



Meeting Minutes - Draft

Board of Directors

Friday, June 21, 2024

10:00 AM

PEC Headquarters Auditorium

201 S Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting was held in the PEC Auditorium and was recorded in accordance with Board Meetings Policy. Members may watch this meeting from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

This meeting was called to order at 10:11 a.m., on June 21, 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

At 10:11 a.m., President Mark Ekrut announced the Safety Briefing.

Board Organizational Matters

1. [2024-156](#) **Acknowledgement and Seating of Newly-Elected Directors - A Hagen**

Ms. Aisha Hagen, Senior Associate General Counsel, announced the three directors, Milton Rister, Paul Graf, and Amy SJ Akers were seated today after the Annual Membership Meeting, according to the Cooperative Bylaws.

2. [2024-157](#) **Receipt of Conflict of Interest Disclosure Form, Director Affirmation, and Directors' Code of Conduct Acknowledgement for Directors - A Hagen**

Attachments: [Rister, Milton](#)
[Pataki, Emily](#)
[Ekrut, Mark](#)
[Cox, Travis](#)
[Oakley, James](#)
[Graf, Paul](#)
[Akers, Amy](#)

Ms. Aisha Hagen, Senior Associate General Counsel, stated that each year, all directors are required to sign the Conflict of Interest Disclosure Form, the Director Affirmation, and the Directors' Code of Conduct Acknowledgement for

Directors. A copy of the signed forms and affirmations are included in the June 21, 2024 Regular Meeting Minutes.

3. [2024-158](#) **Resolution - Approval to Postpone the Election of Officers - A Hagen**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board postpone the election of officers until the Board's July 2024 Regular Meeting.

Ms. Aisha Hagen, Senior Associate General Counsel, informed the Board that according to the Cooperative Bylaws, the Board may choose to elect Board officers today or may postpone the matter. Ms. Hagen acknowledged that the Board did not take action on this matter.

There was no vote on this item.

4. [2024-159](#) **Election - Office of President**

Ms. Aisha Hagen, Senior Associate General Counsel, described the election process for the Office of President and the Board members voted by blind secret ballot. The Board voted Director Emily Pataki as President.

5. [2024-160](#) **Election - Office of Vice President**

Ms. Aisha Hagen, Senior Associate General Counsel, described the election process for the Office of Vice President and the Board members voted by blind secret ballot. The Board voted Director Travis Cox as Vice President.

6. [2024-161](#) **Election - Office of Secretary and Treasurer**

Ms. Aisha Hagen, Senior Associate General Counsel, described the election process for the Office of Secretary and Treasurer and the Board members voted by blind secret ballot. The Board voted Director Mark Ekrut as Secretary and Treasurer.

The Board took a break from 10:21 a.m. to 10:23 a.m.

7. [2024-162](#) **Resolution - Approval of the Appointment of Audit Committee and Audit Committee Chairperson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that Directors Amy SJ Akers and Milton Rister are hereby appointed and affirmed as members of the Audit Committee, effective as of June 21, 2024.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that Director James Oakley is hereby appointed and affirmed as the Chairperson of the Audit Committee, effective as of June 21, 2024.

The Board selected Director James Oakley to serve as the Audit Committee Chairperson, and Directors Amy SJ Akers, and Milton Rister to serve as Audit Committee Members.

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

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

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.

8. [2024-163](#) Friday, May 17, 2024 - Regular Meeting Minutes

Attachments: [2024-05-17 OS Meeting Minutes](#)

Cooperative Monthly Report**9. [2024-164](#) Cooperative Update - J Parsley/E Dauterive/R Kruger/N Fulmer/J Urban**

Attachments: [June Cooperative Update FINAL 2024-164](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Eddie Dauterive, Chief Strategic 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)**10. [2024-165](#) Member Comments**

Attachments: [Decorum Policy](#)

There were no members present.

Action Items / Other Items**11. [2024-166](#) Resolution - Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the following persons are appointed and designated as authorized representatives of the Cooperative to serve as a voting delegate and alternate delegate to act at meetings of the Texas Electric Cooperatives ("TEC") as directed by the Board, including the 84th TEC Annual Meeting, August 4-7, 2024, and any future TEC Membership Meetings occurring through August 6, 2025, or until successors are appointed: Mark Ekrut, Voting Delegate; and Paul Graf, Alternate Voting Delegate.

Attachments: [2024 TEC Voting Credentials Form](#)

President Emily Pataki asked the Board to consider the voting delegate and alternate voting delegate for the annual meeting of the Texas Electric Cooperative (TEC). The Board selected Director Mark Ekrut as Voting Delegate

and Director Paul Graf as Alternate Voting Delegate.

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

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

12. [2024-167](#) Resolution - Review and Approval of Privacy Policy - M Beyer

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

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

Attachments: [Privacy Policy - Redline - 2024-167](#)
[Privacy Policy - Clean - 2024-167](#)

Mr. Mark Beyer, Ethics and Compliance Officer, presented the resolution and asked the Board for approval.

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

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

13. [2024-168](#) Resolution - Proposal for Approval of Allocation of 2023 Net Margins to Capital Credits - J Smith/K Jones

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that net margins shown in the Cooperative's Audited Financial Statements for the year ended December 31, 2023, in the amount of \$56,101,458 adjusted for an unbilled revenue amount of (\$2,448,516) and adjusted for non-operating margins not related to providing electric services of (\$875,425) be approved for member allocation. This amount of \$52,777,517 shall be allocated first to revenue class based on contribution to gross margin and then second based on total gross electric billings for the calendar year 2023 to those patrons having positive billing amounts during the year within each class. The allocation factors calculated for 2023 are Residential 0.0666071385, Small Power 0.0682412556, Large Power 0.0424502211, Industrial 0.0044622885, and Transmission Level Service 0.0050844041.

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

Ms. Kat Jones, Controller, presented the resolution and asked the Board for approval.

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

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

14. [2024-169](#) **Resolution - Approval of Yarrington Substation Construction Contract Amendment - E Dauterive**
- Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the change order to complete the additional project scope at Yarrington Substation as described in Executive Session; and
- BE IT FURTHER RESOLVED**, that the Chief Executive Officer or designee is authorized to take all such actions as needed to implement this resolution.
- Mr. Eddie Dauterive, Chief Strategic Officer (CSO), presented the resolution and asked the Board for approval.
- A motion was made by Vice President Cox, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:**
- Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

Proposed Future Items / Meetings (subject to final posting)

15. [2024-170](#) **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.
16. [2024-171](#) **Board Planning Calendar (Written Report in Materials)**
- Attachments:** [3-Month Outlook Calendar](#)
[PEC Annual Board Planning Calendar](#)
- 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 10:55 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

17. [2024-172](#) **Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**
18. [2024-173](#) **Litigation and Related Legal Matters - A Hagen**
- [2024-174](#) **Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Hagen**

Executive Session - Contract and Competitive Matters

20. [2024-175](#) Markets Report - D Thompson/R Kruger
21. [2024-176](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey
22. [2024-177](#) Draft Resolution - Approval to Renew Contract for Election Service Provider - M Butler
23. [2024-183](#) Draft Resolution - Approval of Pole Contract for T587 Blanco to Mountain Top Overhaul - E Dauterive

Executive Session - Real Estate Matters

24. [2024-178](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
25. [2024-179](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

Executive Session - Safety and Security Matters

26. [2024-180](#) Safety and Security Matters

Executive Session - Personnel Matters

27. [2024-181](#) Personnel Matters
28. [2024-182](#) Chief Executive Officer Corporate Initiative and Action Items Quarterly Update - J Parsley

Reconvene to Open Session

At 2:06 p.m., the Board reconvened to the Open Session meeting. Director Travis Cox was not present.

Present: 6 - Director Milton Rister, President Emily Pataki, Secretary/Treasurer Mark Ekrut, Director James Oakley, Director Paul Graf, and Director Amy Akers

Absent: 1 - Vice President Travis Cox

Items from Executive Session

The following agenda item was discussed in Executive Session and set for approval in Open Session.

19. [2024-174](#) 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 Director Oakley, seconded by Director Akers, that this item be approved. The motion carried by the following vote:

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

Absent: 1 - Cox

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:08 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President