matter for the Member.

## 8.4 Tabulation; Release of Election Results; Announcement of Election Results

The Election Service Provider will tabulate results in accordance with the PEC Bylaws. The first vote of a Member received by the Election Service Provider will be counted as the vote cast by that Member, and Members will not be allowed to change previously cast votes.

Any paper ballot received by mail at the Election Service Provider by the Deadline for Casting a Ballot (Section 8.2) shall be deemed and counted as having been cast before the deadline for mail-in balloting specified in the Bylaws, unless the Election Service Provider or PEC has conclusive information that the ballot was cast after the deadline.

Paper votes will be scanned electronically by the Election Service Provider into a data record as they are received, with questionable and zero-vote Ballots pulled, hand counted and entered into the data. Online votes will have been recorded in a data record as they were cast, with multiple levels of verification and security. Duplicate Ballots cast by Members who have already previously voted online will be removed before tabulation.

The Election Service Provider shall prevent any ballot from being cast electronically after the Deadline for Casting a Ballot (Section 8.2).

The Election Services Provider will tabulate and count ballots in such a way to favor the intention to cast a vote on each item on a returned ballot. The Election Services Provider will examine voter marks to determine voter intent.

The Election Services Provider shall deliver the Elections Results to the General Counsel, or designee, no later than four (4) days before the Member Meeting at which the Election Results are announced.

**Release of Election Results prior to Member Meeting.** The General Counsel, or designee, shall release the results to Candidates and the Board of Directors three (3) days prior to the Member Meeting at which Election Results are announced. Immediately after releasing the Election Results to Candidates and the Board of Directors, the General Counsel, or designee,



will release the Election Results to the Membership, but no later than three (3) days prior to the Member Meeting at which Election Results are announced.

**Announcement of Election Results at the Member Meeting.** At the Member Meeting, the Election Service Provider, or another person designated by the Board of Directors, will announce the vote totals for each Director election district ("Election Results")

## 8.5 **Process if Member Disputes Having Cast Vote**

If a Member disputes a record showing they have previously cast a Ballot, a new Ballot may be cast by the Member and counted only if submitted prior to the Deadline for Casting a Ballot, and upon a written affirmation signed by the Member that he or she has not previously voted, example attached as Exhibit C. For any Joint Membership, such a written affirmation must be signed by both Joint Members to be effective.

## 8.6 **Determination of Outcome/Winner**

### 8.6.1 **Non-Director Election**

Members shall be deemed to have approved an option in a Non-Director Election if: (1) a Member Quorum, as defined in the Bylaws, is established and certified, and (2) the Non-Director Election option receives the highest number of votes.

### 8.6.2 **Director Election**

The Candidate for each Director Position receiving the highest number of votes shall be elected, unless the Candidate receiving the highest number of votes is a Withdrawn Candidate, in which case the non-withdrawn Candidate receiving the highest number of votes shall be elected. In the event of a tie, the winner shall be determined by a drawing by lot to be conducted by the Election Service Provider. In the event of a tie in a Director Election, in conducting a drawing by lot, a representative of the Election Service Provider will place in a box as many slips of paper as there are nominees in the tie, with a single slip marked "elected" and the remaining slips marked "not elected." In alphabetical order by last name, each of the Director Candidates in the tie shall blindly draw one (1) slip from the box.

The Director Candidate drawing the slip marked "elected" shall be elected to the Director position in question.

## 8.7 **Completion and Certification of Post-Tabulation, Pre-Announcement Quality Control**

After tabulation, and no later than four (4) days before the Member Meeting at which the Elections Results are announced, the Election Service Provider must certify in writing to the PEC General Counsel all Post-Tabulation, Pre-Release and Pre-Announcement Quality Control steps were taken.

## 8.8 **Release, Announcement and Certification of Election Results**

At the conclusion of validation and tabulation of the Ballots and certification of quality control but no later than four (4) days before the Member Meeting at which the elections results are announced, the Election Service Provider shall provide to the General Counsel a written certification of the election results for inclusion in the Minutes of the Member Meeting and a Regular Meeting of the Board after the Member Meeting. The General Counsel, or designee,



shall release the election results as provided by these Procedures. The Election Services Provider, or another person as designated by the Board of Directors, will announce the election results at the Member Meeting. If any Candidate is a Withdrawn Candidate, the Election Service Provider shall announce that that Candidate is a Withdrawn Candidate and that that Candidate is ineligible to be elected notwithstanding the number of votes cast for that Candidate.

#### **8.9 Post-Election Director Acknowledgments**

Immediately after the conclusion of the Member Meeting, all elected Directors must execute and deliver to the Governance Team (i) the conflict-of-interest disclosure form, (ii) the Director Affirmation as to their eligibility to be a Director, and (iii) the acknowledgment of the Directors' Code of Conduct.

#### **8.10 Election Contests**

The General Counsel shall be the arbiter of any issue related to PEC Elections, subject to appeal to the Qualifications and Elections Committee. Any challenge to the election must be filed at the Pedernales Electric Cooperative Headquarters, located in Johnson City, Texas by 5pm on the second (2<sup>nd</sup>) business day following the Release of the Election Results.

### **9 ACTIONS AFTER ANNUAL MEETING**

#### **9.1 District-by-District Results**

Within five business days of the Member Meeting at which Election Results are announced, the Election Service Provider will provide to PEC a breakdown of voting results by district, showing the total number of Members from each district that voted, the total number from each district voting for each Candidate or Non-Director Election Ballot item, and the total number from each district that voted but did not cast a vote in a race or Non-Director Election matter.

#### **9.2 Post-Election Analysis**

Within two months after the Annual Meeting at which Election Results are announced, the General Counsel will conduct a review of all facets of the PEC Elections and will present to the Board any recommended modification to PEC Bylaws or Election Policy or Procedures.



# APPENDIX A

## Election Timeline - Sample

Appendix A: Election Timeline (SAMPLE)			
Item	Section	Party	Due Date
Consider Election Service Contract	4.1	GC/BOD	At or before the August Regular Board meeting each year
Establish Annual Meeting Date and Location	3.1	BOD	At or before the August Regular Board Meeting each year
Present Election Timeline	3.2	GC	December Regular Board Meeting
Approve Election Timeline	3.2	BOD	January Regular Board Meeting
Conduct Internal Coordination Meeting	3.3	GC/ Public Affairs / GM / IT/ GT / Legal / Member Relations/ Mapping / Election Service Provider	Prior to the January Regular Board Meeting
Communications Plan presented to the Board of Directors	7.3	Public Affairs Department	At or before the January Regular Board Meeting of each year
Post and make available Ballot Materials and Nomination Application	6.2.1.1.1	GT/ Public Affairs / Member Relations	By January Regular Board Meeting each year.
Election Service Provider send Quality Control Steps to the General Counsel	7.11	Election Service Provider/GC	Prior to the February Regular Board Meeting (timeline reflects packet deadline).
Director will submit to the Governance Team the name of a person or persons residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee	6.2.1.6	BOD/GT	At least a week preceding the February Regular Board meeting
Direct the General Counsel to prepare proposed Non-Director Election items	6.1	BOD	No later than the January Regular Board Meeting each year
Board will appoint the Qualifications and Elections Committee	6.2.1.6	BOD/QEC	At the February Regular Board meeting



**Appendix A: Election Timeline (SAMPLE)**

<b>Item</b>	<b>Section</b>	<b>Party</b>	<b>Due Date</b>
Candidate Application to be delivered to the Governance Team at PEC Headquarters in Johnson City	6.2.1.4	<i>Candidate Applicant/GT</i>	No later than 5 p.m. on the last business day falling 82 days or more before the date of the Annual Meeting
Candidate Orientation and Photos	7.1 7.5	<i>Candidate Applicant(s)/PEC staff</i>	The week preceding the April Regular Meeting of the Board each year
Election withdrawal deadline for removal from Ballot	7.2	<i>Candidate Applicant</i>	Before approval of Ballot by Board
Presentation and approval of Candidate slate, Ballot, and any Non-Director Election items	6.2.1.9, 6.2.1.10	<i>Qualifications and Elections Committee /GC</i>	At the April Regular Meeting of the Board each year
Candidate Photographs	7.1, 7.5	<i>Candidate Applicant(s) / Governance Team / Public Affairs</i>	Following the week after the Ballot is approved by the Board
Mailing of Ballots	7.4.1	<i>Election Service Provider, as directed by GC / GM</i>	Between 25 and 30 days before the Annual Meeting
Online voting site goes live	7.4.2	<i>Election Service Provider</i>	Between 25 and 30 days before the Annual Meeting
Initial voting email notifications	7.4.3	<i>Election Service Provider</i>	Between 25 and 30 days before the Annual Meeting
Certifications prepared of mailing of Annual Meeting Notices, number of votes cast electronically and by mail, quorum verification for use at Annual Meeting.	7.12	<i>GC and GM</i>	Between one and eight days before Annual Meeting.
Supplemental mailing of ballots to Members since previous mailing	7.4.1	<i>Election Service Provider/IT</i>	As specified in this timeline
Update on voter turnout by Director election district	7.10	<i>GC and GM</i>	Once weekly after Ballots are initially mailed
Supplemental mailing of ballots to Members since previous mailing	7.4.1	<i>Election Service Provider/IT</i>	As specified in this timeline



**Appendix A: Election Timeline (SAMPLE)**

<b>Item</b>	<b>Section</b>	<b>Party</b>	<b>Due Date</b>
Update on voter turnout by Director election district	7.10	<i>GC and GM</i>	Once weekly after Ballots are initially mailed
Deadline for mailing or webcasting ballots	8.4	<i>Election Service Provider</i>	Eight days before Annual Meeting
Reminder voting emails	7.4.3	<i>Election Service Provider</i>	Dates to be determined each year when timeline presented to the Board of Directors
Record Date for Casting Ballot, transmittal by PEC of Members eligible to vote to Election Service Provider	5.2	<i>IT</i>	Close of business on the eighth day before Annual Meeting
Update on Voter Turnout by Director election district	7.10	<i>GC and GM</i>	Once weekly after Ballots are initially mailed
Pre-Annual Meeting Quality Control	7.12	<i>Election Service Provider</i>	At the close of the final business day before the Annual Meeting
Post-Tabulation, Pre-Announcement Quality Control	8.7	<i>Election Service Provider</i>	On the date of Annual Meeting after the results are tabulated
Announcement and Certification	8.8	<i>Election Service Provider</i>	On the date of Annual Meeting after the results are tabulated
Post-Election Director Acknowledgments	8.9	<i>BOD</i>	On the date of Annual Meeting after the meeting has concluded
District-by-District Results	9.1	<i>Election Service Provider</i>	Within five business days of the Annual Meeting
Post-Election Analysis	9.2	<i>GC and GM</i>	Within one month after the Annual Meeting

**Legend:**

- BOD – Board of Directors
- ESP – Election Services Provider
- GM – Governance Manager
- GT – Governance Team
- GC – General Counsel
- IT – Information Technology
- QEC – Qualifications and Elections Committee



## APPENDIX B

### Election Service Provider Technical and Security Qualifications

Before being awarded a contract with Pedernales Electric Cooperative, any Election Service Provider shall establish to the Cooperative's satisfaction that it has met the following technical and security qualifications listed below or as included in the Cooperative's procurement requirements and not limited to the following.

#### 1. Policies and Procedures

The Election Service Provider must establish and follow the following internal policies and procedures:

- a. **Acceptable Use Policy** addressing use and ownership, security and proprietary information, unacceptable use, system and network activities, and communications.
- b. **Information Sensitivity Policy** addressing information disclosure and sensitivity.
- c. **Password Policy** addressing a standard for creation of strong passwords, the protection of those passwords, and the frequency of change.
- d. **Physical Security Policy** addressing security access to all parts of the provider's building and its contents, assets and equipment.
- e. **Logical Access Procedure** addressing how user access accounts are created, changed, terminated, and monitored within the application architecture to ensure standardization across all information technology systems and ensure the appropriate data owners are contacted, informed and approved for each user access request. All user access requests must be documented using procedures outlined in this process, minimizing unauthorized access to proprietary information and technology.
- f. **Change Management Policy** addressing the steps required to analyze, authorize, test, implement and document application changes (i.e., patches, upgrades, and reports).
- g. **Quality Control Procedure** addressing project requirements checklist, project hand-off, proofing, testing, data receipt, vendor QC checks, certification of reports, close-race/recount, and onsite QC.
- h. **Client Services Procedure** addressing hard/electronic material exchanges or material development, secured client group drive, approvals, printing/mailing, project change, handling of bounces, and member/participant support.
- i. **Production Procedure(s)** addressing physical material inventory, assembly, shipping/receiving, vaults/security, processing, scanning/verifying, observation, and auditing.
- j. **Disaster Recovery Procedure** addressing categories of threat (i.e., personal health and safety, facility relocation, business interruptions (technology), and business interruptions (human resources)), and a standing emergency planning team, critical operations, suppliers and contractors, shelter-in-place plan for alternate location, communications, cyber security, records back-up, annual plan review, and the projected recovery period.

#### 2. Confidentiality of Data

The Election Service Provider shall contractually agree not to share voting details (the contents of any ballot received by the Election Service Provider) with PEC. Any data transmitted within the Election Service Provider shall be sent via CD, encrypted email, or





https transfers. Access to PEC data shall be limited to a list of vendor employees with a business need for such access, subject to PEC review.

### **3. Network/Security**

The Election Service Provider shall provide enterprise-class facilities that keep mission-critical infrastructure continuously available. Secure network architecture shall include: firewalls, intrusion detection, server hardening, network and server monitoring; VeriSign E-commerce level certificates; and encryption with 128-bit private key and 1024-bit public key.

### **4. Physical security**

All physical materials relating to elections shall be stored in facilities providing two or more of the following physical barriers to entry:

- a. Pass-card entry
- b. Biometric recognition
- c. Continuously monitored digital surveillance equipment
- d. Standard 19-inch lockable cabinets

### **5. Connectivity**

The voting website must have reliable Internet connectivity, uninterruptible telecommunication infrastructure (e.g., multiple independent connections to Tier 1 Internet access providers that maintain and balance Internet traffic). The Election Service Provider's voting website shall be accessible across multiple browsers and operating systems, including MacOS and Windows, and shall be available for PEC testing before "go-live."

### **6. Power**

Data storage and server facilities must have power redundancy (e.g., uninterruptible power supplies, power conditioning units, and high-capacity generators) to help maintain an effortless environment.

### **7. Data Backups**

The Election Service Provider must back up PEC data offsite at a minimum of nightly.

### **8. Vulnerability Testing**

The Election Service Provider shall, upon request, provide PEC a certificate from an outside security testing vendor certifying that the Election Service Provider has passed vulnerability and penetration tests of all aspects of network, servers, and applications security.



**APPENDIX C: Affidavit Affirming No Previous Vote Cast for Annual Director Election**

My name is \_\_\_\_\_, and \_\_\_\_\_, and I (we)  
(Name of person executing affidavit) (If any, name of joint member)

hereby affirm the following:

- I am authorized to cast a vote as an Individual or Joint Member or as an authorized representative of an entity, \_\_\_\_\_, and \_\_\_\_\_, of  
(Member Name) (If any, name of joint member)  
\_\_\_\_\_ that is a Member of the Pedernales Electric  
(Member address)  
Cooperative, Inc., (PEC) in Director Voting District Number \_\_\_\_\_ for the PEC Election  
(Director District Number)  
being conducted on \_\_\_\_\_.  
(Date)
- Neither I, my spouse, nor any other person authorized to vote on behalf of the Member listed above has, to my knowledge, previously cast a vote in this election.
- Any vote recorded as having previously been cast for this Member, was not in fact the vote of the Member, and should not be counted. I will not hold Pedernales Electric Cooperative or its agents in any way liable, and accept any liability, for PEC's not counting any such vote.

Executed by:

\_\_\_\_\_  
(Member Signature)

\_\_\_\_\_  
(If any, Joint Member Signature)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE OF TEXAS**  
**COUNTY OF** \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
(Date) (Member Name)

\_\_\_\_\_  
Notary Public (Signature)

(SEAL)

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**STATE OF TEXAS**  
**COUNTY OF** \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
(Date) (Joint Member Name)

\_\_\_\_\_  
Notary Public (Signature)

(SEAL)

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



## Appendix D

### PEC CORPORATE STATISTICS (SAMPLE)

## Key statistics about your electric cooperative

**At PEC, we are more than an electric utility. We are a cooperative owned by our membership, and we believe it is important to share key information with our members.**

Review some key facts about your cooperative below. Additional information, such as an archive of annual reports, Form 990 compensation reporting, and key industry ratios is available at [pec.coop/archives](http://pec.coop/archives).

Average Cost Comparison (December 2021)	1,000 kWh	1,250 kWh	1,500 kWh	2,000 kWh
PEC residential average	\$113.47	\$136.83	\$160.20	\$206.93
Texas residential average*	\$125.50	\$156.88	\$188.25	\$251.00
National residential average*	\$137.50	\$171.88	\$206.25	\$275.00

Notes: PEC's total cost to purchase energy is based on the actual cost billed to members.

Source of U.S. EIA information is Form EIA-861M, Monthly Electric Power Industry Report, Table 5.6A - Average Price of Electricity to Ultimate Customers by End-Use Sector.

\*Total cost to purchase energy is estimated from the cost per kWh multiplied by the total energy purchased at 1,000; 1,250; 1,500; and 2,000 kWh.

Service territory square miles	<b>8,100</b>	Capital credits distributed in 2021	<b>\$5.7 million</b>
Number of cities served	<b>45</b>	Fitch bond rating (affirmed January 2022)	<b>AA-</b>
Number of counties served	<b>24</b>	2021 total assets	<b>\$2.0 billion<sup>1</sup></b>
Active accounts (3/1/22)	<b>370,148</b>	2021 percent growth in meters	<b>5.4%</b>
Residential accounts	<b>339,523</b>	Board meetings held in 2021	<b>17</b>
Large power accounts	<b>1,356</b>	Members voting in 2021 PEC Board Election	<b>16,933</b>
Small power accounts	<b>29,120</b>	Percentage of members participating in 2021 online voting who were "very satisfied" or "satisfied" with the online voting process	<b>96.2%</b>
Miles of line (3/1/22)	<b>23,908</b>	2021 community and member support	<b>\$470,410</b>
Employees (3/1/22)	<b>883</b>		

<sup>1</sup> Pre-audit figures, subject to change

Revised March 2022





# ELECTION POLICY AND PROCEDURES

Effective Date: TBD

## POLICY AT A GLANCE

PEC and its Board of Directors recognize that matters put to a vote of Members are a cornerstone of PEC’s governance and compliance with the Cooperative Principle of **Democratic Member Control**.

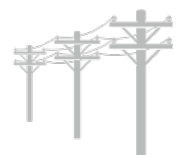
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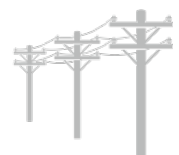
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# Election Policy

## 1. PURPOSE

The Pedernales Electric Cooperative, Inc. (“PEC” or “the Cooperative”) and its Board of Directors (“Board”) recognize that matters put to a vote of Members (“PEC Elections”) are a cornerstone of PEC’s compliance with the Cooperative Principle of Democratic Member Control.

PEC further recognizes that the Internal Revenue Service has identified meaningful Democratic Member Control as a requirement for the tax exemption granted to PEC and other electric cooperatives.

The Board has retained the oversight of PEC Elections. In furtherance of the Board’s oversight of PEC Elections, this Election Policy (“Election Policy”) and accompanying Election Procedures (“Election Procedures”) are intended to ensure that PEC Elections are conducted in a fashion that maximizes and exemplifies Democratic Member Control. A copy of this Election Policy and the Election Procedures shall be included in materials made available to persons running in a Director Election (“Candidates”).

## 2. SCOPE

PEC shall seek to increase voter awareness and turnout in PEC Elections through educational efforts, communications, programs and effective use of technology. All PEC Elections shall be conducted in a manner that is uniform, impartial and fair to all Candidates and positions that are subject to vote.

The Board recognizes that consistent, credible PEC Elections are essential to maintaining Member confidence in PEC, and the key vehicle by which Members hold Directors accountable and influence the direction of the Cooperative, both through election of Directors (“Director Election”) and elections on issues of importance to the Cooperative (“Non-Director Election”). It is the policy of the Board that PEC Elections shall be administered in as impartial a manner as possible, utilizing the services of an independent, third-party (“Election Service Provider”) who will certify the accuracy of voting.

## 3. POLICY AND IMPLEMENTATION

PEC shall seek to maximize Member involvement and empowerment of Members in the electoral process through direct means, including the use of the Qualifications and Elections Committee called for in the PEC Bylaws. The Cooperative will, through its governing documents, policies and practices, encourage candor and maximum disclosure of actual and potential conflicts of interest by Candidates for PEC Director positions, including incumbent Directors. And, as a corollary to its Election vigilance, the Cooperative will provide robust Director removal and replacement mechanisms to address breaches of fiduciary duties by Directors.

## 4. PROCEDURE RESPONSIBILITIES

The procedural policies are delegated by the Board pursuant to the specifics which are detailed in the “Election Policy and Procedures,” a copy of which is attached, and incorporated herein.



## 5. POLICY ENFORCEMENT

Ultimate responsibility for enforcement of PEC elections lies with the Board. However, day-to-day enforcement, and any appeals, are detailed in the “Election Policy and Procedures” attached hereto and incorporated herein.

## 6. REFERENCES AND RELATED DOCUMENTS

This Policy shall be read in conjunction with and incorporates by reference sections dealing with Elections within the Texas Electric Cooperative Act ([Texas Utilities Code Chapter 161](#)), the Member Bill of Rights and other sections of the [PEC Articles of Incorporation](#) and [PEC Bylaws](#).

Date adopted:	November 19, 2012
Last reviewed:	TBD
Review frequency:	Every year
Amendment dates:	January 21, 2014, September 15, 2014, October 20, 2014, December 8, 2014, August 18, 2015, January 19, 2016, November 14, 2016, October 16, 2017, October 15, 2018, October 18, 2019, December 13, 2019, October 16, 2020, October 15, 2021, October 21, 2022; October 20, 2023; TBD
Effective date:	TBD
Approver:	Board of Directors
Applies to:	All PEC Board of Directors, Employees and Members
Administrator:	General Counsel
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





# Election Procedures

## 1 INTRODUCTION

These Election Procedures (“Procedures”) are intended to ensure consistent compliance with the Election Policy (“Policy”) of Pedernales Electric Cooperative, Inc. (“PEC” or “the Cooperative”), applicable law, and PEC’s Articles of Incorporation and Bylaws (collectively, “Governing Documents”), which are incorporated by reference, including terms defined therein.

## 2 ROLES AND RESPONSIBILITIES

### 2.1 Board of Directors

The Board of Directors will:

- Exercise oversight of PEC Elections in a fashion that maximizes and exemplifies Democratic Member Control
- Ensure full compliance with the PEC governing documents and the law
- Designate the PEC Election Service Provider (as defined in the PEC Bylaws)
- Determine the location, date, and time of each year’s Annual Meeting
- Approve the Election Timeline for each election
- Direct the General Counsel to draft any Ballot language needed for a non-Director Election
- Appoint members to serve as a Qualifications and Elections Committee
- Call any Special Member Meeting required by the Bylaws for any Election to fill a vacant Board seat or for any other purpose, establish a timeline for nominations, voting and elections for such Special Member Meeting, and make any modifications to these procedures needed to effectuate such an Election
- Annually consider any needed modifications to the Election Policy and these Procedures
- Perform any other functions specified by the Board in these Procedures
- Approve the final ballot presented to PEC members

### 2.2 General Counsel

General Counsel within the Election Policy or Election Procedures means the Board of Director’s General Counsel whether an employee or outside counsel or their designee.

The General Counsel will:

- Work to ensure PEC Elections are conducted consistent with law, PEC’s Governing Documents, Election Policy and Procedures and other directives of the Board
- Work with PEC internal departments to ensure implementation of the Election Policy and Procedures
- Make determinations on the conduct of the election and candidates, presenting issues to the Qualifications and Elections Committee or the Board of Directors as appropriate
- Apprise the Board of and provide counsel on Election-related issues
- Prepare each year’s Election Timeline



- Designate campaigning zone for PEC Annual Meeting
- Make inquiry into the Bylaw-mandated qualifications of Candidate Applicants (as defined herein) and recommend qualified Candidates to the Board for inclusion on the Ballot, as such duty is delegated by the PEC Chief Executive Officer (“CEO”)
- Craft proposed Non-Director Election Ballot language as directed by the Board
- Initiate and oversee the evaluation and recommendation to the Board of an Election Service Provider
- Serve as or designate a single point of contact for the Election Service Provider
- Annually recommend any needed modifications to the Election Policy and Procedures
- Perform such other duties related to an Election as the Board may designate

### 2.3 **Qualifications and Elections Committee**

- Working with the General Counsel, the Qualifications and Elections Review Committee appointed under the Bylaws (“Qualifications and Elections Committee”), determine whether Candidate Applicants satisfy the qualifications to be eligible for election as a director
- Recommend a slate of Qualified Candidate Applicants to the Board
- Rule on any appeals brought forward by the General Counsel regarding decisions impacting the elections prior to the Annual Meeting
- Rule on any post-election contest

### 2.4 **Governance Team**

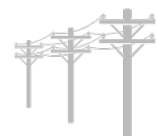
The Governance Team, including the Board Reporting Secretary, under the direction of the General Counsel, will:

- Coordinate and administer elections as directed and provided by this Policy and Procedures
- Perform the duties specified herein as designee of the Board Secretary
- Receive and maintain all records related to Director qualifications and nominations
- Make available to Members all required Director Election Nomination forms and related materials
- Serve as the point of contact or designate a person to provide answers to any questions about the Election process from Directors, Candidates, or Members

### 2.5 **Election Service Provider**

The Election Service Provider appointed by the Cooperative will:

- Provide services as specified in the Bylaws, Election Policy and Procedures, consistent with law and its contract with PEC
- Print, distribute, and collect the Ballots
- Tabulate and certify the election results
- Archive and manage all election materials, including destruction of materials from previous elections, according to terms of its contract with PEC



### 3 ESTABLISHING ANNUAL MEETING DATE, TIME, AND LOCATION AND ELECTION TIMELINE

#### 3.1 Establishing Annual Meeting Date, Time, and Location

At or before the August Regular Board Meeting, but no later than December, each year, the Board will determine the date, time, and location of the next year's Annual Meeting.

#### 3.2 Timeline

At a Regular Board Meeting at least 6 months prior to each Annual Meeting, the General Counsel or designee will develop and present to the Board a proposed timeline, with specific dates and deadlines for Election-related events, in the format shown in Appendix A of these Election Procedures ("Election Timeline"). The Board will consider, amend, if desired, and approve the Election Timeline at or before a Regular Board Meeting at least 5 months prior to each Annual Meeting.

#### 3.3 Coordination Meeting

Upon each Board approval of an Election Timeline, the General Counsel shall convene a meeting of internal PEC personnel and representatives of the Election Service Provider to plan the overall Election Timeline and the roles and responsibilities of each individual. Attendees at the meeting shall include the Governance Team, the General Counsel, representatives of the Election Service Provider, and representatives from Member Relations, Legal Services, Communications, and the IT departments, and such other personnel as may be necessary to coordinate and implement the Election process.

### 4 SELECTION OF ELECTION SERVICE PROVIDER

#### 4.1 Annual Decision

At or before the August Regular Board meeting each year, the General Counsel will recommend to the Board whether to extend the contract for the services of the Election Service Provider then retained by the Cooperative under the Bylaws and the Board will make a determination whether to extend the contract or seek an alternate Election Service Provider. Any such extension may be implemented without competitive procurement, notwithstanding any PEC policy or procedure.

#### 4.2 Competitive Procurement

When the Board decides to solicit for election service providers, the Board shall direct the General Counsel to initiate a competitive procurement to identify and recommend to the Board the most qualified Election Service Provider. In any such decision the Board should recognize that such procurement will typically take between four and six months. Unless the Board directs otherwise, a competitive procurement will be performed every three years.

#### 4.3 Criteria

Criteria for recommendation or selection of an Election Service Provider will include: experience, technical capability, past performance, understanding of and ability to comply with PEC Bylaws, policies and procedures, capability to integrate with PEC IT infrastructure, and ability to preserve and enhance the credibility of the Election process. Any prospective



Election Service Provider must meet the technical and security qualifications established by PEC and attached as Appendix B. Any such vendor shall establish its qualifications in this regard by providing detailed descriptions of demonstrated performance in quality-control methods and testing, system security specifications, and policies regarding storage, transmittal, access to and retention of Member information and voting data.

An Election Service Provider may serve the Cooperative only upon having agreed not to share with any person not employed by the Election Service Provider partial or complete voting results before the final tabulated and public announcement by the Election Service Provider at a meeting of Members; provided, however, the Election Service Provider may periodically provide the vote information described in these Procedures.

## 5 RECORD DATE(S)

By adoption of these Election Procedures, under the authority specified in the Article II, Section 9 of the PEC Bylaws, the Board hereby specifies the following Record Dates for Annual PEC Director Elections:

### 5.1 Petition signatures

The Record Date for a Member to be eligible to sign a nomination petition is the date of the verification of the signatures by PEC, meaning that a signature will be counted when the signatory is a Member on the date of verification. This provision shall not prevent reverification of a signature on a subsequent day, if a signatory becomes a Member before the deadline for signature verification, as allowed by these procedures. This provision shall not prevent the use of signature of a Member who appears on the Cooperative's Membership List as provided by this Policy.

Member signatures on a nomination petition will also be counted as eligible petition signatures when the Member appears on the Membership List, as provided to Candidate Applicants pursuant to Section 7.7 (Membership List Availability), in the Director District for which the Candidate Applicant is running.

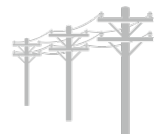
### 5.2 Casting Ballot

The Record Date for a Member to cast a Ballot in a Director Election is the close of business on the eighth (8<sup>th</sup>) day preceding the date of the Member Meeting at which the announcement of election results are made, meaning that only parties that are Members at the close of that Record Date will be eligible to have their Ballot counted, and to be counted toward the Member Quorum for that Member Meeting or Director District Election. At the close of business on that Record Date, or as soon as practicable thereafter, PEC will provide the Election Service Provider with an up-to-date list of PEC Members as of the Record Date.

## 6 PREPARATION AND APPROVAL OF BALLOT

### 6.1 Non-Director Elections

The Board may, from time-to-time, submit matters under consideration by the Board to a vote of the Members. The vote in any such Non-Director Election shall be advisory only, except in such cases where a vote of Members is required by law or the PEC Bylaws, such as a vote to amend the PEC Articles of Incorporation. No later than the Regular Board Meeting 5 months



prior to an election, the Board will direct the General Counsel to prepare proposed Ballot wording for any items to be put to a vote in a Non-Director Election. Any such matters will be presented by the General Counsel in a way to enhance Member understanding of such measures, including any Board recommendation or position concerning such a vote.

## 6.2 Director Elections

### 6.2.1 Nominations

#### 6.2.1.1 Ballot Materials and Application

##### 6.2.1.1.1 Posting and Availability

The Governance Team will work with the PEC Communications and Member Relations departments to ensure one week prior to the date of the Regular Board Meeting 5 months prior to each election, the following items are made available to PEC Members on the PEC website and in PEC offices: Nominations applications and petitions; Director District map(s); Election timeline; PEC Bylaws; PEC Conflict of Interest Policy; and Conflict of Interest certification and disclosures; PEC Election Policy and Procedures; information about Membership List availability and procedures for obtaining and use of the list.

##### 6.2.1.1.2 Waiver

The application form for Board candidacy will include a waiver, which all persons seeking nomination to the Ballot ("Candidate Applicants") must execute to authorize PEC or its agent to perform background checks to verify the Candidate Applicant meets the Bylaw qualifications to serve as Director.

##### 6.2.1.1.3 Affirmation of Eligibility and Adherence to Election Rules

Candidate Applicants must affirm that the Candidate Applicant meets PEC Bylaw eligibility requirements to serve as a Director both at the time the application is filed and after the Candidate becomes a Director, if elected. Each Candidate Applicant must provide their date of birth, address history and other information, including specific questions or requests for information, the General Counsel deems necessary to confirm that the Candidate Applicant meets Bylaw requirements to serve as a Director.

Candidate Applicants must affirm that the Candidate Applicant will adhere to the policies, rules, requirements, or procedures established by the Cooperative for Director Elections.

##### 6.2.1.1.4 Candidate Application – Use of Legal Name

Candidate Applicants shall provide their legal name on the application to indicate the name as they wish it to appear on the Ballot, biography, questionnaire, PEC website and all PEC election materials. Names must be in a form substantially similar to the Member's legal name; however, the name may contain "commonly-known-as"



nicknames or abbreviated, diminutive forms of the legal name. Nicknames shall not be allowed if they are created solely for use in a PEC Director election. Titles, forms of address, designations, honorifics, professional titles or other credentials, such as education, military rank, or occupation, are prohibited. PEC shall publicly disclose and use the legal name provided by the Candidate Applicant in all election materials.

#### **6.2.1.1.5 Biographical and Platform Materials**

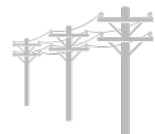
Candidate Applicants must provide biographical material in electronic format that can be opened by Microsoft Word to the Governance Team (as designee of the Board Secretary), as part of the application. Biographical materials are limited to 800 words, in the following required format: single spacing, Arial font with 11 point size, containing personal background information and the Candidate's stance on matters of importance to PEC and its Members. Word count will be measured using the Word Count function of Microsoft Word. If a Candidate Applicant submits biographical materials exceeding 800 words, or with incorrect spacing or incorrect font, the Governance Team will, if time allows, notify the Candidate Applicant. Candidate Applicants may submit revisions to biographical materials until the deadline for submission of application materials. Each Candidate Applicant is solely responsible for the content of his or her submitted biographical materials (including grammar, spelling, and punctuation) and PEC staff will not proofread, edit or otherwise alter any biographical materials, other than to truncate any biographical materials exceeding 800 words or to format in PEC election materials in order to efficiently utilize space or provide consistency. PEC will distribute Candidate Biographical Materials and Candidates' photographs by email to all PEC Members who receive PEC email notifications.

#### **6.2.1.1.6 Candidate Questionnaire**

Candidate Applicants have the option to complete and provide a board Candidate Questionnaire in electronic format that can be opened by Microsoft Word to the Governance Team (as designee of the Board Secretary), as part of the application. Candidate Questionnaire materials are limited to 400 words excluding questions. Word count will be measured using the Word Count function of Microsoft Word. If a Candidate Applicant submits Candidate Questionnaire materials exceeding 400 words (excluding questions), the Governance Team will, if time allows, notify the Candidate Applicant. Candidate Applicants may submit revisions to Candidate Questionnaire materials until the deadline for submission of application materials. Each Candidate Applicant is solely responsible for the content of his or her submitted Candidate Questionnaire materials (including grammar, spelling, and punctuation) and PEC staff will not proofread, edit or otherwise alter any Candidate Questionnaire materials, other than to truncate any Candidate Questionnaire materials exceeding 400 words (excluding questions). PEC will distribute Candidate Questionnaire by email to all PEC Members who receive PEC email notifications.

### **6.2.1.2 Petition Process and Signature**

To be nominated and included on the Ballot for a Director Election, a Candidate Applicant must submit, on a PEC-promulgated form or a copy of such form, verifiable signatures of at least 50 PEC Members with Voting Residence (as defined in the Bylaws) within the Director District for which the Candidate Applicant is seeking nomination,



along with a conflict-of-interest certification and disclosure form as required by the Bylaws. Executed conflict-of-interest and code of conduct forms shall be posted to the PEC website along with other election and candidate information.

**Any signatures submitted by a Candidate Applicant must be originals, not copies, submitted on the petition form promulgated by the Cooperative during the year in which the election is held, or a copy of such a form.**

No Candidate Applicant will be given access to a nomination petition form before such time as those forms are made available to all Members on the PEC website and at PEC offices. A Member may sign the petition of more than one Candidate Applicant. For Joint Memberships, as that term is defined in the Bylaws, either spouse may sign a petition, but only one signature from any joint membership will be counted for any Candidate Applicant. Any officer of an entity Member, as listed in Texas Secretary of State records, or any person listed in PEC's records as authorized to act on behalf of an entity Member, may sign a petition on behalf of that entity Member. Petition forms will include spaces for the printed name, signature, address and Membership List line number to assist in verification of signatures (see Signature Verification below).

### **6.2.1.3 Confidentiality**

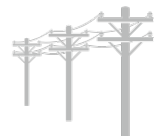
PEC employees performing duties under these procedures shall, to the fullest extent practicable, keep confidential the name of any Member who has made inquiry about seeking nomination, or has identified him or herself as a Candidate Applicant or potential Candidate Applicant, unless such Member has consented to such disclosure or has publicly made known his or her intended candidacy. Candidate Applicant names, as provided by the Candidate Applicant in the nominations and petitions Application, may be disclosed publicly, in alphabetical order by Director District, at or after the time their names have been disclosed to the Qualifications and Elections Committee. Candidate Applicant names may be disclosed to the Qualifications and Elections Committee Members the first business day following the Candidate Application and Petition deadline.

All information received from a Candidate Applicant ("Candidate Information"), is confidential until Candidate Applicant names are disclosed publicly by PEC. The term Candidate Information does not include a request for a Membership List made pursuant to PEC's Bylaws. Requests for the Membership List shall be handled through the Membership List Policy. Any request for the names of persons who requested the Membership List shall be made through PEC's Open Records Policy, and any responses to such a request shall be provided to all Candidate Applicants, Candidates, and the Board.

Upon request and after names are disclosed publicly by PEC, PEC may release Candidate Information, including Candidate Applications as provided by this policy. Candidate Application materials may be released pursuant to PEC's Open Records Policy which includes exceptions to disclosure. The Member Privacy Policy does not apply to Candidate Application materials unless otherwise provided herein.

#### **6.2.1.3.1 Confidentiality – Nomination Petitions**

All signatory-specific information on nomination petitions submitted to PEC by a Candidate Applicant is private Member information under the Member Privacy Policy, not subject to disclosure under Open Records Policy.



#### **6.2.1.3.2 Confidentiality – Candidate Election Material**

All Candidate Applicant Biographical and Platform Materials, and Questionnaire, are confidential until candidates are Qualified and approved for the Ballot. PEC shall publicly disclose Qualified Candidate Biographical and Platform Materials, Questionnaire, at the same time and at least 5 days before Voting begins.

#### **6.2.1.3.3 Directors access to Candidate Information**

Directors may not seek or be provided access to Candidate Information by PEC employees, except as necessary for such Directors to perform duties mandated by law, PEC Governing Documents or this Policy, notwithstanding Directors' usual access to confidential Cooperative information.

#### **6.2.1.4 Deadline for Candidate Application**

To be considered for inclusion on the Ballot for election as a Director, a Candidate Applicant must deliver by hand or certified, trackable delivery method with signature required, a completed original application and petitions to the Governance Team (as designee of the Board Secretary) at PEC Headquarters, 201 South Avenue F, Johnson City, Texas, 78636, no later than 5 p.m. on the last business day falling 82 days or more before the date of the Member Meeting at which a Director Election is announced. Delivery to an alternate PEC address, delivery after the deadline, or mailing an item with a postmark before the deadline will not satisfy this requirement and will result in the application's rejection.

#### **6.2.1.5 Signature Verification**

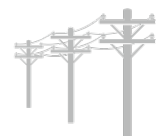
The PEC Member Relations Department will verify the signatures on petitions by Candidate Applicants. A signature will be accepted as an eligible petition signature when the signer is identified in PEC account records as a Member with Voting Residence within the district for which election is being sought.

Member signatures on a nomination petition will also be counted as eligible petition signatures when the Member appears on the Membership List, as provided to Candidate Applicants pursuant to Section 7.7 (Membership List Availability), in the Director District for which the Candidate Applicant is running.

Signatures that cannot be identified because they are illegible or cannot be matched to an active PEC Member will not be counted as verifiable signatures.

Member Relations will verify signatures in the order they are presented on petitions, and will stop the verification process once 50 signatures have been verified, or when the list of signatures is exhausted without having reached the qualifying number. Members Services will notify the General Counsel and the Governance Team and provide a written summary of findings regarding signature verification.

**Candidate Applicants are strongly encouraged to gather and submit more than 50 signatures to provide a margin of error for disallowed signatures.** If time allows





before the Candidate Application and Petition deadline, the Governance Team will inform Candidate Applicants of the circumstances of questionable signatures. Candidate Applicants may submit supplemental signatures or request a reevaluation of signatures based on Members' changing account records until the deadline for submitting signatures (e.g., if a person has had himself or herself added to a Joint Membership in PEC's records).

#### **6.2.1.6 Qualifications And Elections Committee**

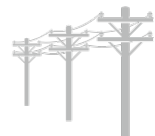
At least a week before the Regular Board meeting 4 months prior to an election, each Director may submit to the Governance Team the name of a person or persons residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee, as described in the Bylaws. At the Regular Board meeting 4 months before an election, the Board will appoint the Qualifications and Elections Committee, with no less than three (3) nor more than seven (7) members, preferably with one member from each Director District.

The resolution will set compensation, if any, deadlines, reimbursement, allowances for telephonic meetings, and any other terms specified by the Board, and will specify that the Committee shall operate in accordance with the Bylaws and these Election Procedures.

Members of the Qualifications and Elections Committee will have access to personal candidate information. The Qualifications and Elections Committee will use personal candidate information only as needed for service on the Qualifications and Elections Committee and will not further disclose the information unless required as a matter of law.

#### **6.2.1.7 Verification of Bylaw Qualifications**

The Qualifications and Elections Committee, with the assistance of the General Counsel, will recommend and report to the Board whether Candidate Applicants are qualified and eligible for election or service as a Director in Article III of the PEC Bylaws. The Qualifications and Elections Committee will recommend a slate of qualified Candidates to the Board for inclusion on the Director Election Ballot. Before attempting to verify the substantive qualifications described in the Bylaws and below, the Qualifications and Elections Committee will determine whether the Candidate Applicant has submitted required signatures, verified under Signature Verification of this Policy, and completed the conflict-of-interest certification and disclosure form required by the Bylaws. Upon request by the Qualifications and Elections Committee, a Candidate Applicant must provide information necessary to confirm that the Candidate Applicant meets Bylaw requirements to serve as a Director. Any requested information should be reasonably tailored to seek only the information necessary for a determination. In all matters, the Qualifications and Elections Committee shall assume the truth of matters asserted by Candidate Applicants, and act accordingly, unless the Committee has identified a reasonable and specific basis for acting otherwise. The Qualifications and Elections Committee may, at its sole discretion, allow for Candidate Applicants or Members to present any requested information, as described in this Section 6.2.1.7, at the time, place, and manner of the Qualifications and Elections Committee's choosing. The General Counsel will retain an independent third-party background verification firm ("Background Verifier") to assist the Qualifications and Elections Committee in verification



of the following eligibility requirements as described below:

- a) Be twenty-one (21) years of age or older on or by the date of the Member meeting at which the election is held;

**Background Verifier will attempt to locate voter registration information or driver's license for a Candidate Applicant, which will provide proof of age. If no voter registration or driver's license is found, a Candidate Applicant will be asked to provide a birth certificate, passport or other proof of age.**

- b) Have earned a high school diploma from an accredited institution, or obtained state certification through General Educational Development tests (GED), by the date of the Annual Meeting at which the Director is elected;

**Candidate Applicant will be asked to provide proof of having received the required credential, which may include degrees earned or other subsequent achievements that require such diploma or GED as prerequisites (e.g. law enforcement certification or other professional licensing requiring such a degree).**

- c) Be a United States citizen;

**Background Verifier will attempt to locate voter registration information for a Candidate Applicant, which will provide proof of citizenship. If no voter registration is found, a Candidate Applicant will be asked to provide a birth certificate, passport or other proof of United States citizenship.**

- d) Be a Member in good standing of the Cooperative, by having met and adhered to the Cooperative's payment policies in accordance with credit requirements contained in the Cooperative's Tariff and Business Rules, as amended from time to time, and any other requirements for membership in good standing established by Board resolution;

**The PEC Member Relations department will verify the Candidate Applicant's membership in the Cooperative and will review the billing history of the Candidate Applicant to verify good standing. Findings will be provided to the General Counsel for transmittal to the Qualifications and Elections Committee.**

- e) While a Director and during the five (5) years immediately prior to becoming a Director, not have been an employee of the cooperative;

**The PEC Human Resources and Finance Departments will review employment and other records for indications that the Candidate Applicant has been an employee, and will provide any relevant information discovered to the General Counsel for transmittal to the Qualifications and Elections Committee. The Candidate Applicant's affirmation of eligibility will be relied upon as to relatives'**



**prior employment or Board service. If the Qualifications and Elections Committee or General Counsel becomes aware of potential disqualification under this provision, the Cooperative staff will assist in the effort to confirm those circumstances.**

- f) While a Director, not have a child, spouse, domestic partner, parent, sibling, parent-in-law, stepchild, grandparent, or grandchild who is an employee or Director of the Cooperative;

**If the Qualifications and Elections Committee or General Counsel becomes aware of potential disqualification under this provision, the Cooperative staff will assist in the effort to confirm those circumstances.**

- g) Have his or her primary residence receiving continuous electric service from the Cooperative for one year and be located at the beginning of the calendar year of the election, in the district for which election is sought. Primary residence shall be determined based on factors including, but not limited to, real property rights, homestead exemption, electricity usage patterns, voter registration location, and address on a driver's license;

**Background Verifier will research the factors listed above and complete a standardized report to the General Counsel, identifying the indicators supporting or contradicting the Candidate Applicant's primary residence within the district where election is sought. The PEC Member Relations Department will research and report to the General Counsel on the continuity of electric service at the address. The General Counsel and the Qualifications and Elections Committee may seek clarification from the Candidate Applicant regarding information provided by Background Verifier or Member Services.**

- h) Annually complete and sign a conflict-of-interest certification and disclosure form approved by the Board of Directors;

**The General Counsel will verify that any incumbent Director running for reelection has met this requirement, and that any non-Director Candidate Applicant has executed the same, separately-required form for Candidates under the Bylaws.**

- i) While a Director or during the three (3) years immediately prior to becoming a Director, not sought to advance or have advanced a:
  - 1. Competing Interest with the Cooperative;
  - 2. Financial Interest that would likely impair the ability of the Director to serve the best interests of the Cooperative; or
  - 3. Conflicting Position that would likely impair the ability of the Director to serve the best interests of the Cooperative.

A "competing interest with the Cooperative" exists when judgment concerning the cooperative (such as financial, legal or general business decisions) is influenced or



may be reasonably influenced by another interest (such as financial or non-financial gain or interest).

A “Financial Interest” is likely to impair a Director’s ability to serve the best interests of the Cooperative if that Director has received more than ten percent (10%) of the Director’s annual gross income from serving as an employee, consultant, or contractor with or for a person or an entity that has done business with the Cooperative in the preceding three years.

A “Conflicting Position” is likely to impair a Director’s ability to serve the best interests of the Cooperative if there exists a possibility of that position requiring the Director to make business, legal or policy decisions adverse to the Cooperative or its membership. Examples of such conflicting positions include, but are not limited to:

1. Serving as an employee, consultant, or contractor assigned to negotiating or managing contracts with the Cooperative for any person or entity that has been a consultant, contractor, vendor, or bidder of the Cooperative during the preceding three years;
2. Having held an executive level or board position of a financial institution that has held Cooperative assets during the preceding three years; or
3. Having held an elected position to a public entity which has the authority to lawfully impose franchise fees.

**The Qualifications and Elections Committee will use its discretion, as advised by the General Counsel, to determine whether this qualification has been met. The determination will be based upon information provided by the Candidate Applicant under the Bylaws or this Policy or information required by the Qualifications and Elections Committee, including biographical information and the conflict-of-interest certification and disclosure form. The Committee may consider other sources of information, including public documents presented to or gathered at the direction of the Committee.**

- j) Not be or have been convicted of a misdemeanor involving moral turpitude or a felony pursuant to state or federal laws;

**Background Verifier will conduct a criminal records check of Candidate Applicants and report findings to the General Counsel. “Moral turpitude” will have the meaning ascribed to it in Texas administrative and case law.**

- k) Not currently be a member of the Qualifications and Elections Committee described herein;

**This qualification will be self-evident.**

- l) Not have been previously removed or disqualified as a Director as provided for under these Bylaws;



**General Counsel will determine and report to the Qualifications and Elections Committee whether this qualification has been met.**

- m) Have the capacity to enter into legally binding contracts;

**Beyond the age verification called for previously, no actions will routinely be taken to verify this qualification beyond receiving a Candidate Applicant's certification of eligibility and the winning Candidate's Affirmation to that effect. However, the General Counsel and the Qualifications and Elections Committee will make inquiry into any potential violation of which they become aware.**

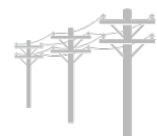
- n) Be willing to devote such time and effort to his or her duties as a Director as may be necessary to oversee the Cooperative's business and affairs including: except as otherwise provided by the Board of Directors for good cause, beginning with election to the Board of Directors, attend at least seventy-five (75) percent of all regular and special called Board Meetings during each period from Annual Meeting to Annual Meeting; and obtain the Credentialed Cooperative Director (CCD) designation from NRECA within the first 18 months after election to the Board; attend state and national association meetings and Director continuing education training as needed to maintain current knowledge and improve awareness of potential risks to the Cooperative;

**The General Counsel will verify with the Governance Team that any sitting Director or former Director previously subject to this provision has fulfilled this qualification. No actions will be taken to verify other persons' qualifications in this regard.**

- o) Not be employed by another Director or be employed by an entity over which another Director exercises substantial control.

**No steps will routinely be taken to verify this qualification, beyond examination of information provided by the Candidate Applicant or others, including conflict-of-interest forms and certifications. However, if the General Counsel or the Qualifications and Elections Committee becomes aware of a potential violation, they will take steps to determine whether the qualification is satisfied, including seeking information from the Candidate Applicant as allowed by the Bylaws.**

- p) Execute and provide the relevant documents, waivers, or other materials reasonably needed to verify satisfaction of these qualifications, including criminal background checks to be performed by the Cooperative. A person subject to this provision shall not be requested or required to provide personal or business tax returns, financial or business records, or non-public, personal details unless legal counsel has justified and certified in writing and the majority of disinterested Qualifications and Elections Committee members have determined by record vote that conformity with Director Qualifications cannot be determined without such records. If such certification is made and the records are provided, the Cooperative and its agents shall not publicly disclose such records except with the consent of the person providing them, or in the course of a legal proceeding or as required by law.



**The Qualifications and Elections Committee, with the assistance of the General Counsel, will determine whether a person refusing to execute or provide the relevant documents under this section will be disqualified for failing to meet this qualification.**

- q) While a Director, act in good faith and represent the best interests of the Cooperative as a whole, representing all members on an impartial basis.

**No actions will routinely be taken to verify this qualification beyond receiving a Candidate Applicant's certification of eligibility and the winning Candidate's Affirmation to that effect, but the Qualifications and Elections Committee and General Counsel will make inquiry into any potential violation of which they become aware. Any such inquiry is for purposes of determining Candidate Applicant eligibility, and not ongoing enforcement of this Bylaw provision.**

#### **6.2.1.8 Notification to Candidate Applicants of Proposed Findings Regarding Qualifications**

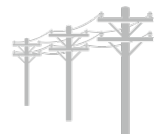
The Qualifications and Elections Committee will provide written findings to the Governance Team regarding each Candidate Applicant's qualifications to serve as a Director. The Governance Team will notify each Candidate Applicant of those findings and advise them of the schedule for the Qualifications and Elections Committee to finally determine eligibility. Any Candidate Applicant receiving notice that the Committee has preliminarily found them not to have met the Bylaw qualifications to serve as a Director will be advised of such finding and its basis, and invited to present written or other information to the Committee that supports the Candidate Applicant's qualifications.

#### **6.2.1.9 Recommendation of Candidate Slate**

At least 2 months prior to an election, the Qualifications and Elections Committee will present to the Board the slate of qualified Candidates based on the inquiry described above. The Qualifications and Elections Committee and the General Counsel will also identify and explain the circumstances of any Candidate Applicant who has been found not qualified or has otherwise not met the requirements to be a Candidate. The General Counsel will present to the Board any information submitted for the Board's consideration by any Candidate Applicant not recommended for inclusion on the Ballot.

#### **6.2.1.10 Approval and Certification of Ballot**

At a Regular Meeting of the Board at least 2 months prior to an election, the Board will consider, approve and certify the Candidate slate and Ballot language for any Non-Director Election matters for vote. Any Director will recuse himself or herself or abstain from any discussion, deliberation or vote concerning the qualifications of Candidate Applicants in any Director Election in which the Director is a Candidate Applicant. Candidates for each Director District will be considered separately, to maximize the opportunity for Directors to participate in voting. Candidate Names shall appear on the Ballot in the form and order as provided herein.



## 7 VOTING AND PROCESSES DURING ELECTION PERIOD

### 7.1 Candidate Orientation and Photos

In the week preceding the Regular Meeting of the Board that is two (2) months before an election, an orientation will be conducted by PEC staff for Candidate Applicants at the Johnson City PEC Headquarters. The agenda may include, among other things: the history of PEC; CEO remarks; Board responsibilities and time demands; compensation and legal duties of Directors; review of the Election process and timeline; the drawing of names for Ballot position and a question-and-answer period. PEC will take Candidate pictures for use in PEC-generated Election-related press and promotional material, as described in Candidate Photographs (Section 7.5) below. Candidates for election who are incumbent directors, or past directors, may not use any picture of themselves which was paid for, or created by PEC, for use in a PEC official capacity.

### 7.2 Withdrawal from Election

At any time before the Board approves the Ballot, a Candidate may withdraw from a Director Election by notifying the Governance Team in writing or by email at [election@peci.com](mailto:election@peci.com) of his or her withdrawal. Any Candidate wishing to withdraw after the Board approves the Ballot and before election results are released (“Withdrawn Candidate”) should give written notice to the Governance Team. The Cooperative will use reasonable methods to advise the Membership of the withdrawal. If time allows, the withdrawn Candidate’s name will be removed from the paper ballot, and in that case from any electronic ballot as well. If time does not allow removal from the paper ballot, the name will remain on both the paper and electronic ballots, and the election website will not be altered to remove the Candidate’s name. Any votes cast for a Withdrawn Candidate will be counted but the winner will be selected in accordance with Director Election (Section 8.7.2) below.

### 7.3 Communications Plan

At or before the Regular Board Meeting five (5) months before an election, the PEC Communications Department will present to the Board an Election Communications Plan (“Communications Plan”), outlining the communications efforts that will be employed to inform PEC members of the issues in any Non-Director Election and the Candidates, and the contact information for Members who have questions about the election process. At a minimum, the Communications Plan will include prominent references to the Election on PEC’s Internet site, posting of Candidates’ biographical materials and conflict-of-interest certification and disclosure form, use and distribution of printed materials and information on how to obtain answers to Election-related questions, obtain Ballots (including replacement Ballots), and cast Ballots; and PEC Corporate Statistics in a form approved by the Board in the Communications Plan (a sample is attached as appendix D of this policy). PEC Corporate Statistics may be communicated multiple times during the election cycle as approved in the Communications plan.



## 7.4 Preparation and Distribution of Ballots

### 7.4.1 Printed Ballots

After approval of the Ballot, the Governance Team and General Counsel, as designees of the Board Secretary, will direct the Election Service Provider to prepare and print Ballots and accompanying biographical material (“Ballot Materials”) sufficient for distribution to the appropriate PEC Members in the form specified in the Bylaws, including wording sufficient to constitute required notice of the Election, website information, and credentials for electronic voting.

Candidate’s names will appear on the Ballot Materials in the order as drawn at Candidate Orientation as described in Section 7.1

Between 25 and 30 days before the Election, the Election Service Provider will, at the direction of the Governance Team (as designee of the Board Secretary), deliver by mail Ballot Materials to the appropriate PEC Members. The Election Service Provider will mail Ballot Materials no later than 16 days before the Member Meeting at which Election Results are Announced to any PEC Member that has joined the Cooperative since the date of the initial mailing of Ballot Materials.

#### 7.4.1.1 Voting and Receipt of Ballots

**Only the Election Service Provider shall accept ballots. Ballots are not to be accepted on PEC Premises or by PEC Employees, Directors or Candidates.**

### 7.4.2 Website

The Election Service Provider will, at the time of mailing, make available on the Internet a secure website for online voting, including Candidate biographical material.

### 7.4.3 Emails

The Election Service Provider will on the first day of the election, send emails to all Members for whom PEC has valid email addresses with election information, voting credentials, and direct, “one-click” links that allow Members to access the voting website and vote without manually entering credentials. The Election Service Provider will send follow-up emails according to the Election Timeline approved by the Board. Members who have opted-out of receiving communications from PEC will not receive these email notifications.

## 7.5 Candidate Photographs

At the Candidate Orientation and Photographs described above (Section 7.1), PEC will take pictures of Candidates for use in PEC-generated Election-related press and promotional material. Alternatively, Candidates wishing to provide photographs for use by PEC must provide the image electronically before the Candidate Orientation. Candidates must affirm in writing that any such image is copyright-free and that the person has and grants PEC permission to use the photo. Photos copied or digitally scanned from driver’s licenses or other sources are not acceptable. To be used, photos must meet the following criteria:





- Contain a current image or one taken within the proceeding 5 years
- JPEG or other electronic file type, with approval of PEC
- No other person pictured
- Plain background, preferably free of objects or “clutter”
- Full color
- High resolution (300 dpi or greater)
- Must be a copyright-free image or provide a no cost letter of permission or license for use
- Sized and cropped such that the height of the head is between 50 and 85 percent of the vertical dimension of the photograph.
- Taken in full-face view directly facing the camera
- Questions about the suitability of a photograph should be addressed in the manner described in Section 7.6 and submitted far enough in advance to allow preparation of an alternative photograph if the original submission is not acceptable

## 7.6 Questions by Candidates About the Election Process

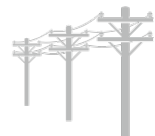
The Governance Team, or designees, is the point of contact for any questions about the Election process from Members, Candidate Applicants, or Candidates. Questions must be submitted by email to [election@peci.com](mailto:election@peci.com). The Governance Team, or designees, is also the point of contact for any questions by Candidates, Candidate Applicants, or Qualified Candidates about PEC operations. The Governance Team will provide or designate a person to provide all Candidate Applicants or Candidates copies of any question submitted and answers. Questions and answers are provided without the name of the person that submitted the question. Exceptions to this rule may be made with the approval of the General Counsel, based on sensitivity of subject matter, or in cases where a question and answer apply uniquely to a questioner.

Directors who are Candidates should likewise address election issues through the Governance Team and not through the direct access to PEC staff. Questions from Directors who are Candidates should also submit their questions by email to [election@peci.com](mailto:election@peci.com).

## 7.7 Membership List Availability

In accordance with the Bylaws and the PEC Membership List Policy, Director Candidates and Candidate Applicants may obtain an electronic or printed list of PEC members, including member addresses, election district numbers and unique line numbers for each Member by contacting [openrecords@peci.com](mailto:openrecords@peci.com). The Candidate requestor must provide the director district to which the member is seeking election, name, address, and other contact information. The requestor must affirm in a sworn, notarized affidavit to use the list only for nomination or candidacy to the PEC Board of Directors and no other purpose.

Consistent with Section 6.2.1.5 (Signature Verification), the Membership List will be made available to Candidate Applicants 2 months before the Deadline for Candidate Application in Section 6.2.1.4. The Membership List provided to Candidate Applicants pursuant to this Section may be utilized for Verification of Petition Signatures pursuant to Sections 5.1 and 6.2.1.5.



## 7.8 Campaigning on PEC Premises

Members may not engage in Campaigning (as that term is defined herein) on PEC premises or PEC events, except at PEC-sanctioned Candidate events, or within a zone designated by the General Counsel for campaigning at PEC events. PEC premises include parking lots, the exterior and interior of PEC-operated facilities or those same areas of any facility where a Member Meeting or Board Meeting is conducted.

“Campaigning” is: the distribution of materials designed to influence the outcome of a Cooperative election; direct communications to Members designed to influence the outcome of a Cooperative election, including gathering of signatures on petitions; displays of placards, bumper stickers, signs or other campaign promotional material, other than those displayed on vehicles or on wearing apparel or accessories.

### 7.8.1 PEC Employee Campaigning

Employees should be mindful that PEC has established an independent election process to promote consistent and credible elections by the Membership. As such, employees should make known that any Campaigning in which they voluntarily choose to participate is on their own behalf, on their personal time and that the employee's campaign activities don't reflect any endorsement by PEC. Employees may sign candidate petitions (when they are also PEC Members) and campaign for candidates just as any other non-employee. Participation in Board Director Campaigning, however, is voluntary.

Employees shall not Campaign on Cooperative time, premises or use Cooperative resources for Campaigning, such as PEC phones, e-mail, or vehicles. Employees who choose to Campaign must not do so while in a PEC uniform or PEC branded apparel.

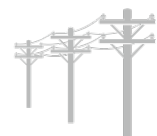
## 7.9 Use of PEC Brand

Candidates may not deploy web pages or other campaign materials that suggest that their candidacy is endorsed or supported by PEC, and specifically may not use any PEC logos or, trademarks. “Hot links” to the PEC electronic media are acceptable. Candidates who are incumbent directors may not use their PEC provided email addresses or any PEC provided resources for correspondence related to the election.

## 7.10 Access to Vote Information; Updates on Voter Turnout; Election Results

No PEC employee, Director, Candidate or person acting on their behalf, except as described in this Section, shall seek or accept from the Election Service Provider access to information about details of votes cast by a PEC Member or Members, other than aggregated information about voting turnout or voting methodology across the entire Cooperative, as described in this section.

PEC Employees. Only PEC employees who are specifically responsible for implementing, developing, and testing registration software for use in an Election shall have access to data indicating if a member has voted or not voted and the method by which their vote was submitted. This data shall not contain any member's individual voting selection(s).



Once weekly after Ballots are initially mailed, the General Counsel, or designee, will provide voting updates to Candidates and the Board. Those updates will be based on information transmitted by the Election Service Provider and will include the aggregate number of Ballots cast and received Cooperative-wide and by Director election district, with comparisons to similar, historical data. The updates shall include method by which votes were cast. Those updates shall not include the specific number of votes cast for any particular Candidate or issue in a Non-Director Election.

Election Results. Upon conclusion of the deadline for casting ballots, but no later than four (4) days prior to the Member Meeting at which Election Results are announced, the Election Service Provider shall certify and provide the Election Results to the General Counsel, or designee. The General Counsel, or designees, shall release the results to Candidates and the Board of Directors three (3) days prior to the Member Meeting at which Election Results are announced. Immediately after releasing the Election Results to Candidates and the Board of Directors, the General Counsel, or designees, will release the Election Results to the Membership, but no later than three (3) days prior to the Member Meeting at which Election Results are announced.

#### **7.10.1 Candidates' Access to Voting History**

After a Candidate has been duly qualified and approved to be listed on the Ballot, the Candidate may request and be provided a Voter History List that contains only the names and mailing addresses of Members who voted in any, or each, director district election for the three (3) elections involving the Candidate's director district immediately preceding the current Election. The Voter History List shall not contain any information that could indicate or otherwise reveal any selections made by the Member in the election (for example, for whom the Member voted or how the Member voted on any question). To obtain the Voter History List, a Candidate must request this information by contacting the Governance Team at [election@peci.com](mailto:election@peci.com). The accuracy and completeness of the list is undisputable. The Candidate must affirm in a sworn, notarized affidavit to use the list only as directly related to the PEC Board of Directors election and for no other purpose. Any member may by written communication to the Cooperative choose to have his/her/its member information excluded from any Voter History List.

#### **7.10.2 Interim Voting Totals**

Once weekly after Ballots are initially mailed, the election status of total votes cast Cooperative-wide and by Director election district may be posted to the PEC website and released publicly. No records of a member's individual vote, or a candidate running vote total shall be disclosed.

### **7.11 Quality Control**

Before the Regular Meeting of the Board four months prior to the Member Meeting where election results are announced, the Election Service Provider shall provide PEC a list of quality-control steps to be taken before the Member Meeting, including process for the release and announcement of election results, to assure the accuracy of voter rolls and vote counts ("Pre-Member Meeting Quality Control") and after tabulation to verify the accuracy of Election results before such results are announced at the Member Meeting (Post-Tabulation, Pre-Announcement Quality Control).



Pre-Member Meeting Quality Control shall include, but not be limited to, the following steps:

- Verify the previous removal or remove from the voting database the votes of any person or entity that was not a PEC Member as of the close of business on the day before Annual Meeting.
- Remove from the voting database the votes of any Member that has “double voted,” by submitting a paper Ballot received by the Election Service Provider after that same Member has electronically voted.
- Verify that the PEC voter registration system is loaded with the list of PEC Members as of the record date.
- Verify that the PEC voter registration system accurately reflects whether or not a Member has previously voted.

#### 7.12 **Completion and Certification of Quality Control, Votes Cast in Advance of Member Meeting, and Mailing of Notice to Members**

The Election Service Provider must perform all Post-Tabulation and Pre-Release or Pre-Announcement Quality Control tasks and must certify in writing to the PEC General Counsel that each step has been completed delivery of Election Results to the General Counsel. The Election Services Provider shall deliver the Elections Results to the General Counsel, or designee, no later than four (4) days before the Member Meeting at which the Elections Results are announced.

Before the Member Meeting, the General Counsel will prepare and transmit to the Governance Team certifications of the following:

- Notice of the Member Meeting was mailed in accordance with the Bylaws.
- The number of votes cast by mail or electronically, or as otherwise approved by the Board of Directors.

Before a Member Meeting, the Governance Team will prepare for execution by the Board Secretary at the Member Meeting, a certificate affirming that quorum was satisfied at the meeting or for a Director Election, for filing with the official records of the Cooperative.

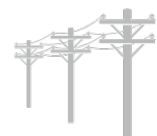
## **8 MEMBER MEETING AND TABULATION OF VOTES**

### **8.1 One Member-One Vote**

Each Member shall be entitled to one (1) vote upon each matter submitted to a vote of the Membership. Any officer of an entity Member, as listed in Texas Secretary of State records, or any person listed in PEC’s records as authorized to act on behalf of an entity Member, may cast a vote on behalf of that entity Member.

Each Member of a Director district shall be entitled to one (1) vote upon each Director election for that individual Director district, and only Members of a Director district may vote in that Director district election.

A Member’s individual Director district is established by the location of the Member’s Primary Account as that term is defined in the Tariff and Business Rules. For a Member with multiple accounts, a Member may request and PEC will only change a Member’s Primary Account once every (3) three years.



## 8.2 Voting Prior to the Member Meeting; Deadline for Casting a Ballot

The Election Services Provider will tabulate all ballots cast at a time and date before the date of the Member Meeting as established by the Board of Directors on the Election Timeline (“Deadline for Casting a Ballot”). At the same time, the Election Services Provider will perform its quality control related to the voting procedures, process for release and announcement of elections results, and provide the certification to the General Counsel required in Completion and Certification of Post-Tabulation, Pre-Release and Pre-Announcement Quality Control (Section 8.8).

**Deadline for Casting a Ballot.** The Deadline for Casting an Election ballot shall be no later than seven (7) days prior to the Member Meeting at which the Elections Results are announced. All ballots must be received by the Election Services Provider by the Deadline for Casting a Ballot.

## 8.3 Proxies Prohibited

Except in instances specifically mandated by law or PEC Governing Documents, a Member may not appoint another individual person to vote on any matter for the Member.

## 8.4 Tabulation; Release of Election Results; Announcement of Election Results

The Election Service Provider will tabulate results in accordance with the PEC Bylaws. The first vote of a Member received by the Election Service Provider will be counted as the vote cast by that Member, and Members will not be allowed to change previously cast votes.

Any paper ballot received by mail at the Election Service Provider by the Deadline for Casting a Ballot (Section 8.2) shall be deemed and counted as having been cast before the deadline for mail-in balloting specified in the Bylaws, unless the Election Service Provider or PEC has conclusive information that the ballot was cast after the deadline.

Paper votes will be scanned electronically by the Election Service Provider into a data record as they are received, with questionable and zero-vote Ballots pulled, hand counted and entered into the data. Online votes will have been recorded in a data record as they were cast, with multiple levels of verification and security. Duplicate Ballots cast by Members who have already previously voted online will be removed before tabulation.

The Election Service Provider shall prevent any ballot from being cast electronically after the Deadline for Casting a Ballot (Section 8.2).

The Election Services Provider will tabulate and count ballots in such a way to favor the intention to cast a vote on each item on a returned ballot. The Election Services Provider will examine voter marks to determine voter intent.

The Election Services Provider shall deliver the Elections Results to the General Counsel, or designee, no later than four (4) days before the Member Meeting at which the Election Results are announced.

**Release of Election Results prior to Member Meeting.** The General Counsel, or designee, shall release the results to Candidates and the Board of Directors three (3) days prior to the Member Meeting at which Election Results are announced. Immediately after releasing the Election Results to Candidates and the Board of Directors, the General Counsel, or designee,



will release the Election Results to the Membership, but no later than three (3) days prior to the Member Meeting at which Election Results are announced.

**Announcement of Election Results at the Member Meeting.** At the Member Meeting, the Election Service Provider, or another person designated by the Board of Directors, will announce the vote totals for each Director election district ("Election Results")

## 8.5 **Process if Member Disputes Having Cast Vote**

If a Member disputes a record showing they have previously cast a Ballot, a new Ballot may be cast by the Member and counted only if submitted prior to the Deadline for Casting a Ballot, and upon a written affirmation signed by the Member that he or she has not previously voted, example attached as Exhibit C. For any Joint Membership, such a written affirmation must be signed by both Joint Members to be effective.

## 8.6 **Determination of Outcome/Winner**

### 8.6.1 **Non-Director Election**

Members shall be deemed to have approved an option in a Non-Director Election if: (1) a Member Quorum, as defined in the Bylaws, is established and certified, and (2) the Non-Director Election option receives the highest number of votes.

### 8.6.2 **Director Election**

The Candidate for each Director Position receiving the highest number of votes shall be elected, unless the Candidate receiving the highest number of votes is a Withdrawn Candidate, in which case the non-withdrawn Candidate receiving the highest number of votes shall be elected. In the event of a tie, the winner shall be determined by a drawing by lot to be conducted by the Election Service Provider. In the event of a tie in a Director Election, in conducting a drawing by lot, a representative of the Election Service Provider will place in a box as many slips of paper as there are nominees in the tie, with a single slip marked "elected" and the remaining slips marked "not elected." In alphabetical order by last name, each of the Director Candidates in the tie shall blindly draw one (1) slip from the box.

The Director Candidate drawing the slip marked "elected" shall be elected to the Director position in question.

## 8.7 **Completion and Certification of Post-Tabulation, Pre-Announcement Quality Control**

After tabulation, and no later than four (4) days before the Member Meeting at which the Elections Results are announced, the Election Service Provider must certify in writing to the PEC General Counsel all Post-Tabulation, Pre-Release and Pre-Announcement Quality Control steps were taken.

## 8.8 **Release, Announcement and Certification of Election Results**

At the conclusion of validation and tabulation of the Ballots and certification of quality control but no later than four (4) days before the Member Meeting at which the elections results are announced, the Election Service Provider shall provide to the General Counsel a written certification of the election results for inclusion in the Minutes of the Member Meeting and a Regular Meeting of the Board after the Member Meeting. The General Counsel, or designee,



shall release the election results as provided by these Procedures. The Election Services Provider, or another person as designated by the Board of Directors, will announce the election results at the Member Meeting. If any Candidate is a Withdrawn Candidate, the Election Service Provider shall announce that that Candidate is a Withdrawn Candidate and that that Candidate is ineligible to be elected notwithstanding the number of votes cast for that Candidate.

#### **8.9 Post-Election Director Acknowledgments**

Immediately after the conclusion of the Member Meeting, all elected Directors must execute and deliver to the Governance Team (i) the conflict-of-interest disclosure form, (ii) the Director Affirmation as to their eligibility to be a Director, and (iii) the acknowledgment of the Directors' Code of Conduct.

#### **8.10 Election Contests**

The General Counsel shall be the arbiter of any issue related to PEC Elections, subject to appeal to the Qualifications and Elections Committee. Any challenge to the election must be filed at the Pedernales Electric Cooperative Headquarters, located in Johnson City, Texas by 5pm on the second (2<sup>nd</sup>) business day following the Release of the Election Results.

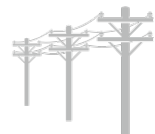
### **9 ACTIONS AFTER ANNUAL MEETING**

#### **9.1 District-by-District Results**

Within five business days of the Member Meeting at which Election Results are announced, the Election Service Provider will provide to PEC a breakdown of voting results by district, showing the total number of Members from each district that voted, the total number from each district voting for each Candidate or Non-Director Election Ballot item, and the total number from each district that voted but did not cast a vote in a race or Non-Director Election matter.

#### **9.2 Post-Election Analysis**

Within two months after the Annual Meeting at which Election Results are announced, the General Counsel will conduct a review of all facets of the PEC Elections and will present to the Board any recommended modification to PEC Bylaws or Election Policy or Procedures.



## APPENDIX A

### Election Timeline - Sample

Appendix A: Election Timeline ( <b>SAMPLE</b> )			
Item	Section	Party	Due Date
Consider Election Service Contract	4.1	GC/BOD	At or before the August Regular Board meeting each year
Establish Annual Meeting Date and Location	3.1	BOD	At or before the August Regular Board Meeting each year
Present Election Timeline	3.2	GC	December Regular Board Meeting
Approve Election Timeline	3.2	BOD	January Regular Board Meeting
Conduct Internal Coordination Meeting	3.3	GC/ Public Affairs / GM / IT/ GT / Legal / Member Relations/ Mapping / Election Service Provider	Prior to the January Regular Board Meeting
Communications Plan presented to the Board of Directors	7.3	Public Affairs Department	At or before the January Regular Board Meeting of each year
Post and make available Ballot Materials and Nomination Application	6.2.1.1.1	GT/ Public Affairs / Member Relations	By January Regular Board Meeting each year.
Election Service Provider send Quality Control Steps to the General Counsel	7.11	Election Service Provider/GC	Prior to the February Regular Board Meeting (timeline reflects packet deadline).
Director will submit to the Governance Team the name of a person or persons residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee	6.2.1.6	BOD/GT	At least a week preceding the February Regular Board meeting
Direct the General Counsel to prepare proposed Non-Director Election items	6.1	BOD	No later than the January Regular Board Meeting each year
Board will appoint the Qualifications and Elections Committee	6.2.1.6	BOD/QEC	At the February Regular Board meeting





**Appendix A: Election Timeline (SAMPLE)**

<b>Item</b>	<b>Section</b>	<b>Party</b>	<b>Due Date</b>
Candidate Application to be delivered to the Governance Team at PEC Headquarters in Johnson City	6.2.1.4	<i>Candidate Applicant/GT</i>	No later than 5 p.m. on the last business day falling 82 days or more before the date of the Annual Meeting
Candidate Orientation and Photos	7.1 7.5	<i>Candidate Applicant(s)/PEC staff</i>	The week preceding the April Regular Meeting of the Board each year
Election withdrawal deadline for removal from Ballot	7.2	<i>Candidate Applicant</i>	Before approval of Ballot by Board
Presentation and approval of Candidate slate, Ballot, and any Non-Director Election items	6.2.1.9, 6.2.1.10	<i>Qualifications and Elections Committee /GC</i>	At the April Regular Meeting of the Board each year
Candidate Photographs	7.1, 7.5	<i>Candidate Applicant(s) / Governance Team / Public Affairs</i>	Following the week after the Ballot is approved by the Board
Mailing of Ballots	7.4.1	<i>Election Service Provider, as directed by GC / GM</i>	Between 25 and 30 days before the Annual Meeting
Online voting site goes live	7.4.2	<i>Election Service Provider</i>	Between 25 and 30 days before the Annual Meeting
Initial voting email notifications	7.4.3	<i>Election Service Provider</i>	Between 25 and 30 days before the Annual Meeting
Certifications prepared of mailing of Annual Meeting Notices, number of votes cast electronically and by mail, quorum verification for use at Annual Meeting.	7.12	<i>GC and GM</i>	Between one and eight days before Annual Meeting.
Supplemental mailing of ballots to Members since previous mailing	7.4.1	<i>Election Service Provider/IT</i>	As specified in this timeline
Update on voter turnout by Director election district	7.10	<i>GC and GM</i>	Once weekly after Ballots are initially mailed
Supplemental mailing of ballots to Members since previous mailing	7.4.1	<i>Election Service Provider/IT</i>	As specified in this timeline



**Appendix A: Election Timeline (SAMPLE)**

<b>Item</b>	<b>Section</b>	<b>Party</b>	<b>Due Date</b>
Update on voter turnout by Director election district	7.10	<i>GC and GM</i>	Once weekly after Ballots are initially mailed
Deadline for mailing or webcasting ballots	8.4	<i>Election Service Provider</i>	Eight days before Annual Meeting
Reminder voting emails	7.4.3	<i>Election Service Provider</i>	Dates to be determined each year when timeline presented to the Board of Directors
Record Date for Casting Ballot, transmittal by PEC of Members eligible to vote to Election Service Provider	5.2	<i>IT</i>	Close of business on the eighth day before Annual Meeting
Update on Voter Turnout by Director election district	7.10	<i>GC and GM</i>	Once weekly after Ballots are initially mailed
Pre-Annual Meeting Quality Control	7.12	<i>Election Service Provider</i>	At the close of the final business day before the Annual Meeting
Post-Tabulation, Pre-Announcement Quality Control	8.7	<i>Election Service Provider</i>	On the date of Annual Meeting after the results are tabulated
Announcement and Certification	8.8	<i>Election Service Provider</i>	On the date of Annual Meeting after the results are tabulated
Post-Election Director Acknowledgments	8.9	<i>BOD</i>	On the date of Annual Meeting after the meeting has concluded
District-by-District Results	9.1	<i>Election Service Provider</i>	Within five business days of the Annual Meeting
Post-Election Analysis	9.2	<i>GC and GM</i>	Within one month after the Annual Meeting

**Legend:**

- BOD – Board of Directors
- ESP – Election Services Provider
- GM – Governance Manager
- GT – Governance Team
- GC – General Counsel
- IT – Information Technology
- QEC – Qualifications and Elections Committee



## APPENDIX B

### Election Service Provider Technical and Security Qualifications

Before being awarded a contract with Pedernales Electric Cooperative, any Election Service Provider shall establish to the Cooperative's satisfaction that it has met the following technical and security qualifications listed below or as included in the Cooperative's procurement requirements and not limited to the following.

#### 1. Policies and Procedures

The Election Service Provider must establish and follow the following internal policies and procedures:

- a. **Acceptable Use Policy** addressing use and ownership, security and proprietary information, unacceptable use, system and network activities, and communications.
- b. **Information Sensitivity Policy** addressing information disclosure and sensitivity.
- c. **Password Policy** addressing a standard for creation of strong passwords, the protection of those passwords, and the frequency of change.
- d. **Physical Security Policy** addressing security access to all parts of the provider's building and its contents, assets and equipment.
- e. **Logical Access Procedure** addressing how user access accounts are created, changed, terminated, and monitored within the application architecture to ensure standardization across all information technology systems and ensure the appropriate data owners are contacted, informed and approved for each user access request. All user access requests must be documented using procedures outlined in this process, minimizing unauthorized access to proprietary information and technology.
- f. **Change Management Policy** addressing the steps required to analyze, authorize, test, implement and document application changes (i.e., patches, upgrades, and reports).
- g. **Quality Control Procedure** addressing project requirements checklist, project hand-off, proofing, testing, data receipt, vendor QC checks, certification of reports, close-race/recount, and onsite QC.
- h. **Client Services Procedure** addressing hard/electronic material exchanges or material development, secured client group drive, approvals, printing/mailing, project change, handling of bounces, and member/participant support.
- i. **Production Procedure(s)** addressing physical material inventory, assembly, shipping/receiving, vaults/security, processing, scanning/verifying, observation, and auditing.
- j. **Disaster Recovery Procedure** addressing categories of threat (i.e., personal health and safety, facility relocation, business interruptions (technology), and business interruptions (human resources)), and a standing emergency planning team, critical operations, suppliers and contractors, shelter-in-place plan for alternate location, communications, cyber security, records back-up, annual plan review, and the projected recovery period.

#### 2. Confidentiality of Data

The Election Service Provider shall contractually agree not to share voting details (the contents of any ballot received by the Election Service Provider) with PEC. Any data transmitted within the Election Service Provider shall be sent via CD, encrypted email, or



https transfers. Access to PEC data shall be limited to a list of vendor employees with a business need for such access, subject to PEC review.

### **3. Network/Security**

The Election Service Provider shall provide enterprise-class facilities that keep mission-critical infrastructure continuously available. Secure network architecture shall include: firewalls, intrusion detection, server hardening, network and server monitoring; VeriSign E-commerce level certificates; and encryption with 128-bit private key and 1024-bit public key.

### **4. Physical security**

All physical materials relating to elections shall be stored in facilities providing two or more of the following physical barriers to entry:

- a. Pass-card entry
- b. Biometric recognition
- c. Continuously monitored digital surveillance equipment
- d. Standard 19-inch lockable cabinets

### **5. Connectivity**

The voting website must have reliable Internet connectivity, uninterruptible telecommunication infrastructure (e.g., multiple independent connections to Tier 1 Internet access providers that maintain and balance Internet traffic). The Election Service Provider's voting website shall be accessible across multiple browsers and operating systems, including MacOS and Windows, and shall be available for PEC testing before "go-live."

### **6. Power**

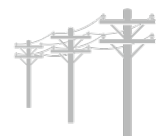
Data storage and server facilities must have power redundancy (e.g., uninterruptible power supplies, power conditioning units, and high-capacity generators) to help maintain an effortless environment.

### **7. Data Backups**

The Election Service Provider must back up PEC data offsite at a minimum of nightly.

### **8. Vulnerability Testing**

The Election Service Provider shall, upon request, provide PEC a certificate from an outside security testing vendor certifying that the Election Service Provider has passed vulnerability and penetration tests of all aspects of network, servers, and applications security.



**APPENDIX C: Affidavit Affirming No Previous Vote Cast for Annual Director Election**

My name is \_\_\_\_\_, and \_\_\_\_\_, and I (we)  
(Name of person executing affidavit) (If any, name of joint member)

hereby affirm the following:

- I am authorized to cast a vote as an Individual or Joint Member or as an authorized representative of an entity, \_\_\_\_\_, and \_\_\_\_\_, of  
(Member Name) (If any, name of joint member)  
\_\_\_\_\_ that is a Member of the Pedernales Electric  
(Member address)  
Cooperative, Inc., (PEC) in Director Voting District Number \_\_\_\_\_ for the PEC Election  
(Director District Number)  
being conducted on \_\_\_\_\_.  
(Date)
- Neither I, my spouse, nor any other person authorized to vote on behalf of the Member listed above has, to my knowledge, previously cast a vote in this election.
- Any vote recorded as having previously been cast for this Member, was not in fact the vote of the Member, and should not be counted. I will not hold Pedernales Electric Cooperative or its agents in any way liable, and accept any liability, for PEC's not counting any such vote.

Executed by:

\_\_\_\_\_  
(Member Signature)

\_\_\_\_\_  
(If any, Joint Member Signature)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE OF TEXAS**  
**COUNTY OF** \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
(Date) (Member Name)

\_\_\_\_\_  
Notary Public (Signature)

(SEAL)

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**STATE OF TEXAS**  
**COUNTY OF** \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_ by \_\_\_\_\_  
(Date) (Joint Member Name)

\_\_\_\_\_  
Notary Public (Signature)

(SEAL)

Printed Name: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_



## Appendix D

### PEC CORPORATE STATISTICS (SAMPLE)

## Key statistics about your electric cooperative

**At PEC, we are more than an electric utility. We are a cooperative owned by our membership, and we believe it is important to share key information with our members.**

Review some key facts about your cooperative below. Additional information, such as an archive of annual reports, Form 990 compensation reporting, and key industry ratios is available at [pec.coop/archives](http://pec.coop/archives).

Average Cost Comparison (December 2021)	1,000 kWh	1,250 kWh	1,500 kWh	2,000 kWh
PEC residential average	\$113.47	\$136.83	\$160.20	\$206.93
Texas residential average*	\$125.50	\$156.88	\$188.25	\$251.00
National residential average*	\$137.50	\$171.88	\$206.25	\$275.00

Notes: PEC's total cost to purchase energy is based on the actual cost billed to members.

Source of U.S. EIA information is Form EIA-861M, Monthly Electric Power Industry Report, Table 5.6A - Average Price of Electricity to Ultimate Customers by End-Use Sector.

\*Total cost to purchase energy is estimated from the cost per kWh multiplied by the total energy purchased at 1,000; 1,250; 1,500; and 2,000 kWh.

Service territory square miles	<b>8,100</b>
Number of cities served	<b>45</b>
Number of counties served	<b>24</b>
Active accounts (3/1/22)	<b>370,148</b>
Residential accounts	<b>339,523</b>
Large power accounts	<b>1,356</b>
Small power accounts	<b>29,120</b>
Miles of line (3/1/22)	<b>23,908</b>
Employees (3/1/22)	<b>883</b>

Capital credits distributed in 2021	<b>\$5.7 million</b>
Fitch bond rating (affirmed January 2022)	<b>AA-</b>
2021 total assets	<b>\$2.0 billion<sup>1</sup></b>
2021 percent growth in meters	<b>5.4%</b>
Board meetings held in 2021	<b>17</b>
Members voting in 2021 PEC Board Election	<b>16,933</b>
Percentage of members participating in 2021 online voting who were "very satisfied" or "satisfied" with the online voting process	<b>96.2%</b>
2021 community and member support	<b>\$470,410</b>

<sup>1</sup> Pre-audit figures, subject to change

Revised March 2022





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File #: 2024-265, Version: 1

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## Draft Resolution - Approval to Establish 2025 Annual Membership Meeting Date and Location - A Hagen

**Submitted By:** Aisha Hagen

**Department:** Legal Services

**Financial Impact and Cost/Benefit Considerations:** Expenditures for Annual Meeting will be included within the Cooperative's Budget for 2025; no additional staff time expected (other than ordinary processing requirements).

Pursuant to the Cooperative's Bylaws Article II Section 1, the Board designates the date and location of PEC's Annual Meeting. Generally, the date is on a Saturday in the second quarter of the calendar year, or such date and time each year, as may be designated by the Board. The Annual Meeting may be in any county in which the Cooperative provides service. The Cooperative shall designate the date and location no later than the last quarter of the calendar year preceding the Annual Meeting.

In November 2019, the 2020 Annual Meeting was set to be held in Johnson City, Texas at the Cooperative's Headquarters. In February 2020, the Cooperative discussed hosting community engagement events throughout its territory to broaden its interaction with the community in addition to the Annual Meeting. At the March 2024 Board meeting, member events and the 2024 Annual Meeting were discussed. The Cooperative hosted community events in Dripping Springs in April and Junction in September and has plans to host other community events in October in Cedar Park and Buda. For 2025, community events are expected to be held throughout the territory.

The proposal is to host the 2025 Annual Meeting at the Cooperative's E. Babe Smith Headquarters in Johnson City, Texas on June 20, 2025 prior to the regularly scheduled June 2025 Board meeting.

**Bylaws, Article II, Section 1. Annual Meeting.** The annual meeting of the Members shall be held on a Saturday in the second quarter of the calendar year, or such date and time each year, as may be designated by the Board of Directors of the Cooperative, at such place in any county in which the Cooperative provides service as is designated by the Board of Directors of the Cooperative no later than the last quarter of the calendar year preceding the annual meeting ("Annual Meeting"). The purposes of the Annual Meeting are to elect Directors and transact such other business as listed in the notice of the Annual Meeting. If the election of Directors shall not be held on the day designated by the Board of Directors for any Annual Meeting, or at any adjournment thereof, the Board of Directors of the Cooperative shall cause the election to be held at a Special Member Meeting . . . as soon thereafter as may be convenient. Failure to hold the Annual Meeting as designated herein shall not result in forfeiture or dissolution of the Cooperative. At the Annual Meeting, a report shall be provided regarding the activities of the Cooperative during the past year, and audit reports of the accounts, books and financial condition presented to the Board shall be submitted to the Members.

**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.





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**File #:** 2024-266, **Version:** 1

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## List of Board Approved Future Meetings

**Submitted By:** Aisha Hagen

**Department:** Legal Services

**Financial Impact and Cost/Benefit Considerations:** N/A

From time to time, the Board may set the annual Board meetings schedule as attached to this agenda item. Further, the Cooperative's Bylaws describe the types of meetings, notice requirements, and Board quorum as outlined below.

**BYLAWS ARTICLE IV - Meetings of Directors Section 1. Regular Board Meetings:** A regular meeting of the Board of Directors shall be held on the third Monday of each month at the E. Babe Smith Headquarters Building of the Cooperative in Blanco County, Texas, unless another meeting location, time and/or date is set by the Board of Directors ("Regular Board Meeting").

**Section 2. Special Board Meetings:** Special meetings of the Board of Directors ("Special Board Meetings") may be called by the President or any four (4) Directors. The person or persons authorized to call a Special Board Meeting may fix the time and place for the holding of any Special Board Meeting called by them.

**Section 3. Telephonic or Electronic Participation in Board Meetings:** For good cause and with approval of the Board of Directors, a Regular Board Meeting or Special Board Meeting (each a "Board Meeting") may be conducted with Directors participating but not physically present but deemed present in person through a means of communication by which all Directors participating in the Board Meeting may simultaneously hear, reasonably and verifiably identify themselves, and generally simultaneously and instantaneously communicate with each other during the Board Meeting. Directors that are not physically present may deliberate and vote on the question of approving telephonic or electronic participation. A vote to approve telephonic or electronic participation in any Board Meeting is exempt from the notice requirements herein specified. Such Board Meeting shall be compliant with the Cooperative's Open Meetings Policy, and Members shall have the opportunity to monitor the Board Meeting electronically or in person. A Director may be compensated for a Board Meeting at which that Director participated but was not physically present only with Board approval.

**Section 4. Notice:** Notice of the time, place and purpose of any Regular Board Meeting shall be given at least seventy-two (72) hours previous thereto, by written notice, delivered personally, electronically, or by mail, to each Director at the Director's last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Meeting notices and agendas will be posted on the Cooperative's website at least seventy-two (72) hours before each Regular Board Meeting. In an emergency or when there is an urgent necessity, the notice of a Board Meeting or the supplemental notice of a subject added as an item to the agenda for a Board Meeting for which notice has been posted in accordance with this Section is sufficient if it is posted for at least two (2) hours before the Board Meeting is convened. An emergency or an urgent necessity exists only if immediate action is required because of a reasonably unforeseeable situation. The Board of Directors shall clearly identify the emergency or urgent necessity in the notice or supplemental notice under this Section.

**Section 5. Board Quorum:** Four (4) or more Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, except in the case when four (4) or more vacancies exist on the Board, in which case a majority of the Board shall constitute a quorum ("Board Quorum").

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## *2024 Board Meeting Calendar*

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- January 19, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- February 16, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- March 22, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- April 19, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- May 17, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- June 21, 2024 Regular Meeting immediately following the conclusion of the 2024 Annual Membership Meeting on Friday at the PEC Headquarters
- July 19, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- August 16, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- September 20, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- October 18, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- November 15, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- December 20, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters



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**File #:** 2024-267, **Version:** 1

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**Resolution - Approval to Reschedule the October 2024 Regular Board Meeting**

**Submitted By:** Legal Services

**Department:** Legal Services

**Financial Impact and Cost/Benefit Considerations:** N/A

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the 2024 Regular Board Meeting of the Pedernales Electric Cooperative, Inc. (PEC) for the month of October be rescheduled to Friday, October 25, 2024; and

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



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**File #:** 2024-268, **Version:** 1

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**Board Planning Calendar (Written Report in Materials)**

**Submitted By:** Aisha Hagen

**Department:** Legal Services

**Financial Impact and Cost/Benefit Considerations:** N/A

In connection with agenda planning and strategy, the Cooperative provides an annual calendar of all agenda items to ensure compliance and governance matters. The annual calendar also includes ad hoc items.

# PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
1	1	2024 Election Timeline Update	General Counsel	JAN BOD Mtg	Compliance EPP	Recurring
2	1	Approval Resolution – Approval of 2024 Key Performance Indicators Plan Methodology	COO	JAN BOD Mtg	Strategic	Recurring
3	1	Approval Resolution – Approval of 2024 NRECA Annual Membership Dues	CEO	JAN BOD Mtg	Compliance	Annual
4	1	Approval Resolution – Approval of 2024 TEC Annual Membership Dues	CEO	JAN BOD Mtg	Strategic	Annual
5	1	Approval Resolution – Approval of Construction Contract Transmission – Trading Post to Cedar Valley	Engineering	JAN BOD Mtg	Strategic	Ad-hoc
6	1	Approval Resolution – Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Acquisition for the Buda – Turnersville 138KV Line Rebuild and Upgrade (Engineering Project T380); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Buda – Turnersville 138KV Line Rebuild and Upgrade	Engineering	JAN BOD Mtg	Strategic	Ad-hoc
7	1	Approval Resolution – Approval of Filing Wholesale Transmission Service at Distribution Voltage Tariff with Public Utility Commission of Texas	Compliance & Regulatory	JAN BOD Mtg	Compliance	Ad-hoc
8	1	Approval Resolution – Approval of Junction Substation Construction Contract Amendment	Engineering	JAN BOD Mtg	Strategic	Ad-hoc
9	1	Approval Resolution – Approval to Amend 2023 Capital Improvement Plan (CIP) for Individually Approved Capital Projects	CFO	JAN BOD Mtg	Strategic	Ad-hoc
10	1	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	JAN BOD Mtg	Strategic	Recurring
11	1	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	JAN BOD Mtg	Strategic	Recurring
12	1	Cooperative Update	CEO	JAN BOD Mtg	Strategic	Recurring
13	1	Debt Offering Under New York Life Shelf Master Note Facility	CFO	JAN BOD Mtg	Strategic	Ad-hoc
14	1	Draft Resolution – Approval of 2024 NRECA Annual Meeting Voting Delegates, 2024 CFC District Voting Delegates, and 2024 NRTC Voting Delegates	Board President	JAN BOD Mtg	Strategic	Annual
15	1	Draft Resolution – Approval for Directing the General Counsel to Prepare 2024 Proposed Non-Director Election Ballot Item(s)	General Counsel	JAN BOD Mtg	Strategic	Recurring
16	1	Draft Resolution – Approval of Appointments to 2024 Qualifications and Elections Committee (QEC)	General Counsel	JAN BOD Mtg	Compliance	Recurring
17	1	Draft Resolution – Approval of Construction Contract Transmission – Lago Vista to Nameless	Engineering	JAN BOD Mtg	Strategic	Ad-hoc
18	1	Draft Resolution – Approval of Power (Substation) Transformer 5-Year Master Service Agreement	Engineering	JAN BOD Mtg	Strategic	Ad-hoc
19	1	Markets Report	Markets	JAN BOD Mtg	Strategic	Recurring
20	1	Personnel Matters	Workforce/Safety	JAN BOD Mtg	Strategic	Recurring
21	1	Review of 2024 Corporate Initiatives and CEO Action Items	CEO	JAN BOD Mtg	Strategic	Recurring
22	1	Safety/Security	Workforce/Safety	JAN BOD Mtg	Strategic	Recurring
23	1	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JAN BOD Mtg	Compliance	Ad-hoc
24	2	2024 Election Timeline Update	General Counsel	FEB BOD Mtg	Compliance EPP	Recurring
25	2	Approval Resolution – Approval of 2024 NRECA Annual Meeting Voting Delegates, 2024 CFC District Voting Delegates, and 2024 NRTC Voting Delegates	Board President	FEB BOD Mtg	Strategic	Annual
26	2	Approval Resolution – 2024 Power Supply Delegation of Authority Amendment	Markets	FEB BOD Mtg	Strategic	Ad-hoc
27	2	Approval Resolution – Approval for Directing the General Counsel to Prepare 2024 Proposed Non-Director Election Ballot Item(s)	General Counsel	FEB BOD Mtg	Strategic	Recurring
28	2	Approval Resolution – Approval of Appointments to 2024 Qualifications and Elections Committee (QEC)	General Counsel	FEB BOD Mtg	Compliance	Recurring
29	2	Approval Resolution – Approval of Construction Contract for Lago Vista Substation Upgrade	Engineering	FEB BOD Mtg	Strategic	Ad-hoc
30	2	Approval Resolution – Approval of Construction Contract Transmission – Buda to Turnersville	Engineering	FEB BOD Mtg	Strategic	Ad-hoc
31	2	Approval Resolution – Approval of Construction Contract Transmission – Lago Vista to Nameless	Engineering	FEB BOD Mtg	Strategic	Ad-hoc
32	2	Approval Resolution – Approval Regarding Power Supply Contractual Provisions	Markets	FEB BOD Mtg	Strategic	Ad-hoc
33	2	Approval Resolution – Review and Approval to Amend the PEC Holiday Policy	Workforce/Safety	FEB BOD Mtg	Strategic	Ad-hoc
34	2	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	FEB BOD Mtg	Strategic	Recurring
35	2	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	FEB BOD Mtg	Strategic	Recurring
36	2	Cooperative Update	CEO	FEB BOD Mtg	Strategic	Recurring
37	2	Cyber Security Semiannual Update	Compliance & Regulatory	FEB BOD Mtg	Strategic	FEB/AUG
38	2	Draft Resolution – Approval of Construction Contract for Florence Substation	Engineering	FEB BOD Mtg	Strategic	Ad-hoc
39	2	Draft Resolution – Approval to Amend Tariff and Business Rules – Cooperative Owned Lamp Charge	Markets	FEB BOD Mtg	Strategic	Ad-hoc
40	2	Draft Resolution – Approval to Amend Tariff and Business Rules – Rate Sheets	Markets	FEB BOD Mtg	Strategic	Ad-hoc
41	2	Key Performance Indicator (KPI) of 2023 Period 2 Results	COO	FEB BOD Mtg	Strategic	Recurring
42	2	Markets Report	Markets	FEB BOD Mtg	Strategic	Recurring
43	2	Personnel Matters	Workforce/Safety	FEB BOD Mtg	Strategic	Recurring
44	2	Safety/Security	Workforce/Safety	FEB BOD Mtg	Strategic	Recurring
45	2	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	FEB BOD Mtg	Compliance	Ad-hoc
46	3	2024 Election Timeline Update	General Counsel	MAR BOD Mtg	Compliance EPP	Recurring
47	3	Approval Resolution – Approval of Construction Contract for Florence Substation	Engineering	MAR BOD Mtg	Strategic	Ad-hoc
48	3	Approval Resolution – Approval of Substation Equipment Contract (Breakers, Circuit Switchers, 138kV Switches)	Engineering	MAR BOD Mtg	Strategic	Ad-hoc
49	3	Approval Resolution – Approval of Technology Service Contract	Technology	MAR BOD Mtg	Strategic	Ad-hoc
50	3	Approval Resolution – Approval to Amend 2023 Capital Improvement Plan (CIP) for Category Level Distribution Projects	CFO	MAR BOD Mtg	Strategic	Ad-hoc
51	3	Approval Resolution – Approval to Amend Tariff and Business Rules – Cooperative Owned Lamp Charge	Markets	MAR BOD Mtg	Strategic	Ad-hoc
52	3	Approval Resolution – Approval to Amend Tariff and Business Rules – Rate Sheets	Markets	MAR BOD Mtg	Strategic	Ad-hoc
53	3	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	MAR BOD Mtg	Strategic	Recurring
54	3	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	MAR BOD Mtg	Strategic	Recurring
55	3	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	MAR BOD Mtg	Compliance	Quarterly
56	3	Community Relations Update	External Relations	MAR BOD Mtg	Strategic	Ad-hoc
57	3	Cooperative Update	CEO	MAR BOD Mtg	Strategic	Recurring
58	3	Draft Resolution – Approval and Certification of 2024 Election Ballot	General Counsel	MAR BOD Mtg	Compliance	Recurring
59	3	Draft Resolution – Approval of 2024 Annual Membership Meeting Agenda	General Counsel	MAR BOD Mtg	Compliance	Annual
60	3	Draft Resolution – Approval of Power Supply Contractual Resources	Markets	MAR BOD Mtg	Strategic	Ad-hoc
61	3	Markets Report	Markets	MAR BOD Mtg	Strategic	Recurring
62	3	Outage Mapping Enhancements	Operations	MAR BOD Mtg	Strategic	Ad-hoc
63	3	Personnel Matters	Workforce/Safety	MAR BOD Mtg	Strategic	Recurring
64	3	Real Estate Semiannual Update	COO	MAR BOD Mtg	Strategic	MAR/SEP
65	3	Safety/Security	Workforce/Safety	MAR BOD Mtg	Strategic	Recurring
66	3	Solar Eclipse Planning	Operations	MAR BOD Mtg	Strategic	Ad-hoc
67	3	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	MAR BOD Mtg	Compliance	Ad-hoc
68	4	2023 Financial Audit	Audit Committee	APR Audit Committee Mtg	Compliance	Recurring
69	4	Presentation of 2023 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	Audit Committee	APR Audit Committee Mtg	Compliance	Recurring

# PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
70	4	2024 Election Timeline Update	General Counsel	APR BOD Mtg	Compliance EPP	Recurring
71	4	Approval Resolution – Approval and Certification of 2024 Election Ballot	General Counsel	APR BOD Mtg	Compliance	Recurring
72	4	Approval Resolution – Approval of 2023 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - Audit Committee Chair	CFO	APR BOD Mtg	Compliance	Recurring
73	4	Approval Resolution – Approval of 2024 Annual Membership Meeting Agenda	General Counsel	APR BOD Mtg	Strategic	Annual
74	4	Approval Resolution – Approval of Amendment to 2024 Power Supply Delegation of Authority	Markets	APR BOD Mtg	Strategic	Ad-hoc
75	4	Approval Resolution – Approval of Director Candidates for 2024 Pedernales Electric Cooperative Board of Director's Election Ballot	General Counsel	APR BOD Mtg	Compliance	Recurring
76	4	Approval Resolution – Approval of Power Supply Contractual Resources	Markets	APR BOD Mtg	Strategic	Ad-hoc
77	4	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	APR BOD Mtg	Strategic	Recurring
78	4	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	APR BOD Mtg	Strategic	Recurring
79	4	Cooperative Update	CEO	APR BOD Mtg	Strategic	Recurring
80	4	Draft Resolution – Approval to Amend Tariff and Business Rules – Critical Load Program	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
81	4	Draft Resolution – Approval to Amend Tariff and Business Rules – Primary Level Service	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
82	4	Markets Report	Markets	APR BOD Mtg	Strategic	Recurring
83	4	Personnel Matters	Workforce/Safety	APR BOD Mtg	Strategic	Recurring
84	4	Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates – QEC Rep	General Counsel	APR BOD Mtg	Compliance	Recurring
85	4	Report on Property, Liability, and Corporate Insurance Policies	Compliance & Regulatory	APR BOD Mtg	Strategic	Annual
86	4	Safety/Security	Workforce/Safety	APR BOD Mtg	Strategic	Recurring
87	4	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
88	5	2024 Election Timeline Update	General Counsel	MAY BOD Mtg	Compliance EPP	Recurring
89	5	Approval Resolution – Approval to Amend Tariff and Business Rules – Critical Load Program	Compliance & Regulatory	MAY BOD Mtg	Compliance	Ad-hoc
90	5	Approval Resolution – Approval to Amend Tariff and Business Rules – Primary Level Service	Compliance & Regulatory	MAY BOD Mtg	Compliance	Ad-hoc
91	5	Approval Resolution – Review and Approval of 2024 CEO Performance Evaluation and Compensation	Board of Directors	MAY BOD Mtg	Compliance	Recurring
92	5	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	MAY BOD Mtg	Strategic	Recurring
93	5	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	MAY BOD Mtg	Strategic	Recurring
94	5	Certificate of Convenience and Necessity with Public Utility Commission of Texas for the Cooperative	Compliance & Regulatory	MAY BOD Mtg	Strategic	Ad-hoc
95	5	Cooperative Update	CEO	MAY BOD Mtg	Strategic	Recurring
96	5	Draft Resolution – Approval of Yarrington Substation Construction Amendment	Engineering	MAY BOD Mtg	Strategic	Ad-hoc
97	5	Draft Resolution – Review and Approval of Privacy Policy	Compliance & Regulatory	MAY BOD Mtg	Compliance	Annual
98	5	Ethics and Compliance Semiannual Update	Ethics/Compliance	MAY BOD Mtg	Compliance	MAY/NOV
99	5	Markets Report	Markets	MAY BOD Mtg	Strategic	Recurring
100	5	Moment of Silence in Commemoration of Memorial Day	Board President	MAY BOD Mtg	Strategic	Recurring
101	5	Personnel Matters	Workforce/Safety	MAY BOD Mtg	Strategic	Recurring
102	5	Resolution – Approval of Capital Credits Special Distribution during Calendar Year 2024	CFO	MAY BOD Mtg	Compliance	Ad-hoc
103	5	Resolution - Approval to Extend Effective Date for Amendment of Tariff and Business Rules – Cooperative Owned Lamp Charge	Markets	MAY BOD Mtg	Strategic	Ad-hoc
104	5	Safety/Security	Workforce/Safety	MAY BOD Mtg	Strategic	Recurring
105	5	Summer Preparedness	COO	MAY BOD Mtg	Strategic	Annual
106	5	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	MAY BOD Mtg	Compliance	Ad-hoc
107	6	Acknowledgement and Seating of Directors Elected at Annual Membership Meeting	General Counsel	JUN BOD Mtg	Compliance Bylaws	Annual
108	6	Approval Resolution – Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting	Board President	JUN BOD Mtg	Compliance TEC	Annual
109	6	Approval Resolution – Approval of the Appointment of Audit Committee and Audit Committee Chairperson	General Counsel	JUN BOD Mtg	Compliance Bylaws	Annual
110	6	Approval Resolution – Approval of Written Certification of the Election Results	General Counsel	JUN Annual Membership Meeting	Compliance EPP	Annual
111	6	Approval Resolution – Approval of Yarrington Substation Construction Amendment	CEO	JUN BOD Mtg	Strategic	Ad-hoc
112	6	Approval Resolution – Proposal for Approval of Allocation of 2023 Net Margins to Capital Credits	CFO	JUN BOD Mtg	Strategic	Recurring
113	6	Approval Resolution – Review and Approval of Privacy Policy	Compliance & Regulatory	JUN BOD Mtg	Compliance	Recurring
114	6	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	JUN BOD Mtg	Strategic	Recurring
115	6	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Strategic Officer (CSO)	JUN BOD Mtg	Strategic	Recurring
116	6	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	JUN BOD Mtg	Compliance	Quarterly
117	6	Conduct Annual Membership Meeting	CEO	JUN Annual Membership Meeting	Compliance Bylaws	Annual
118	6	Cooperative Update	CEO	JUN BOD Mtg	Strategic	Recurring
119	6	Draft Resolution – Approval of Election Services Provider Contract	Legal Services	JUN BOD Mtg	Compliance	Recurring
120	6	Draft Resolution – Approval of Pole Contract for T587 Blanco to Mountain Top Overhaul	COO-Transmission	JUN BOD Mtg	Strategic	Ad-hoc
121	6	Election – Office of President	General Counsel	JUN BOD Mtg	Compliance	Recurring
122	6	Election – Office of Secretary and Treasurer	General Counsel	JUN BOD Mtg	Compliance	Recurring
123	6	Election – Office of Vice President	General Counsel	JUN BOD Mtg	Compliance	Recurring
124	6	Markets Report	Markets	JUN BOD Mtg	Strategic	Recurring
125	6	Personnel Matters	Workforce/Safety	JUN BOD Mtg	Strategic	Recurring
126	6	Receipt of Conflict of Interest Disclosure Form, Director Affirmation, and Directors' Code of Conduct Acknowledgement	General Counsel	JUN Annual Membership Meeting	Compliance	Annual
127	6	Safety/Security	Workforce/Safety	JUN BOD Mtg	Strategic	Recurring
128	6	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JUN BOD Mtg	Compliance	Ad-hoc
129	7	Annual Review of Conflicts of Interest Certification and Disclosure Forms from Directors	General Counsel	JUL BOD Mtg	Compliance Bylaws	Annual
130	7	Approval Resolution – Approval of Election Services Provider Contract	Legal Services	JUL BOD Mtg	Compliance	Recurring
131	7	Approval Resolution – Approval of Pole Contract for T587 Blanco to Mountain Top Overhaul	COO-Transmission (COO-T)	JUL BOD Mtg	Strategic	Ad-hoc
132	7	Approval Resolution – Approval of Power (Substation) Transformer 5-Year Master Service Agreement	Engineering	JUL BOD Mtg	Strategic	Ad-hoc
133	7	Approval Resolution – Approval of Written Certification of the Election Results	Legal Services	JUL BOD Mtg	Compliance	Recurring
134	7	Approval Resolution – Approval to Appoint CFC Voting Delegates for CFC District Meeting	Board President	JUL BOD Mtg	Compliance CFC	Recurring
135	7	Approval Resolution – Approval to Appoint NRECA Voting Delegates for NRECA Regional Meeting	Board President	JUL BOD Mtg	Compliance NRECA	Recurring
136	7	Approval Resolution – Approval to Renew Contract for Election Service Provider	Legal Services	JUL BOD Mtg	Compliance	Recurring
137	7	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	JUL BOD Mtg	Strategic	Recurring
138	7	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	JUL BOD Mtg	Strategic	Recurring

# PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
139	7	Cooperative Update	CEO	JUL BOD Mtg	Strategic	Recurring
140	7	Election Update – Annual Voter Turnout	Legal Services	JUL BOD Mtg	Compliance EPP	Annual
141	7	Engage Employee Engagement Survey Results	Workforce/Safety	JUL BOD Mtg	Strategic	Ad-hoc
142	7	Key Performance Indicator (KPI) Update of 2024 Period 1 Results	CSO	JUL BOD Mtg	Strategic	Recurring
143	7	Markets Report	Markets	JUL BOD Mtg	Strategic	Recurring
144	7	Personnel Matters	Workforce/Safety	JUL BOD Mtg	Strategic	Recurring
145	7	Power Supply and Delivery Update	Markets	JUL BOD Mtg	Strategic	Ad-hoc
146	7	Safety/Security	Workforce/Safety	JUL BOD Mtg	Strategic	Recurring
147	7	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JUL BOD Mtg	Compliance	Ad-hoc
148	8	2024 Property (Real and Personal) Tax Appraisal Assessment and Strategy Update	Tax & Regulatory	AUG BOD Mtg	Compliance	Recurring
149	8	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	AUG BOD Mtg	Strategic	Recurring
150	8	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	AUG BOD Mtg	Strategic	Recurring
151	8	Cooperative Update	CEO	AUG BOD Mtg	Strategic	Recurring
152	8	Cyber Security Semiannual Update	Compliance & Regulatory	AUG BOD Mtg	Strategic	FEB/AUG
153	8	Directors' Conflict of Interest Training and Directors' Code of Conduct Training	Board Counsel	AUG BOD Mtg	Compliance	Recurring
154	8	Draft Resolution – Approval of Engineering Master Service Agreements	Engineering	AUG BOD Mtg	Strategic	Ad-hoc
155	8	Draft Resolution – Approval of Pole Contract T358 Cedar Valley to Friendship	COO-T	AUG BOD Mtg	Strategic	Ad-hoc
156	8	Draft Resolution – Approval of Transformer Move Master Service Agreement (5 yr. 2025-2029)	COO-T	AUG BOD Mtg	Strategic	Ad-hoc
157	8	Draft Resolution – Approval to Reschedule the October 2024 Regular Board Meeting	General Counsel	AUG BOD Mtg	Compliance	Ad-hoc
158	8	Draft Resolution – Review and Approval of the Open Records Policy	Board Counsel	AUG BOD Mtg	Compliance	Recurring
159	8	Markets Report	Markets	AUG BOD Mtg	Strategic	Recurring
160	8	Moment of Silence	Legal Services	AUG BOD Mtg	Strategic	Ad-hoc
161	8	PEC Memberships and Subscriptions with Various Associations	External Relations	AUG BOD Mtg	Strategic	Ad-hoc
162	8	Personnel Matters	Workforce/Safety	AUG BOD Mtg	Strategic	Recurring
163	8	Post Member-Election Analysis and Annual Review	General Counsel	AUG BOD Mtg	Compliance EPP	Annual
164	8	Safety/Security	Workforce/Safety	AUG BOD Mtg	Strategic	Recurring
165	8	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	AUG BOD Mtg	Compliance	Ad-hoc
166	8	Update on Renewal of 2025 Medical Insurance Benefits	Workforce/Safety	AUG BOD Mtg	Compliance	Recurring
167	9	Approval Resolution – Approval for Renewal of 2025 Medical Insurance Benefits	Workforce/Safety	SEP BOD Mtg	Strategic	Recurring
168	9	Approval Resolution – Review and Approval of the Open Records Policy	Board Counsel	SEP BOD Mtg	Compliance	Recurring
169	9	Approval Resolution – Approval to Reschedule the October 2024 Regular Board Meeting	General Counsel	SEP BOD Mtg	Compliance	Ad-hoc
170	9	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	SEP BOD Mtg	Strategic	Recurring
171	9	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	SEP BOD Mtg	Strategic	Recurring
172	9	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	SEP BOD Mtg	Compliance	Quarterly
173	9	Cooperative Update	CEO	SEP BOD Mtg	Strategic	Recurring
174	9	Draft 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	General Counsel	SEP BOD Mtg	Compliance EPP	Annual
175	9	Draft Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
176	9	Draft Resolution – Approval of Pole Contract T318 Blanco to Devils Hill	COO-T	SEP BOD Mtg	Strategic	Ad-hoc
177	9	Draft Resolution – Approval of Power (Substation) Transformer 5-Year Master Service Agreement Extension	COO-T	SEP BOD Mtg	Strategic	Ad-hoc
178	9	Draft Resolution – Approval to Establish 2024 Annual Membership Meeting Date and Location	General Counsel	OCT BOD Mtg	Compliance	Annual
179	9	Markets Report	Markets	SEP BOD Mtg	Strategic	Recurring
180	9	Personnel Matters	Workforce/Safety	SEP BOD Mtg	Strategic	Recurring
181	9	Real Estate Semiannual Update	CSO	SEP BOD Mtg	Strategic	MAR/SEP
182	9	Safety/Security	Workforce/Safety	SEP BOD Mtg	Strategic	Recurring
183	9	Update - Pole Attachment Fee and Rate Structure	External Relations	SEP BOD Mtg	Compliance	Ad-hoc
184	9	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	SEP BOD Mtg	Strategic	Ad-hoc
185	10	Approval Resolution – Recommend Approval by Board of Directors of 2023 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Audit Committee	OCT Audit Committee Mtg	Compliance	Recurring
186	10	Approval Resolution – Recommendation for Approval of Review and Amendments to Audit Committee Charter	Audit Committee	OCT Audit Committee Mtg	Strategic	Ad-hoc
187	10	Annual Enterprise Risk Management (ERM) Update	Compliance & Regulatory	OCT BOD Mtg	Strategic	Annual
188	10	Annual Review of 2021-2026 Strategic Plan	Board President	OCT BOD Mtg	Strategic	Annual
189	10	Approval Resolution – Approval of 2023 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Tax & Regulatory	OCT BOD Mtg	Compliance	Recurring
190	10	Approval 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	General Counsel	OCT BOD Mtg	Compliance EPP	Annual
191	10	Approval Resolution – Approval of Engineering Master Service Agreements	Engineering	OCT BOD Mtg	Strategic	Ad-hoc
192	10	Approval Resolution – Approval of Filing of Application as to its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
193	10	Approval Resolution – Approval of Pole Contract T318 Blanco to Devils Hill	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
194	10	Approval Resolution – Approval of Pole Contract T358 Cedar Valley to Friendship	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
195	10	Approval Resolution – Approval of Power (Substation) Transformer 5-Year Master Service Agreement Extension	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
196	10	Approval Resolution – Approval of Transformer Move Master Service Agreement (5 yr. 2025-2029)	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
197	10	Approval Resolution – Approval to Establish 2024 Annual Membership Meeting Date and Location	General Counsel	OCT BOD Mtg	Compliance	Annual
198	10	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	OCT BOD Mtg	Strategic	Recurring
199	10	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	OCT BOD Mtg	Strategic	Recurring
200	10	Cooperative Update	CEO	OCT BOD Mtg	Strategic	Recurring
201	10	Distribution System Planning Update	Engineering	OCT BOD Mtg	Strategic	JUL/SEP
202	10	Draft Resolution – Approval of 2025 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	OCT BOD Mtg	Compliance	Recurring
203	10	Draft Resolution – Approval of Distribution Contract Master Services Agreement	COO	OCT BOD Mtg	Strategic	Ad-hoc
204	10	Draft Resolution – Review and Approval of the 2025 Rate Plan	CFO	OCT BOD Mtg	Compliance	Recurring
205	10	Markets Report	Markets	OCT BOD Mtg	Strategic	Recurring
206	10	Personnel Matters	Workforce/Safety	OCT BOD Mtg	Strategic	Recurring
207	10	Safety/Security	Workforce/Safety	OCT BOD Mtg	Strategic	Recurring

# PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
208	10	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
209	11	Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings	Board President	NOV BOD Mtg	Compliance	Reoccurring
210	11	Approval Resolution – Approval of 2025 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	NOV BOD Mtg	Compliance	Reoccurring
211	11	Approval Resolution – Approval of Distribution Contract Master Services Agreement	Operations	NOV BOD Mtg	Strategic	Ad-hoc
212	11	Approval Resolution – Review and Approval of 2024 Corporate Initiatives, CEO Action Items, and Performance Bonus Evaluation	Board VP	NOV BOD Mtg	Strategic	Annual
213	11	Approval Resolution - Review and Approval of the 2025 Rate Plan	CFO	NOV BOD Mtg	Compliance	Reoccurring
214	11	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	NOV BOD Mtg	Strategic	Reoccurring
215	11	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	NOV BOD Mtg	Strategic	Reoccurring
216	11	Cooperative Update	CEO	NOV BOD Mtg	Strategic	Reoccurring
217	11	Draft Resolution – Approval of 2025 Election Communications Plan	External Relations	NOV BOD Mtg	Compliance	Reoccurring
218	11	Draft Resolution – Approval of 2025 Election Timeline	General Counsel	NOV BOD Mtg	Compliance	Reoccurring
219	11	Draft Resolution – Approval of Amendments to Tariff and Business Rules (General)	Compliance & Regulatory	NOV BOD Mtg	Compliance	Annual
220	11	Draft Resolution – Approval of Capital Credits Distribution during Calendar Year 2024	CFO	NOV BOD Mtg	Compliance	Reoccurring
221	11	Draft Resolution – Approval of LaCima Construction Contract	COO-T	NOV BOD Mtg	Compliance	Ad-hoc
222	11	Draft Resolution – Review and Approval of the Capital Credits Policy	CFO	NOV BOD Mtg	Compliance	Reoccurring
223	11	Draft Resolution – Review and Approval of the Decorum Policy	External Relations	NOV BOD Mtg	Strategic	Ad-Hoc
224	11	Ethics and Compliance Semiannual Update	Ethics/Compliance	NOV BOD Mtg	Compliance	MAY/NOV
225	11	Markets Report	Markets	NOV BOD Mtg	Strategic	Reoccurring
226	11	Personnel Matters	Workforce/Safety	NOV BOD Mtg	Strategic	Reoccurring
227	11	Recognition of Veterans Day	Board President	NOV BOD Mtg	Compliance	Reoccurring
228	11	Safety/Security	Workforce/Safety	NOV BOD Mtg	Strategic	Reoccurring
229	11	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	NOV BOD Mtg	Compliance	Ad-hoc
230	11	Winter Preparedness	Operations	NOV BOD Mtg	Strategic	Annual
231	12	Approval Resolution – Approval of 2025 Election Communications Plan	CEO	DEC BOD Mtg	Strategic	Reoccurring
232	12	Approval Resolution – Approval of 2025 Election Timeline	General Counsel	DEC BOD Mtg	Compliance	Reoccurring
233	12	Approval Resolution – Approval of Amendments to Tariff and Business Rules (General)	Compliance & Regulatory	DEC BOD Mtg	Compliance	Annual
234	12	Approval Resolution - Approval of Appointment of Members to the Plan Administration Committee	Workforce/Safety	DEC BOD Mtg	Strategic	Reoccurring
235	12	Approval Resolution – Approval of Capital Credits Distribution during Calendar Year 2024	CFO	DEC BOD Mtg	Compliance	Reoccurring
236	12	Approval Resolution – Review and Approval of the Capital Credits Policy	CFO	DEC BOD Mtg	Compliance	Reoccurring
237	12	Approval Resolution – Review and Approval of the Decorum Policy	External Relations	DEC BOD Mtg	Strategic	Ad-hoc
238	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	DEC BOD Mtg	Strategic	Reoccurring
239	12	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	DEC BOD Mtg	Strategic	Reoccurring
240	12	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	DEC BOD Mtg	Compliance	Quarterly
241	12	Cooperative Update	CEO	DEC BOD Mtg	Strategic	Reoccurring
242	12	Draft Resolution – Approval of 2025 Key Performance Indicators Plan Methodology	CSO	DEC BOD Mtg	Strategic	Reoccurring
243	12	Draft Resolution – Approval of Amendments to Tariff and Business Rules (Rates)	Compliance & Regulatory	DEC BOD Mtg	Compliance	Annual
244	12	Markets Report	Markets	DEC BOD Mtg	Strategic	Reoccurring
245	12	Personnel Matters	Workforce/Safety	DEC BOD Mtg	Strategic	Reoccurring
246	12	Plan Administration Committee (PAC) Update - B Dawson, Drew McCorkle, CAPTRUST Advisors	Workforce/Safety	DEC BOD Mtg	Compliance	Reoccurring
247	12	Safety/Security	Workforce/Safety	DEC BOD Mtg	Strategic	Reoccurring
248	12	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	DEC BOD Mtg	Compliance	Ad-hoc



### 3-Month Outlook Planning Calendar OCT-DEC 2024

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
<b>OCT</b>						
1	10	Approval Resolution – Recommend Approval by Board of Directors of 2023 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Audit Committee	OCT Audit Committee Mtg	Compliance	Recurring
2	10	Approval Resolution – Recommendation for Approval of Review and Amendments to Audit Committee Charter	Audit Committee	OCT Audit Committee Mtg	Strategic	Ad-hoc
3	10	Annual Enterprise Risk Management (ERM) Update	Compliance & Regulatory	OCT BOD Mtg	Strategic	Annual
4	10	Annual Review of 2021-2026 Strategic Plan	Board President	OCT BOD Mtg	Strategic	Annual
5	10	Approval Resolution – Approval of 2023 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Tax & Regulatory	OCT BOD Mtg	Compliance	Recurring
6	10	Approval 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	General Counsel	OCT BOD Mtg	Compliance EPP	Annual
7	10	Approval Resolution – Approval of Engineering Master Service Agreements	Engineering	OCT BOD Mtg	Strategic	Ad-hoc
8	10	Approval Resolution – Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
9	10	Approval Resolution – Approval of Pole Contract T318 Blanco to Devils Hill	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
10	10	Approval Resolution – Approval of Pole Contract T358 Cedar Valley to Friendship	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
11	10	Approval Resolution – Approval of Power (Substation) Transformer 5-Year Master Service Agreement Extension	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
12	10	Approval Resolution – Approval of Transformer Move Master Service Agreement (5 yr. 2025-2029)	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
13	10	Approval Resolution – Approval to Establish 2024 Annual Membership Meeting Date and Location	General Counsel	OCT BOD Mtg	Compliance	Annual
14	10	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	OCT BOD Mtg	Strategic	Recurring
15	10	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	OCT BOD Mtg	Strategic	Recurring
16	10	Cooperative Update	CEO	OCT BOD Mtg	Strategic	Recurring
17	10	Distribution System Planning Update	Engineering	OCT BOD Mtg	Strategic	JUL/SEP
18	10	Draft Resolution – Approval of 2025 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	OCT BOD Mtg	Compliance	Recurring
19	10	Draft Resolution – Approval of Distribution Contract Master Services Agreement	COO	OCT BOD Mtg	Strategic	Ad-hoc
20	10	Draft Resolution – Review and Approval of the 2025 Rate Plan	CFO	OCT BOD Mtg	Compliance	Recurring
21	10	Markets Report	Markets	OCT BOD Mtg	Strategic	Recurring
22	10	Personnel Matters	Workforce/Safety	OCT BOD Mtg	Strategic	Recurring
23	10	Safety/Security	Workforce/Safety	OCT BOD Mtg	Strategic	Recurring
24	10	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
<b>NOV</b>						
25	11	Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings	Board President	NOV BOD Mtg	Compliance	Recurring
26	11	Approval Resolution – Approval of 2025 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	NOV BOD Mtg	Compliance	Recurring
27	11	Approval Resolution – Approval of Distribution Contract Master Services Agreement	Operations	NOV BOD Mtg	Strategic	Ad-hoc
28	11	Approval Resolution – Review and Approval of 2024 Corporate Initiatives, CEO Action Items, and Performance Bonus Evaluation	Board VP	NOV BOD Mtg	Strategic	Annual
29	11	Approval Resolution - Review and Approval of the 2025 Rate Plan	CFO	NOV BOD Mtg	Compliance	Recurring
30	11	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	NOV BOD Mtg	Strategic	Recurring
31	11	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	NOV BOD Mtg	Strategic	Recurring
32	11	Cooperative Update	CEO	NOV BOD Mtg	Strategic	Recurring
33	11	Draft Resolution – Approval of 2025 Election Communications Plan	External Relations	NOV BOD Mtg	Compliance	Recurring
34	11	Draft Resolution – Approval of 2025 Election Timeline	General Counsel	NOV BOD Mtg	Compliance	Recurring
35	11	Draft Resolution – Approval of Amendments to Tariff and Business Rules (General)	Compliance & Regulatory	NOV BOD Mtg	Compliance	Annual
36	11	Draft Resolution – Approval of Capital Credits Distribution during Calendar Year 2024	CFO	NOV BOD Mtg	Compliance	Recurring
37	11	Draft Resolution – Approval of LaCima Construction Contract	COO-T	NOV BOD Mtg	Compliance	Ad-hoc
38	11	Draft Resolution – Review and Approval of the Capital Credits Policy	CFO	NOV BOD Mtg	Compliance	Recurring
39	11	Draft Resolution – Review and Approval of the Decorum Policy	External Relations	NOV BOD Mtg	Strategic	Ad-Hoc
40	11	Ethics and Compliance Semiannual Update	Ethics/Compliance	NOV BOD Mtg	Compliance	MAV/NOV
41	11	Markets Report	Markets	NOV BOD Mtg	Strategic	Recurring
42	11	Personnel Matters	Workforce/Safety	NOV BOD Mtg	Strategic	Recurring
43	11	Recognition of Veterans Day	Board President	NOV BOD Mtg	Compliance	Recurring
44	11	Safety/Security	Workforce/Safety	NOV BOD Mtg	Strategic	Recurring
45	11	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	NOV BOD Mtg	Compliance	Ad-hoc
46	11	Winter Preparedness	Operations	NOV BOD Mtg	Strategic	Annual
<b>DEC</b>						
47	12	Approval Resolution – Approval of 2025 Election Communications Plan	CEO	DEC BOD Mtg	Strategic	Recurring
48	12	Approval Resolution – Approval of 2025 Election Timeline	General Counsel	DEC BOD Mtg	Compliance	Recurring
49	12	Approval Resolution – Approval of Amendments to Tariff and Business Rules (General)	Compliance & Regulatory	DEC BOD Mtg	Compliance	Annual
50	12	Approval Resolution - Approval of Appointment of Members to the Plan Administration Committee	Workforce/Safety	DEC BOD Mtg	Strategic	Recurring
51	12	Approval Resolution – Approval of Capital Credits Distribution during Calendar Year 2024	CFO	DEC BOD Mtg	Compliance	Recurring
52	12	Approval Resolution – Review and Approval of the Capital Credits Policy	CFO	DEC BOD Mtg	Compliance	Recurring
53	12	Approval Resolution – Review and Approval of the Decorum Policy	External Relations	DEC BOD Mtg	Strategic	Ad-hoc
54	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	DEC BOD Mtg	Strategic	Recurring
55	12	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	DEC BOD Mtg	Strategic	Recurring
56	12	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	DEC BOD Mtg	Compliance	Quarterly
57	12	Cooperative Update	CEO	DEC BOD Mtg	Strategic	Recurring
58	12	Draft Resolution – Approval of 2025 Key Performance Indicators Plan Methodology	CSO	DEC BOD Mtg	Strategic	Recurring
59	12	Draft Resolution – Approval of Amendments to Tariff and Business Rules (Rates)	Compliance & Regulatory	DEC BOD Mtg	Compliance	Annual
60	12	Markets Report	Markets	DEC BOD Mtg	Strategic	Recurring
61	12	Personnel Matters	Workforce/Safety	DEC BOD Mtg	Strategic	Recurring
62	12	Plan Administration Committee (PAC) Update - B Dawson, Drew McCorckle, CAPTRUST Advisors	Workforce/Safety	DEC BOD Mtg	Compliance	Recurring
63	12	Safety/Security	Workforce/Safety	DEC BOD Mtg	Strategic	Recurring
64	12	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	DEC BOD Mtg	Compliance	Ad-hoc



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**File #:** 2024-269, **Version:** 1

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

**Submitted By:** Aisha Hagen  
**Department:** Legal Services



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**File #: 2024-270, Version: 1**

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**Litigation and Related Legal Matters - A Hagen**

**Submitted By: Aisha Hagen**  
**Department: Legal Services**



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**File #: 2024-271, Version: 1**

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**Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) -  
A Hagen**

**Submitted By: Aisha Hagen**

**Department: Legal Services**

**Financial Impact and Cost/Benefit Considerations: If any, as discussed in Executive Session.**



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**File #: 2024-285, Version: 1**

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**Resolution - Approval for Renewal of 2025 Medical Insurance Benefits - N Fulmer**

**Submitted By: Nathan Fulmer**

**Department: Workforce and Safety Operations**

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



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**File #: 2024-272, Version: 1**

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**Draft Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - C Powell/E Kane**

**Submitted By: Christian Powell**

**Department: Compliance & Regulatory**

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



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**File #: 2024-273, Version: 1**

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**Draft Resolution - Approval of Pole Contract T318 Blanco to Devils Hill - C DeWitt**

**Submitted By: Charles DeWitt**

**Department: Chief Operations Officer - Transmission**

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



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**File #:** 2024-284, **Version:** 1

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**Draft Resolution - Approval of Power (Substation) Transformer 5-Year Master Service Agreement Extension - C DeWitt**

**Submitted By:** Charles DeWitt

**Department:** Chief Operations Officer - Transmission

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





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**File #:** 2024-274, **Version:** 1

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**Markets Report - R Kruger**



# Pedernales Electric Cooperative

PO Box 1  
Johnson City, TX 78636

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**File #:** 2024-286, **Version:** 1

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**Update - Pole Attachment Fee and Rate Structure - J Urban**



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**File #: 2024-276, Version: 1**

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**Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey**



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**File #: 2024-277, Version: 1**

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**Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - C Powell**

**Submitted By: Christian Powell**

**Department: Compliance & Regulatory**

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



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**File #: 2024-278, Version: 1**

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**Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell**

**Submitted By: Christian Powell**

**Department: Compliance & Regulatory**

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



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**File #:** 2024-279, **Version:** 1

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**Safety and Security Matters**



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**File #:** 2024-280, **Version:** 1

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**Personnel Matters**



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**File #: 2024-281, Version: 1**

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**Chief Executive Officer Corporate Initiative and Action Items Quarterly Update - J Parsley**

**Submitted By: Julie Parsley**  
**Department: Chief Executive Officer**