



PEDERNALES ELECTRIC COOPERATIVE

Audit Committee Agenda - Final

10/07/2025 | 10:00 AM | PEC Headquarters Auditorium

201 S Ave F, Johnson City, TX 78636

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

Call to Order and Roll Call

10:00 AM Meeting called to order on October 7, 2025, at PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, TX.

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

Safety Briefing

Adoption of Agenda

Consent Items

1. 2025-278 Thursday, April 10, 2025 - Audit Committee Meeting Minutes

Attachments: 2025-04-10 Audit Committee OS Minutes

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

2. 2025-279 Member Comments

Attachments: Decorum Policy.pdf

Recess to Executive Session

Executive Session - Legal Matters

3. 2025-280 Matters in Which the Audit Committee Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services

Executive Session - Contract and Competitive Matters

4. 2025-281 Review of Internal Audit Report Provided by Sirius Solutions - C Powell

5. 2025-282 Review of 2024 IRS Form 990 - B Miller, Bolinger, Segars, Gilbert & Moss, LLP (BSGM) - K Jones

Reconvene to Open Session

Items from Executive Session

Adjournment



File #: 2025-278, **Version:** 1

Thursday, April 10, 2025 - Audit Committee Meeting Minutes



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Audit Committee

Thursday, April 10, 2025

10:00 AM

PEC Headquarters Auditorium

201 S Ave F, Johnson City, TX 78636

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

Call to Order and Roll Call

This meeting was called to order at 10:00 a.m., on April 10, 2025, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

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

Safety Briefing

Audit Committee Chairperson, James Oakley, provided the Safety Briefing.

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

Without objection the items listed under Consent Items were approved by general consent.

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

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

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

There were no members present.

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

Attachments: [Decorum Policy.pdf](#)

Recess to Executive Session

Audit Committee Chairperson, James Oakley, announced the items to be discussed in Executive Session and at 10:02 a.m., stated the Audit Committee would go into Executive Session.

Executive Session - Legal Matters

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

Executive Session - Contract and Competitive Matters

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

Reconvene to Open Session

At 10:55 a.m., the Audit Committee reconvened to the Open Session meeting.

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

Items from Executive Session

There were no items for discussion.

Adjournment

There being no further business to come before the Audit Committee, the meeting adjourned at 10:57 a.m.

Approved:

James Oakley, Audit Committee Chairperson



File #: 2025-279, **Version:** 1

Member Comments

Submitted By: Andrea Stover

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: N/A

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

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

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

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

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

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

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

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

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

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

Decorum Policy, Purpose:

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



DECORUM POLICY

Effective Date: February 21, 2025

1. PURPOSE

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

2. SCOPE

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

3. POLICY AND IMPLEMENTATION

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

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

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



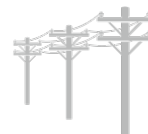
- 3.2.1. All Participants wishing to address the Board during the designated portion of a Board meeting shall sign a registry identifying themselves prior to speaking and shall open their remarks by stating their name and whether they are a Cooperative Member. Time allotted by the Board for each speaker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

4. DEFINITIONS

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

5. POLICY ENFORCEMENT

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

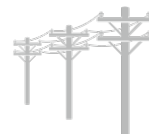


6. REFERENCES AND RELATED DOCUMENTS

Board Meetings Policy

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

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





File #: 2025-280, **Version:** 1

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

Submitted By: Andrea Stover
Department: General Counsel



File #: 2025-281, **Version:** 1

Review of Internal Audit Report Provided by Sirius Solutions - C Powell

Submitted By: Christian Powell
Department: Chief Compliance Officer



File #: 2025-282, **Version:** 1

Review of 2024 IRS Form 990 - B Miller, Bolinger, Segars, Gilbert & Moss, LLP (BSGM) - K Jones

Submitted By: Kat Jones
Department: Chief Financial Officer