



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Board of Directors

Friday, December 20, 2024

9:00 AM

PEC Headquarters Auditorium

201 S Ave F, Johnson City, TX 78636

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

Call to Order and Roll Call

This meeting was called to order at 9:02 a.m., on December 20, 2024, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

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

Safety Briefing

President Emily Pataki provided the Safety Briefing.

Adoption of Agenda

The agenda was adopted as posted and without objection.

Cooperative Recognitions

1. [2024-372](#) **Recognition of PEC True Blue Recipients and Member Service Appreciation Week - J Urban/D Evers**

Attachments: [Recognition of PEC True Blue Recipients and Member Service Appreciation Week 2024-372.pdf](#)

Ms. DeLisa Evers, Director, Member Relations, and Ms. Kelli Mann, Regional Member Relations Manager, announced the names of the PEC True Blue Recipients for Member Service Appreciation Week. The Board recessed the meeting from 9:08 a.m. to 9:14 a.m. for a photo opportunity with the recipients.

Consent Items

2. [2024-261](#) **Friday, November 15, 2024 - Regular Meeting Minutes**

Attachments: [2024-11-15 OS Meeting Minutes final.pdf](#)

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

Cooperative Monthly Report**3. [2024-319](#) Cooperative Update - J Parsley/J Greene/C Powell/N Fulmer/R Kruger/J Urban**

Attachments: [2024-319 December Cooperative Update FINAL.pdf](#)

Ms. Andrea Stover, General Counsel, Mr. Jonathan Greene, Chief Operations Officer - Transmission, Mr. Christian Powell, Chief Compliance Officer, Mr. Nathan Fulmer, Chief Operations Officer - Distribution, Mr. Randy Kruger, Chief Financial Officer, and Mr. JP Urban, Chief Administration Officer, presented a collaborative Cooperative Update.

Member Comments (3 minute limitation or as otherwise directed by Board)**4. [2024-338](#) Member Comments**

Attachments: [Decorum Policy.pdf](#)

There were no members present.

Action Items / Other Items**5. [2024-369](#) Resolution - Approval of 2025 Election Timeline and 2025 Election Communications Plan - M Butler/C Tinsley Porter**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that pursuant to Sections 3.2 of the PEC Election Policy and Procedures, the Election Timeline in the form presented to the Board, and with any changes approved by the Board, is adopted as the 2025 Election Timeline and Communication Plan for the 2025 PEC Election; and

BE IT FURTHER RESOLVED that pursuant to Section 7.3 of the PEC Election Policy and Procedures, the Communications Plan in the form presented to the Board, and with any changes approved by the Board, is adopted as the 2025 Election Communications Plan for the 2025 PEC Election; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, the General Counsel, or their designees, are hereby authorized to take all such action as may be necessary to implement this resolution and conduct the 2025 PEC Election.

Attachments: [2025 Election Timeline Final 2024-369.pdf](#)

[UPDATED Approval of 2025 Election Communications Plan 2024-369 FINAL.pdf](#)

Mr. Michael Butler, Corporate Counsel, presented the resolution and asked the Board for approval.

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

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

6. [2024-377](#) **Resolution - Approval of Appointment of Members to the Plan Administration Committee - A Stover/A Alcazar**

Body: NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Plan Sponsor hereby appointments the following persons to the *Pedernales Electric Cooperative, Inc. Plan Administration Committee* ("PAC"):

- Vance Hoy, Electrical Distribution Design & Planning Manager, (Operations), New Member.
- Craig Meador, Director, Regional Operations, (Operations), New Member.
- Seth Stoppelmoor, Cyber Security Manager, (Compliance & Regulatory), Existing Member. Each appointee shall commence service on the PAC effective as of the date he submits written acceptance of such appointment to the Chair of the PAC. Each appointee shall serve as a regular member of the PAC for the term of the appointment as outlined by the Board's Delegation of Authority, Composition, and Role of PEC Plan Administration Committee.

Attachments: [PAC Member Update FINAL](#)

[PAC Statement of Responsibilities Rev 5 2024-377 Final.pdf](#)

Ms. Adrienne Alcazar, Director, Human Relations, presented the resolution and asked the Board for approval.

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

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

7. [2024-334](#) **Resolution - Approval of Construction Contract for La Cima Substation - J Greene**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative execute an agreement with Lambda Construction for the construction of La Cima Substation as described herein; and

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

Attachments: [Construction Contract for La Cima Substation 2024-334 Final v1](#)

Mr. Jonathan Greene, Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

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

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

8. [2024-367](#) **Resolution - Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Acquisition for the Cedar Valley -**

Friendship Line Upgrade (Engineering Project T358); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Cedar Valley - Friendship Line Upgrade - J Greene

Body: WHEREAS the Board of Directors of PEC, pursuant to the Texas Constitution and Texas Utilities Code, Section 161.125 and other applicable law, and Chapter 21 of the Texas Property Code, hereby finds that the Cedar Valley Friendship Project is for public use and in the public interest to acquire the interests in the Property through eminent domain proceedings.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that acquisition of the Property for installation, construction, operation, and maintenance and upgrade of the Cedar Valley Friendship Project and all necessary appurtenant facilities is for public use and in the public interest to ensure system reliability for its members and the electric grid for the State of Texas; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer of the Cooperative or any person designated by her for such purpose, is authorized as an officer or agent of the Cooperative to engage third parties to perform professional services in connection with the Cedar Valley Friendship Project. The CEO or her designee is further authorized to make offers, negotiate, settle and agree on a purchase price for the necessary Property in such form and containing such terms and conditions as such officer or agent may deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that if it is determined that an agreement as to the value of said Property, damages and/or compensation to be paid cannot be reached, then the General Counsel of the Cooperative or any attorney designated by her for such purpose, is authorized to file proceedings using the Cooperative's power of eminent domain to acquire interests in the Property, in order to allow the Cooperative to complete the Cedar Valley Friendship Project, and to perform and undertake all other proceedings necessary to complete the acquisition of the Property; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that it is the intent of the Board of Directors of the Cooperative that this resolution authorizes all processes and procedures for the acquisition or the condemnation of all Property required to complete the Cedar Valley Friendship Project; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer of the Cooperative, the General Counsel or any persons designated by either of them for such purpose, is authorized as a duly authorized officer or agent of the Cooperative, to do any and all acts deemed by such officer in such officer's reasonable judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolution; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative, including, but not limited to, the delivery of any relevant document in the name of and on behalf of the Cooperative relating to any bona fide offer to the owners are hereby confirmed, ratified, and approved.

Attachments: [T358 Cedar Valley - Friendship Easement Requirements 2024-367 Final v1](#)

Mr. Jonathan Greene, Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

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

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

9. [2024-368](#) Resolution - Approval of Construction Contract T587 Mountain Top - Blanco 138 kV Line - J Greene

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative execute an agreement with Axis Power for the construction of the T587 transmission line as described herein; and

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

Attachments: [T587 Blanco to Mountain Top Project Summary - Construction 2024-368 Final v3](#)

Mr. Jonathan Greene, Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

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

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

10. [2024-366](#) Resolution - Approval of Capital Credits Distribution during Calendar Year 2025 - K Jones

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

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative distribute and pay out General Capital Credit Retirements and Special Capital Credits Retirements in an amount not to exceed \$10,300,000 on or prior to January 31, 2025 as described herein to its eligible members as credits on electric bills, and to any former members or deceased estates who are entitled to a distribution of at least \$10.00 by check.

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

Attachments: [2025 Capital Credits Distribution 2024-366 Final](#)

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

A motion was made by Director Oakley, 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

11. [2024-364](#) Draft Resolution - Approval of Tariff and Business Rules - Amendments - C Powell/A Stover

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff and Business Rules as attached and presented this day, with such changes, if any, as were approved by the Board, to become effective March 1, 2025; and

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

Attachments: [Tariff Amendment Review 2024-364.pdf](#)

[Tariff and Business Rules - Redline for EOY Annual Review - 2024-364](#)

[Tariff and Business Rules - Draft for EOY Annual Review - CLEAN - 2024-364](#)

Mr. Christian Powell, Chief Compliance Officer, presented the annual updates and said a final resolution will be presented to the Board for approval in January 2025.

12. [2024-341](#) Draft Resolution - Approval to Amend Tariff and Business Rules - Base Power Charge, Sustainable Power Credit, Service Availability Charge & Delivery Charge, Single & Three-Phase Rates, Lamp Charges - W Symank/R Kruger

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that it approves the amendments to the Cooperative's Tariff and Business Rules as attached hereto with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; and

BE IT FURTHER RESOLVED that the Cooperative approves the rescission of the prior resolutions referenced herein with respect to the additions of lighting types to the Cooperative's Tariff and Business Rules and that all actions taken prior to the date herein by the officers and duly authorized agents of the

Cooperative in connection with such resolution, be ratified, confirmed, and approved; and

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

Attachments: [2025 Rate Adjustments 2025-341 Final](#)

[Tariff Language Redline - Tariff and Business Rules - Base Power Charge 2024-341 FINAL.pdf](#)
[Tariff Language Clean - Tariff and Business Rules - Base Power Charge 2024-341 FINAL.pdf](#)
[Tariff Language Redline - Tariff and Business Rules - Sustainable Power Credit 2024-341 FINAL.pdf](#)
[Tariff Language Clean - Tariff and Business Rules - Sustainable Power Credit 2024-341 FINAL.pdf](#)
[Tariff Language Redline - Tariff and Business Rules - Delivery and Service Availability Charges 2024-341 FINAL.pdf](#)
[Tariff Language Clean - Tariff and Business Rules - Delivery and Service Availability Charges 2024-341 FINAL.pdf](#)
[Tariff Language Redline - Tariff and Business Rules - Small Power Three Phase 2024-341 FINAL.pdf](#)
[Tariff Language Clean - Tariff and Business Rules - Small Power Three Phase 2024-341 FINAL.pdf](#)

Mr. Randy Kruger, Chief Financial Officer, presented the 2025 rate adjustments and said a final resolution will be presented to the Board for approval in January 2025.

13. [2024-371](#) Draft Resolution - Approval of 2025 Key Performance Indicators Plan - E Dauterive

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2025 Key Performance Indicators Plan presented to the Board this day is approved; and

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

Attachments: [2025 KPI Plan Revisions final](#)

Mr. Eddie Dauterive, Chief Strategy Officer, presented the 2025 Key Performance Indicators Plan Methodology. Mr. Dauterive said a final resolution will be presented to the Board for approval in January 2025.

14. [2024-378](#) Plan Administration Committee (PAC) Update - Bernie Dawson, Drew McCorkle, CAPTRUST Advisors

Attachments: [Plan Administration Committee \(PAC\) Activity Report 2024-378 Final](#)

Mr. Bernie Dawson, Lead Automation Engineer, and Chair of the Plan Administration Committee (PAC), introduced Mr. Drew McCorkle, Senior Vice President and Financial Advisor, CAPTRUST Advisors, who presented the PAC activity report.

Proposed Future Items / Meetings (subject to final posting)

15. [2024-363](#) List of Board Approved Future Meetings

Attachments: [2025 Board Meeting Calendar.pdf](#)

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

16. [2024-379](#) Board Planning Calendar (Written Report in Materials)

Attachments: [Annual Board Planning Calendar.pdf](#)
 [3-Month Planning 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 10:41 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

- 17. [2024-380](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**
- 18. [2024-370](#) 2025 Texas Legislative Matters - J Urban**
- 19. [2024-381](#) Litigation and Related Legal Matters - A Stover**
- 20. [2024-382](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover**

Executive Session - Contract and Competitive Matters

- [2024-339](#) Resolution - Approval to Amend 2024 Capital Improvement Plan (CIP) for Category Level Distribution Projects - A Murosko**
- 22. [2024-352](#) Draft Resolution - Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line - J Greene**
- 23. [2024-376](#) Draft Resolution - Approval of Construction Contract for Whitestone T1 and T2 Upgrade - J Greene**
- 24. [2024-365](#) Draft Resolution - Approval of Lago Vista T3 Substation Construction Contract Amendment - J Greene**
- 25. [2024-383](#) Markets Report - R Strobel/R Kruger**
- 26. [2024-384](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey**

Executive Session - Real Estate Matters

27. [2024-385](#) Draft Resolution - Approval of Purchase of Land in Williamson County - C Powell
28. [2024-386](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell

Executive Session - Safety and Security Matters

29. [2024-387](#) Safety and Security Matters

Executive Session - Personnel Matters

- [2024-362](#) Resolution - Review of 2024 Corporate Initiatives and CEO Action Items with Consideration of Performance Bonus - T Cox
31. [2024-373](#) Review of 2025 Corporate Initiatives and CEO Action Items - J Parsley
32. [2024-388](#) Personnel Matters

Reconvene to Open Session

At 2:13 p.m., the Board reconvened to the Open Session meeting. Mr. Milton Rister, Director, District 1, was not present.

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

Absent: 1 - Director Milton Rister

Items from Executive Session

21. [2024-339](#) Resolution - Approval to Amend 2024 Capital Improvement Plan (CIP) for Category Level Distribution Projects - A Murosko
- Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative adopt the 2024 Amended Capital Improvement Plan (CIP) Budget as presented this day; and
- NOW THEREFORE BE IT RESOLVED** that the Chief Executive Officer, or designee, is authorized to take such actions as needed to implement this resolution.
- A motion was made by Secretary/Treasurer Ekrut, seconded by Director Oakley, that this item be approved. The motion carried by the following vote:**
- Yes:** 6 - Pataki, Ekrut, Cox, Oakley, Graf, and Akers
- Absent:** 1 - Rister
30. [2024-362](#) Resolution - Review of 2024 Corporate Initiatives and CEO Action Items with Consideration of Performance Bonus - T Cox

Body: **WHEREAS** the CEO's performance bonus is based on the current year's goals and objectives; and

WHEREAS the Board of Directors conducted its annual performance bonus evaluation of the CEO this day;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS that the CEO's performance bonus is approved as discussed this day in Executive Session.

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: 6 - Pataki, Ekrut, Cox, Oakley, Graf, and Akers

Absent: 1 - Rister

Adjournment

There being no further business to come before the Board of the Directors, the meeting adjourned at 2:15 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President