



PEDERNALES ELECTRIC COOPERATIVE

Board of Directors Agenda - Final

02/21/2025 | 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 this meeting by live stream 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 February 21, 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. [2025-032](#) Friday, January 17, 2025 - Regular Meeting Minutes

Attachments: [2025-01-17 OS Meeting Minutes.pdf](#)

Cooperative Monthly Report

2. [2025-033](#) Cooperative Update - J Parsley/E Dauterive/N Fulmer/R Kruger/J Urban

Attachments: [February Cooperative Update_v7 w CFO & CSO.pdf](#)

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

3. [2025-034](#) Member Comments

Attachments: [Decorum Policy.pdf](#)

Action Items / Other Items

4. [2025-035](#) Resolution - Review and Approval of Capital Credits Policy - K Jones

Attachments: [Capital Credits Policy Redline 2025-035.pdf](#)
[Capital Credits Policy Clean 2025-035.pdf](#)
[Capital Credits Policy Presentation 2025-035.pdf](#)

5. [2025-036](#) Resolution - Review and Approval of the Decorum Policy - A Stover

Attachments: [Decorum Policy - Redline - 2025-036 - Final \(Comparison to Original\)](#)
[Decorum Policy - Clean - 2025-036](#)
[Decorum Policy 2025-036](#)

6. [2025-038](#) Resolution - Approval of Appointments to 2025 Qualifications and Elections Committee - M Butler
Attachments: [2025 QEC Appointment v2 2025-038](#)
7. [2025-039](#) Resolution - Approval of Construction Contract T358 Cedar Valley-Friendship 138 kV Line - J Greene
Attachments: [T358 Cedar Valley Friendship Project Summary 2025-039 Final](#)
8. [2025-048](#) Draft Resolution - Review and Approval of the Board of Directors Compensation Policy - A Stover
Attachments: [Board of Directors Compensation Policy - Redline Draft - 2025-048](#)
[Board of Directors Compensation Policy - Clean Draft - 2025-048](#)
[Board of Directors Compensation 2025-048](#)
9. [2025-040](#) 2025 Election Timeline Monthly Update - A Stover (Written Report in Materials)
Attachments: [2025 Election Timeline Final Board Approved 122024 2025-040.pdf](#)
10. [2025-041](#) Key Performance Indicator (KPI) of 2024 Period 2 Results - E Dauterive
Attachments: [KPI 2024 P2 Performance 2025-041 Final](#)

Proposed Future Items / Meetings (subject to final posting)

11. [2025-042](#) List of Board Approved Future Meetings
Attachments: [2025 Board Meeting Calendar.pdf](#)
12. [2025-043](#) Board Planning Calendar (Written Report in Materials)
Attachments: [Annual Board Planning Calendar.pdf](#)
[3-Month Outlook Calendar.pdf](#)

Recess to Executive Session

Executive Session - Legal Matters

13. [2025-044](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services
14. [2025-045](#) 2025 Texas Legislative Matters - J Urban
15. [2025-046](#) Litigation and Related Legal Matters - A Stover
16. [2025-047](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover
17. [2025-064](#) Discussion of the Development of the 2026-2030 Strategic Plan - E Dauterive

Executive Session - Contract and Competitive Matters

18. [2025-049](#) Draft Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends - J Greene

19. [2025-051](#) Draft Resolution - Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Blanco - Devils Hill 138kV Line (Engineering Project T318); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Blanco - Devils Hill 138kV Line Easement Amendments - J Greene
20. [2025-037](#) Draft Resolution - Approval of Construction Contract for Graphite Mine T1 Upgrade - J Greene
21. [2025-053](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey
22. [2025-054](#) Markets Report - R Strobel/R Kruger

Executive Session - Real Estate Matters

23. [2025-055](#) Draft Resolution - Authorization of the Cooperative to Use Eminent Domain to Acquire Property in Williamson County - C Powell
24. [2025-056](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell

Executive Session - Safety and Security Matters

25. [2025-057](#) Safety and Security Matters
26. [2025-058](#) Cyber Security Semiannual Update - S Stoppelmoor

Executive Session - Personnel Matters

27. [2025-059](#) Personnel Matters

Reconvene to Open Session

Items from Executive Session

Adjournment



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

File #: 2025-032, **Version:** 1

Friday, January 17, 2025 - Regular Meeting Minutes



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Board of Directors

Friday, January 17, 2025

9:00 AM

PEC Headquarters Auditorium
201 S Ave F, Johnson City, TX 78636

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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 January 17, 2025, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

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

Safety Briefing

President Emily Pataki provided the Safety Briefing.

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

1. [2025-001](#) **Friday, December 20, 2024 - Regular Meeting Minutes**

Attachments: [2024-12-20 OS Meeting Minutes.pdf](#)

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

Cooperative Monthly Report

2. [2025-002](#) **Cooperative Update - J Parsley/A Stover/R Kruger/N Fulmer/J Urban**

Attachments: [January 2025 Cooperative Update FINALv2 2025-002.pdf](#)

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

Member Comments (3-minute limitation or as otherwise directed by Board)**3. [2025-003](#) Member Comments**

Attachments: [Decorum Policy.pdf](#)

Mr. Denton Ragland, President of the Driftwood Historical Conservation Society, was present and complimented PEC on the selection of the tree clearing service provider in the Driftwood area. He requested that PEC please coordinate with him on future projects on the historic property.

Action Items / Other Items**4. [2025-022](#) Resolution - Consideration of 2025 NRECA Annual Membership Dues - J Parsley**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the membership dues to the National Rural Electric Cooperative Association for 2025 in the amount of \$252,985.00 is approved; and the Chief Executive Officer of the Cooperative, or designee, is authorized to pay those dues pursuant to the invoice duly presented to the Cooperative.

Attachments: [NRECA Distribution Membership Dues Invoice.pdf](#)

Mr. J.P. Urban, Chief Administrative Officer, recommended that the Board not take up this resolution at this time.

There was no vote action on this item.

5. [2025-004](#) Resolution - Consideration of TEC 2025 Annual Membership Dues - J Parsley

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that Texas Electric Cooperatives (TEC) membership dues (in the amount of \$208,179.85) and associated dues, including ERCOT and Legal, for 2025 are approved, and the Chief Executive Officer of the Cooperative, or designee, is authorized to pay those dues pursuant to the invoices duly presented to the Cooperative.

Attachments: [TEC 2025 Annual Membership Due Invoice.pdf](#)

Mr. J.P. Urban, Chief Administration Officer, 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 failed by the following vote:

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

6. [2025-005](#) 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 Final Revisions Presentation 2025-005 Final](#)
[2025 KPI Plan - 2025-005 - Final](#)

Mr. Eddie Dauterive, Chief Strategy Officer, 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

7. [2025-006](#) **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 & Business Rules Annual Updates - 2025-006 - Final](#)
[Tariff and Business Rules - Draft for EOY Annual Review - REDLINE as modified per Jan BOD- 2025-006.pdf](#)
[Tariff and Business Rules - Draft for EOY Annual Review - CLEAN as modified per Jan BOD- 2025-006.pdf](#)
[Tariff and Business Rules - Redline for EOY Annual Review - 2025-006](#)
[Tariff and Business Rules - Draft for EOY Annual Review - CLEAN - 2025-006](#)

Mr. Christian Powell, Chief Compliance Officer, presented the resolution and asked the Board for approval. Director Amy SJ Akers suggested an amendment to the tariff. Ms. Akers said that PEC does not have control over franchise fees; municipalities do not need an agreement to enforce franchise fees, they have to pass an ordinance. Mr. Powell stated that he would change the language, accepting the amendment within the motion.

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

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

8. [2025-007](#) **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 Resolutions Final 2025-007.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Base Power Charge 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Base Power Charge 2025-007 FINAL.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Sustainable Power Credit 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Sustainable Power Credit 2025-007 FINAL.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Delivery and Service Availability Charges 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Delivery and Service Availability Charges 2025-007 FINAL.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Small Power Three Phase 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Small Power Three Phase 2025-007 FINAL.pdf](#)

Mr. Randy Kruger, Chief Financial Officer, presented the resolution asking 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

9. [2025-009](#) Resolution - Approval of Whitestone T1 and T2 Upgrade Construction Contract - J Greene

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative execute the Whitestone T1 and T2 Substation Construction Contract 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.

Attachments: [Whitestone Substation T1 and T2 Upgrade Construction Contract 2025-009 Final](#)

Mr. Jonathan Greene, Chief Operations Officer, presented the resolution asking 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

10. [2025-010](#) **Resolution - Approval of Lago Vista T3 Substation Construction Contract Amendment - J Greene**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative is approved to execute a change order to complete the additional project scope for the Lago Vista T3 Substation Construction Contract 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.

Attachments: [Lago Vista T3 Substation Construction Contract Amendment 2025-010 Final](#)

Mr. Jonathan Greene, Chief Operations Officer, presented the resolution asking 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

11. [2025-012](#) **Draft Resolution - Review and Approval of Capital Credits Policy - K Jones**

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 revised Capital Credits 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 hereby authorized to take all such action as may be necessary to implement this resolution.

Attachments: [Capital Credits Policy 2025-012-Draft v3.pdf](#)
[Capital Credits Policy - Redline - 2025-012.pdf](#)
[Capital Credits Policy - Clean - 2025-012.pdf](#)

Ms. Kat Jones, Controller, presented the draft resolution and stated that a final resolution will be presented to the Board for approval in February.

12. [2025-013](#) **Draft Resolution - Review and Approval of the Decorum Policy - A Stover**

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

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

- Attachments:** [Decorum Policy - 2025-013 - Final](#)
[Decorum Policy - Redline - 2025-013 - Final \(Comparison to Original\)](#)
[Decorum Policy - Clean - 2025-013 - Final](#)

Ms. Andrea Stover, General Counsel, presented the draft resolution and stated that a final resolution will be presented to the Board for approval in February.

13. [2025-014](#) Draft Resolution - Approval for Directing the General Counsel to Prepare 2025 Proposed Non-Director Election Ballot Matter(s) - M Butler

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the General Counsel, or designee, of the Cooperative is directed to prepare proposed ballot wording for consideration by the Board of Directors on the following Non-Director Election matter(s):

- A) _____;
- B) _____;
- C) _____; and

BE IT FURTHER RESOLVED that in accordance with Section 6.1 of the Election Procedures, the ballot wording will be presented in a way to maximize Members' understanding of the Non-Director Election matter, including any Board recommendation or position concerning the matter; and

BE IT FURTHER RESOLVED that the Board votes to [support/oppose] the proposed Non-Director Election matter, and the General Counsel is directed to draft proposed ballot language that reflects the Board's position; and

BE IT FURTHER RESOLVED that this proposed Non-Director Election matter shall not be included on the 2025 election ballot unless and until a majority of the Directors votes to affirmatively place the matter on the 2025 election ballot and approves the ballot wording; and

BE IT FURTHER RESOLVED that the General Counsel or designee, is directed to take all necessary actions to implement this resolution.

- Attachments:** [2025 Non-Director Election Ballot Matters - 2025-014 Final v2](#)

Mr. Michael Butler, Senior Corporate Counsel, presented the draft resolution, stating that pursuant to Section 6.1 of the Election Policy and Procedures, the Board may direct the General Counsel to add non-director election items to the ballot to seek advisory responses from the membership. Mr. Butler stated, at this time, there have been no items proposed to the office of the General Counsel. Since the election begins on May 21, 2025, and pursuant to the election policy, the item should be brought to the General Counsel no later than the fifth month prior to the election. Mr. Butler stated that this item will be removed from following board agendas.

14. [2025-015](#) Draft Resolution - Approval of Appointments to 2025 Qualifications and Elections Committee - M Butler

Body: **WHEREAS** the Bylaws of the Cooperative require the Board to appoint a

Qualifications and Elections Committee (the "Committee") to review and determine the qualifications of applicants who wish to be candidates for election to the Board ("Candidates"), and in accordance with the Cooperative's Election Policy and Procedures.

NOW, THEREFORE, BE IT RESOLVED that the following individuals are appointed to serve on the Qualifications and Elections Committee for the 2025 Election:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____; and

BE IT FURTHER RESOLVED that the following individuals are appointed as alternates to serve on the Qualifications and Elections Committee for the 2025 Election should an appointed member be unable to serve:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____; and

BE IT FURTHER RESOLVED that the Committee will elect its own officers (Chair and Secretary), and will have access to information gathered from various sources, including the Candidates themselves, public records, and the Cooperative; and

BE IT FURTHER RESOLVED that the Cooperative will provide legal counsel and staff support; and

BE IT FURTHER RESOLVED that the Committee should conduct meetings as often as the Committee determines that they are needed to perform the review of Candidates applications, and these meetings may be conducted by phone or at a place of the Committee's choosing; and

BE IT FURTHER RESOLVED that Committee members are paid \$150 for each telephonic or live meeting lasting more than one hour; the Cooperative will reimburse mileage and reasonable meal expenses incurred by Committee members in the course of their service; and provide indemnification and protection from liability for Committee members serving in that capacity as provided for in the PEC Bylaws; and

BE IT FURTHER RESOLVED that the General Counsel, or designee, is authorized and directed to take all actions necessary to implement this resolution.

Attachments: [2025 QEC Appointment - 2025-015 Final v2](#)

Mr. Michael Butler, Senior Corporate Counsel, presented the draft resolution requesting the Board provide the names of eligible individuals willing to serve on the Qualifications Elections Committee (QEC) by February 14, 2025.

15. [2025-016](#) **2025 Election Timeline Monthly Update - A Stover (Written Report in Materials)**

Attachments: [2025 Election Timeline Final Board Approved 122024 2025-016.pdf](#)

Ms. Andrea Stover, General Counsel, stated that the 2025 Election Timeline remains the same.

Proposed Future Items / Meetings (subject to final posting)

16. [2025-017](#) **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.

17. [2025-018](#) **Board Planning Calendar (Written Report in Materials)**

Attachments: [Annual Board Planning Calendar.pdf](#)
[3-Month Outlook.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 10:11 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

18. [2025-019](#) **Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**
19. [2025-031](#) **2025 Texas Legislative Matters - J Urban**
20. [2025-020](#) **Litigation and Related Legal Matters - A Stover**
21. [2025-021](#) **Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover**

Executive Session - Contract and Competitive Matters

22. [2025-008](#) Draft Resolution - Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line - J Greene
23. [2025-023](#) Long-Term Distribution/Substation Capacity/Transmission Planning/Real Estate Update - J Greene/N Fulmer/C Powell
24. [2025-024](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey
25. [2025-025](#) Markets Report - R Strobel/R Kruger

Executive Session - Real Estate Matters

- [2025-011](#) Resolution - Approval of Purchase of Land in Williamson County - C Powell
27. [2025-027](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell

Executive Session - Safety and Security Matters

28. [2025-028](#) Safety and Security Matters

Executive Session - Personnel Matters

29. [2025-029](#) Personnel Matters
30. [2025-030](#) Review of 2025 Corporate Initiatives and CEO Action Items - J Parsley

Reconvene to Open Session

At 1:09 p.m., the Board reconvened to the Open Session meeting.

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

Items from Executive Session

The following agenda items were discussed in Executive Session and set for approval in Open Session.

26. [2025-011](#) Resolution - Approval of Purchase of Land in Williamson County - C Powell
- Body:** NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative is authorized to purchase real property in Williamson County as described in Schedule 1, subject to satisfaction of any terms as discussed by the Board during Executive Session, with certain details of any such purchase to be publicly available upon public filing of instruments memorializing the transfer; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that all actions taken prior to the date herein by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing, 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.

A motion was made by Director Rister, 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

Adjournment

There being no further business to come before the Board of the Directors, the meeting adjourned at 1:10 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

File #: 2025-033, **Version:** 1

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

Submitted By: Julie Parsley
Department: Chief Executive Officer



Cooperative Update

Julie C. Parsley | Chief Executive Officer

Eddie Dauterive | Chief Strategy Officer

Nathan Fulmer | Chief Operations Officer — Distribution

Randy Kruger | Chief Financial Officer

JP Urban | Chief Administrative Officer



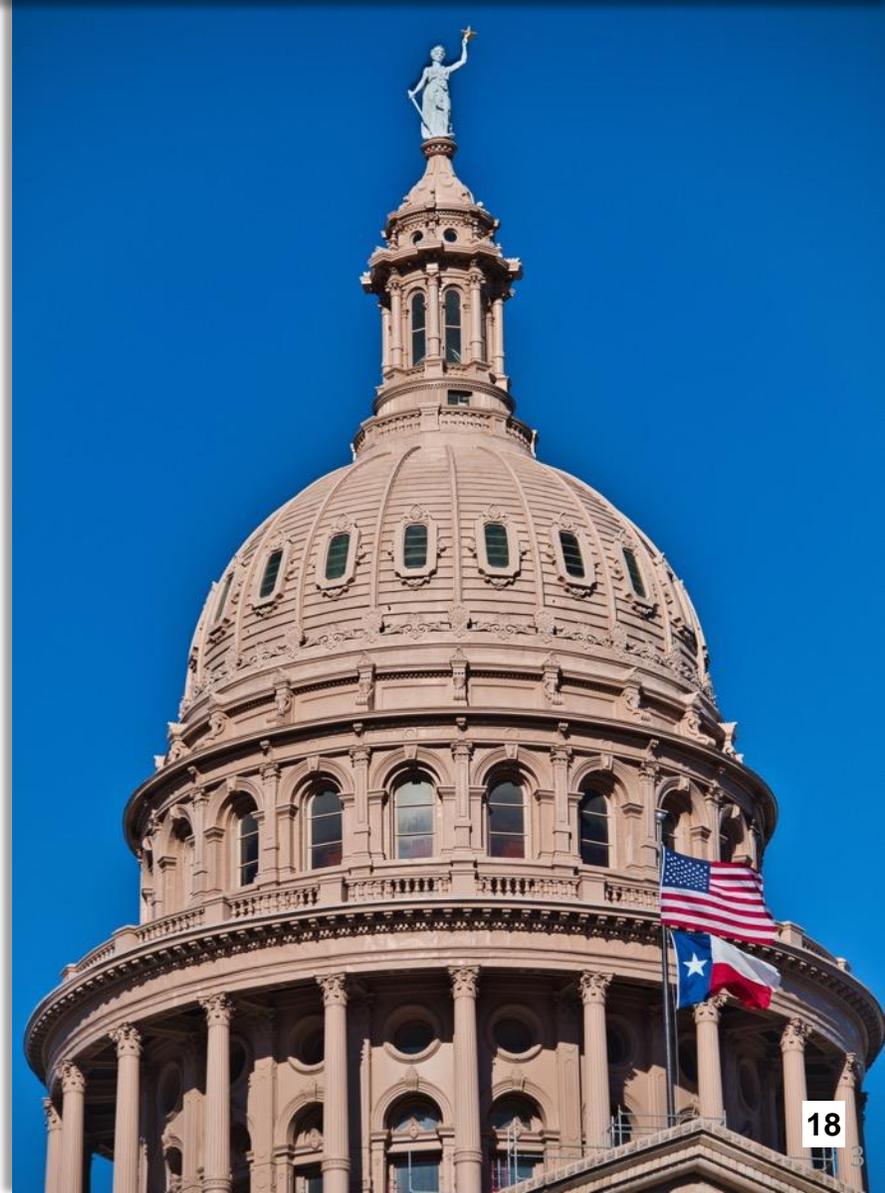
CEO Report

Julie C. Parsley | Chief Executive Officer

Legislative Update

- Committee Appointments
- Key Legislation
- Number of bills filed
- Number of bills being tracked
- Timeline

Slide to be updated February 17 with up-to-date information



Regulatory Update: PUC

PUC Considering 765kV Transmission Lines for ERCOT Region

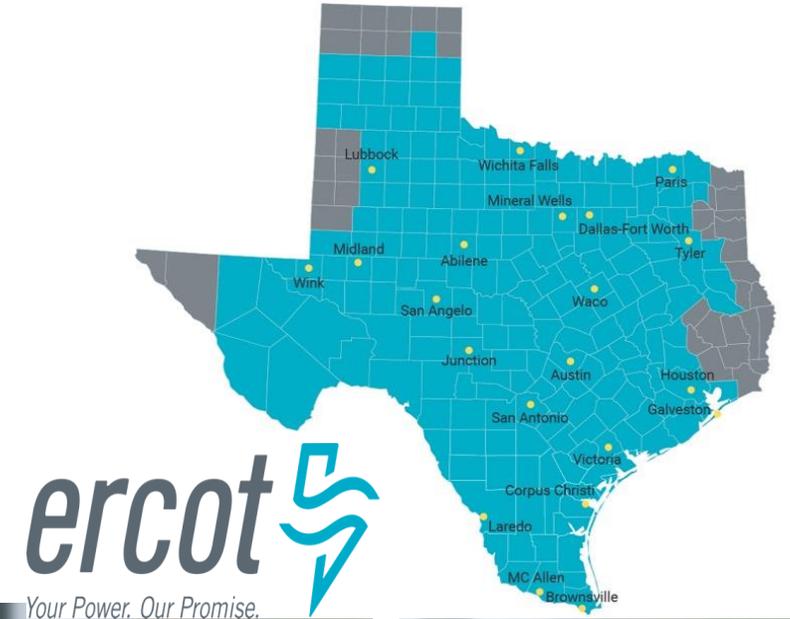
- ERCOT recommends introducing 765-kV transmission lines due to unprecedented forecasted load growth
- Benefits of 765-kV include fewer miles of ROW needed, lower line losses, and congestion savings
- Estimated system-wide cost would be \$5B per year
- PUC will host a workshop on March 7, 2025



Regulatory Update: ERCOT

ERCOT Names New Board Members

- The ERCOT Board Selection Committee announced the selection of Alejandro “Alex” Hernandez and Sigmund “Sig” Cornelius, to serve on the Board of Directors for three-year terms
- They succeed Directors Paul Foster and Bob Flexon, who stepped down from the ERCOT Board in 2024



Alejandro Hernandez
Director



Sigmund Cornelius
Director

Rolling Across the Cooperative

- PEC's Fleet Maintenance team services more than 1,043 vehicles
- Last year alone, our fleet of vehicles drove 6.12 million miles
- Thank you for keeping us rolling!



Apply for a PEC Scholarship

- Application deadline is March 12
- Open to graduating seniors and adults continuing their education
- Scholarships can be used toward a university, tech, or trade school degree
- PEC has proudly provided scholarships since 1999
- Scholarships funded 100% through unclaimed property returned to PEC by the state





February Special Report

Eddie Dauterive | Chief Strategy Officer

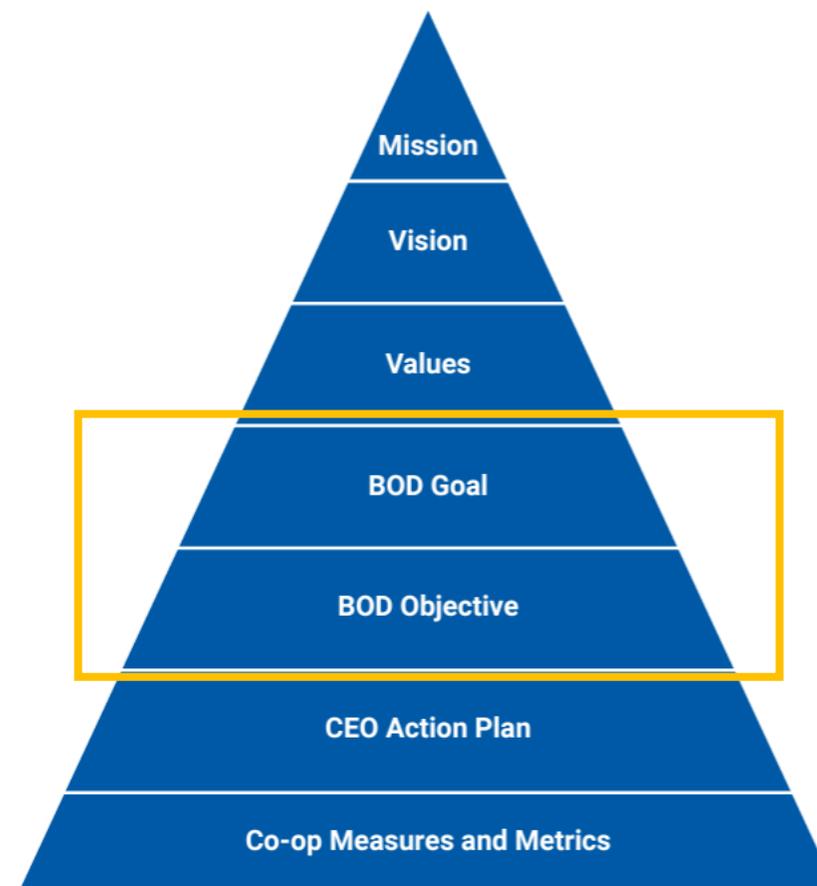
Updating PEC's 5-Year Strategic Plan

PEC's Mission: "We are committed to delivering low-cost, reliable, and safe energy for our members."

2021-2026 Plan Goals & Objectives

Goals	Objective Topics
Maximize Value to Our Membership	<ol style="list-style-type: none"> 1. Member Engagement 2. Community Partnerships 3. Customer Service
Achieve Operational Excellence	<ol style="list-style-type: none"> 1. System Maintenance 2. SCADA, Control Centers & Technology Systems 3. Engineering Design Standards 4. Facilities and Real Estate Planning
Protect the Financial Health of the Cooperative	<ol style="list-style-type: none"> 1. Financial Management 2. Rate Stability 3. Capital Spending
Pursue Workforce Optimization	<ol style="list-style-type: none"> 1. Technical Training 2. Workforce Development
Advance Tactical Security & Safety	<ol style="list-style-type: none"> 1. Safety and Security Culture 2. Cyber Security 3. Work Environments

Strategic Hierarchy



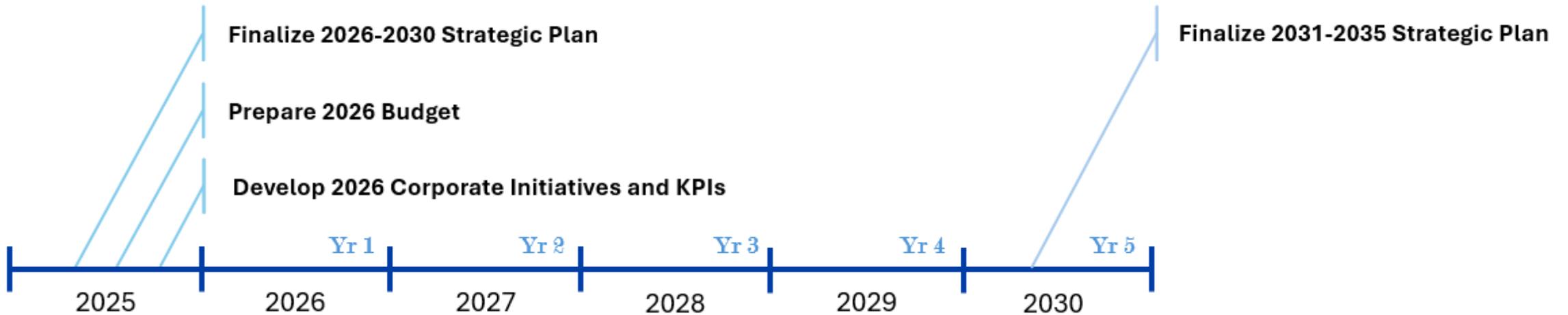
Drafting New Objectives

Leadership Discussions

- Gather and consolidate insights to inform the development of the new strategic plan.
- Meet with each Executive and their department leaders.
- Capture need-based initiatives that align with established strategic goals.
- Identify new areas to address since the last strategic planning sessions, examples:
 - Distribution system resilience with rapid growth demand
 - Development of transmission operations
 - Technology advancements and security readiness

Timeframe for Development

Plan Finalization Ahead of 2026 Budget and Initiative Preparation



- February 2025: Leadership discussions and preparation of draft objectives
- March 2025: Board of Directors Review
- April 2025: Draft Resolution for PEC’s 2026-2030 Strategic Plan
- May 2025: Final Resolution for PEC’s 2026-2030 Strategic Plan
- June 2025: Begin 2026 budgeting preparation

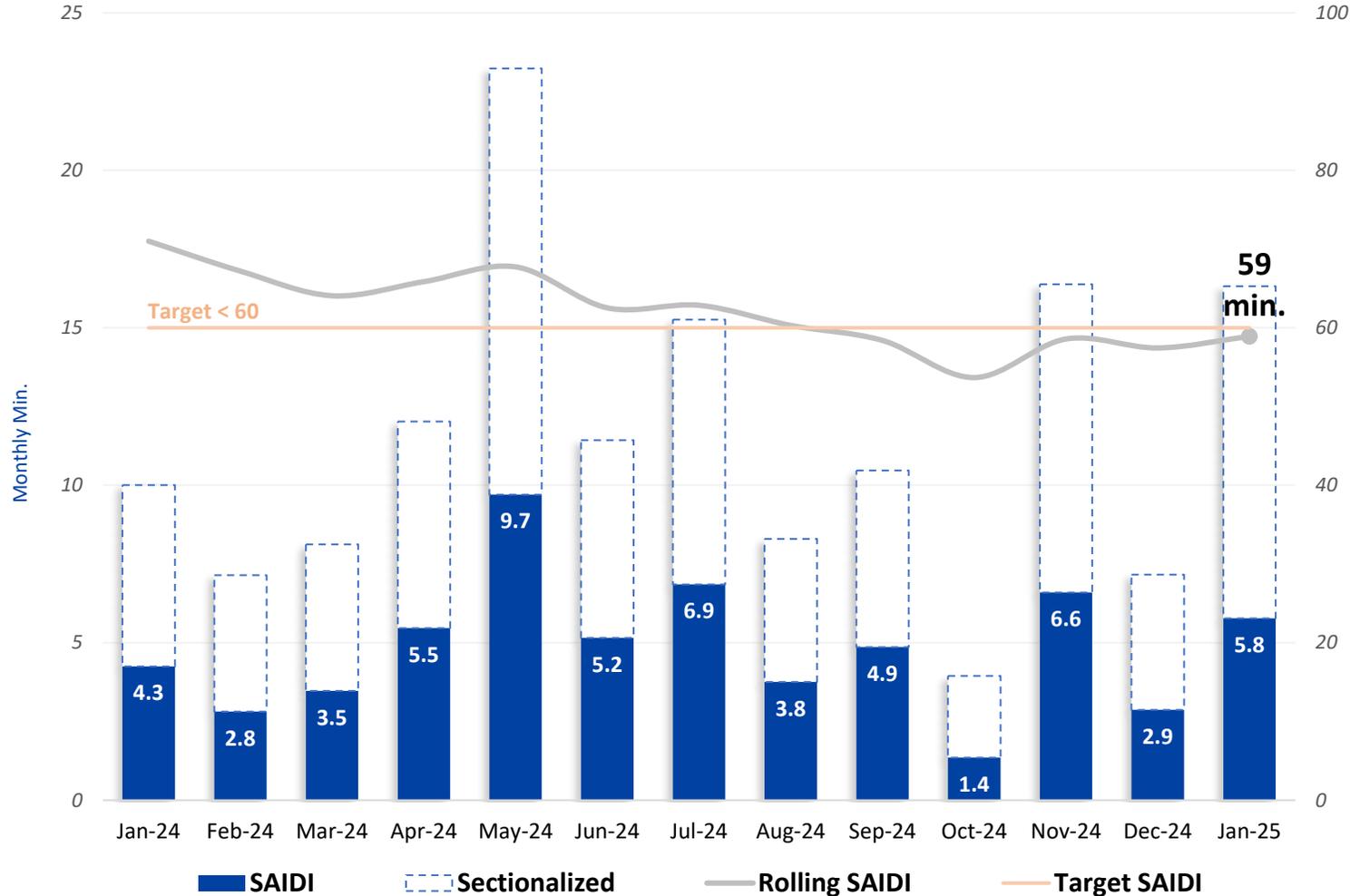


Operations Report

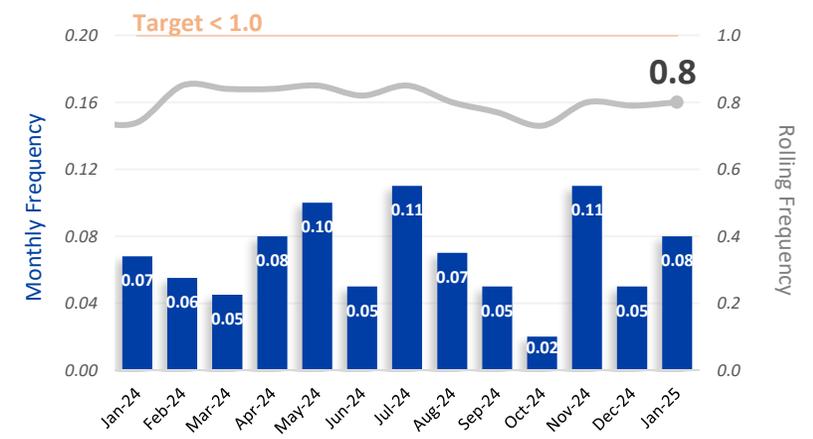
Nathan Fulmer | Chief Operations Officer -
Distribution

Reliability

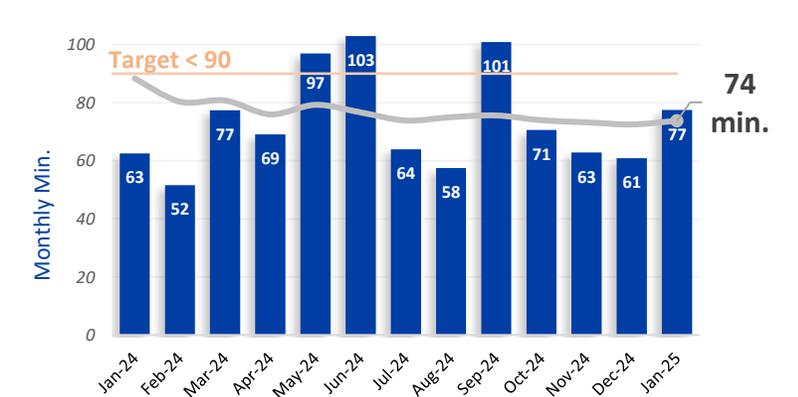
SAIDI System Average Interruption Duration Index



SAIFI System Average Interruption Frequency Index



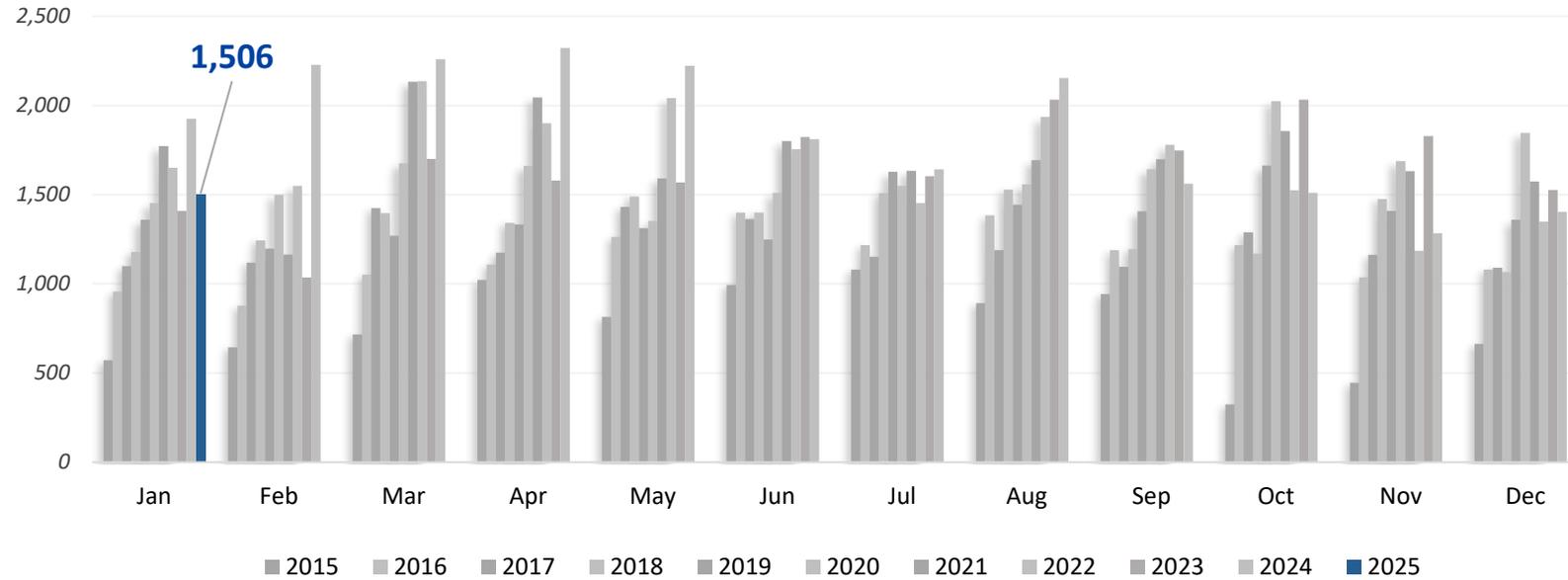
CAIDI Customer Average Interruption Duration Index



System Growth

Line Extensions Completed

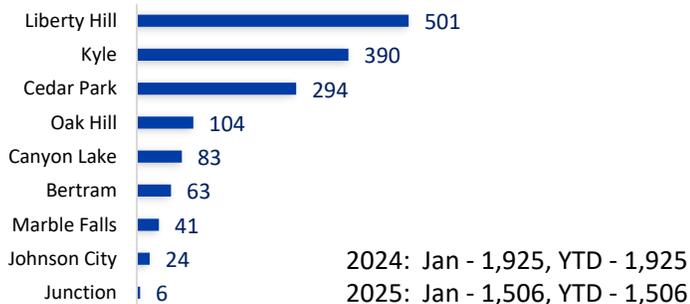
2021: 20,592 2022: 20,262 2023: 19,886 2024: 22,323 2025 YTD: 1,506



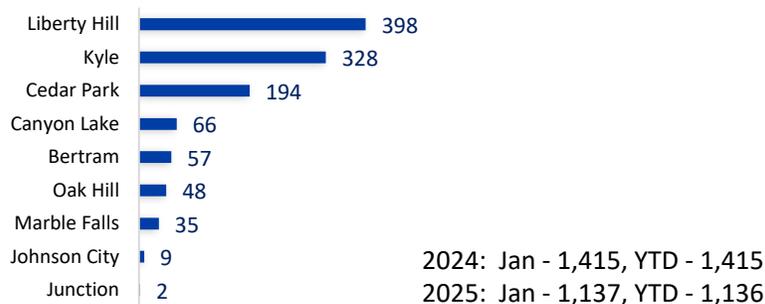
Miles of Distribution Line:

Overhead:	17,800	(70%)
Underground:	7,798	(30%)
Total:	25,598	

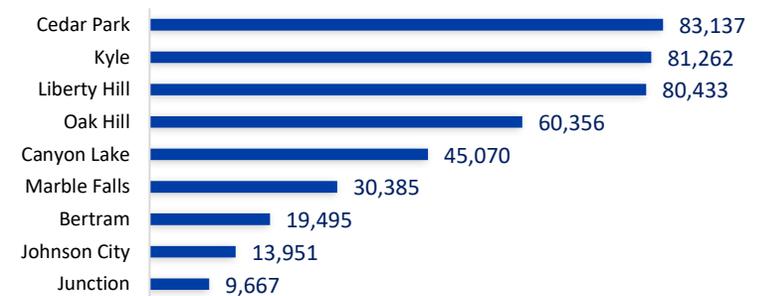
Line Extensions (1,506)



Meter Growth (1,137)



Meter Totals (423,756)



Pole-Top Fires

A common risk for utilities during Spring season, the combination of drought conditions, high pollen levels, and heavy humidity can disrupt operations.

- When heavy moisture from fog or very light rain mixes with dirt and pollen that has built up on insulators, it can create a “slush” on the equipment that conducts electricity and can start fires.
- When these occur, they typically do not damage the lines but will destroy cross-arms and equipment, causing circuits to be closed for repair.
- On January 26, these conditions struck, and PEC responded to 19 separate instances across its territory where pole-top fires were determined to have caused damage and outages.



Safety + Technical Training Update

Department Highlights

Safety Training

- Instructor-led Field Safety Training
 - Competent Person/Job Briefings - 472 Employees
- On-line Field Safety Training
 - Cold Stress - 514 Employees
 - Winter Weather Driving - 515 Employees
- On-line All Employees
 - Cuts & Lacerations
 - Blood Borne Pathogens - 913 Employees

Safety Initiatives

- CPR & First Aid Certifications – 25
- Job Site Safety Observations
 - Safety Advisors – 39, Operations Management – 3

Safety Spotlight



Thomas Castillo
Operations Supervisor
Bertram

Thomas has been recognized for his proactive approach to safety and is a strong advocate of following all applicable safety rules, guidelines, best work practices and procedures. He is a supervisor who leads by example and values safety over production pressures. Thomas fosters open communication with his team about safety and the sharing of important safety-related information.



January 2025 Financial Report

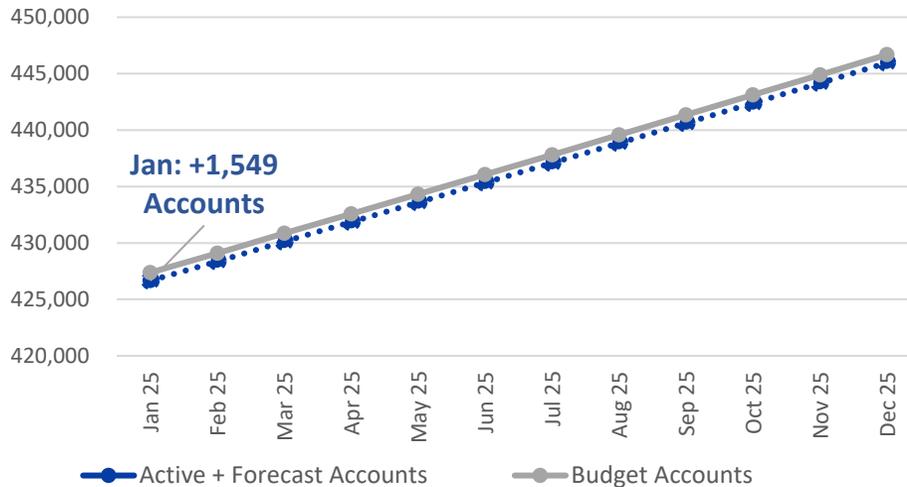
Randy Kruger | Chief Financial Officer

Finance at a Glance – January 2025

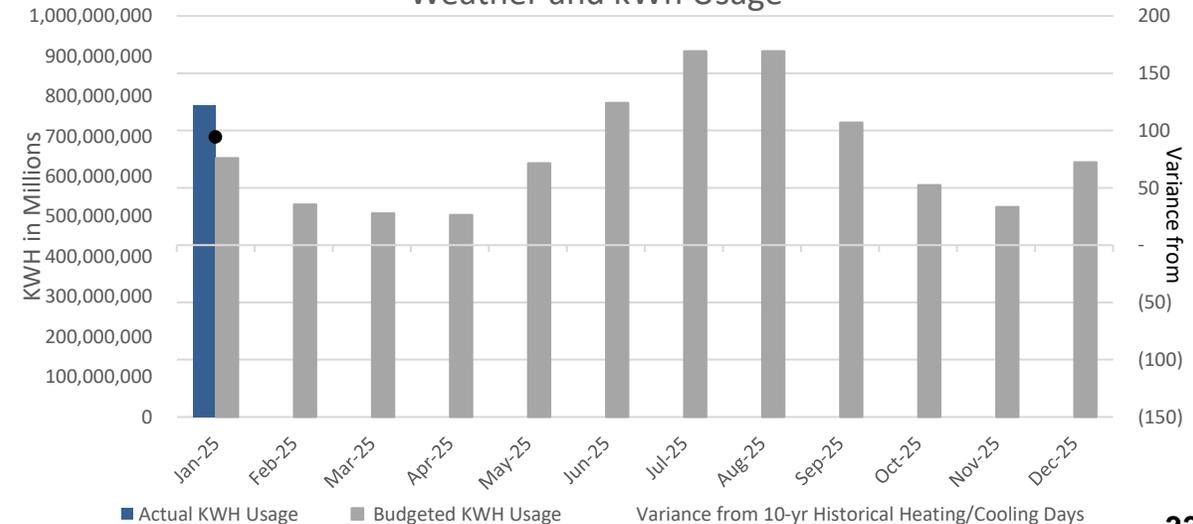
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
MWH Sold	776,876	645,786	131,090	776,876	645,786	131,090
Gross Margins	\$ 34.3	\$ 32.0	\$ 2.3	\$ 34.3	\$ 32.0	\$ 2.3
Net Margins	\$ 8.5	\$ 4.7	\$ 3.8	\$ 8.5	\$ 4.7	\$ 3.8
EBIDA	\$ 19.5	\$ 15.9	\$ 3.6	\$ 19.5	\$ 15.9	\$ 3.6
Revenue O/(U)	\$ 4.3	\$ (8.7)	\$ 13.0	\$ 4.3	\$ (8.7)	\$ 13.0
EBIDA(X)	\$ 23.8	\$ 7.2	\$ 16.6	\$ 23.8	\$ 7.2	\$ 16.6

	Liquidity Coverage
Cash & Marketable Securities	\$ 16,048,964
Short Term Facilities	605,000,000
Less: Short Term Borrowings	129,945,958
Available Liquidity	\$ 491,103,006
Liquidity Coverage (Days)	207

Active Account Growth

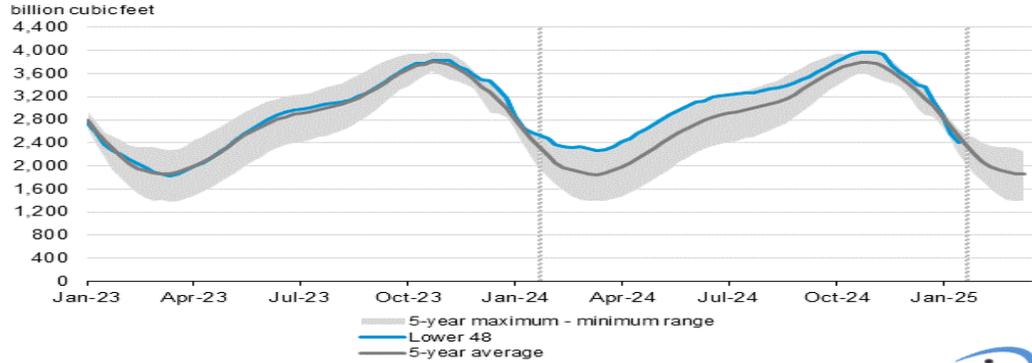


Weather and kWh Usage



Power Market Fundamentals

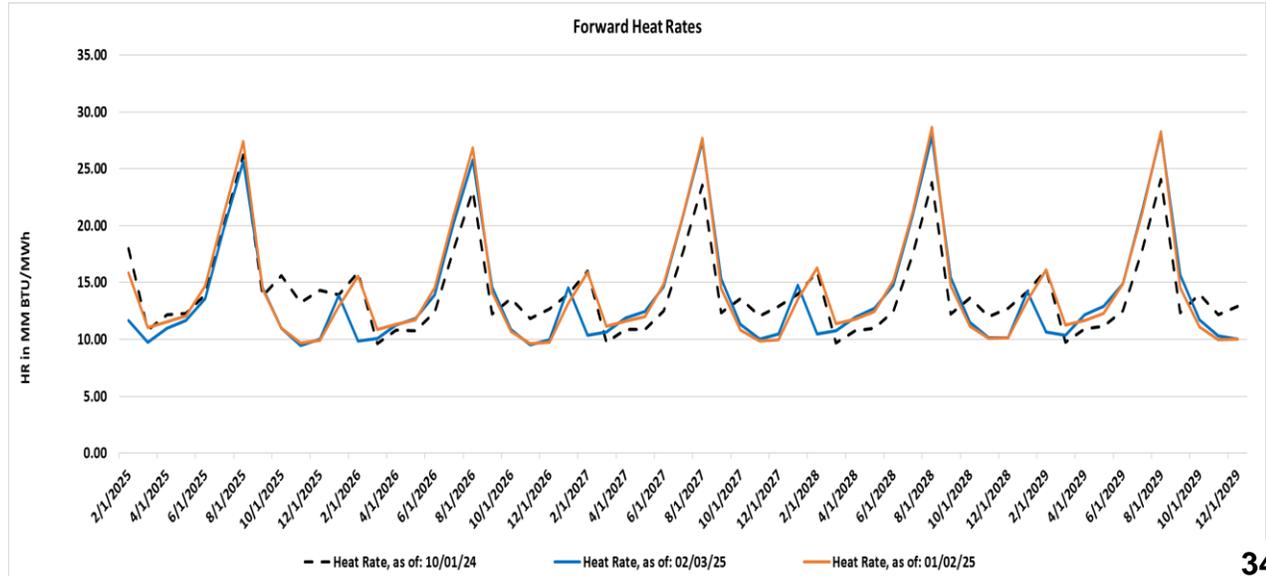
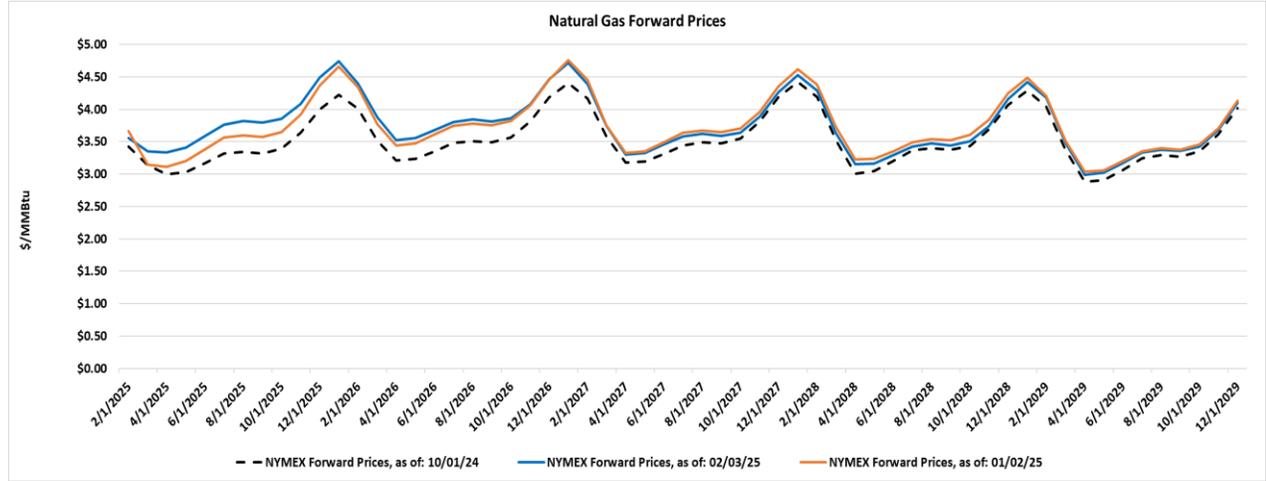
Working gas in underground storage compared with the 5-year maximum and minimum



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 2020 through 2024. The dashed vertical lines indicate current and year-ago weekly periods.

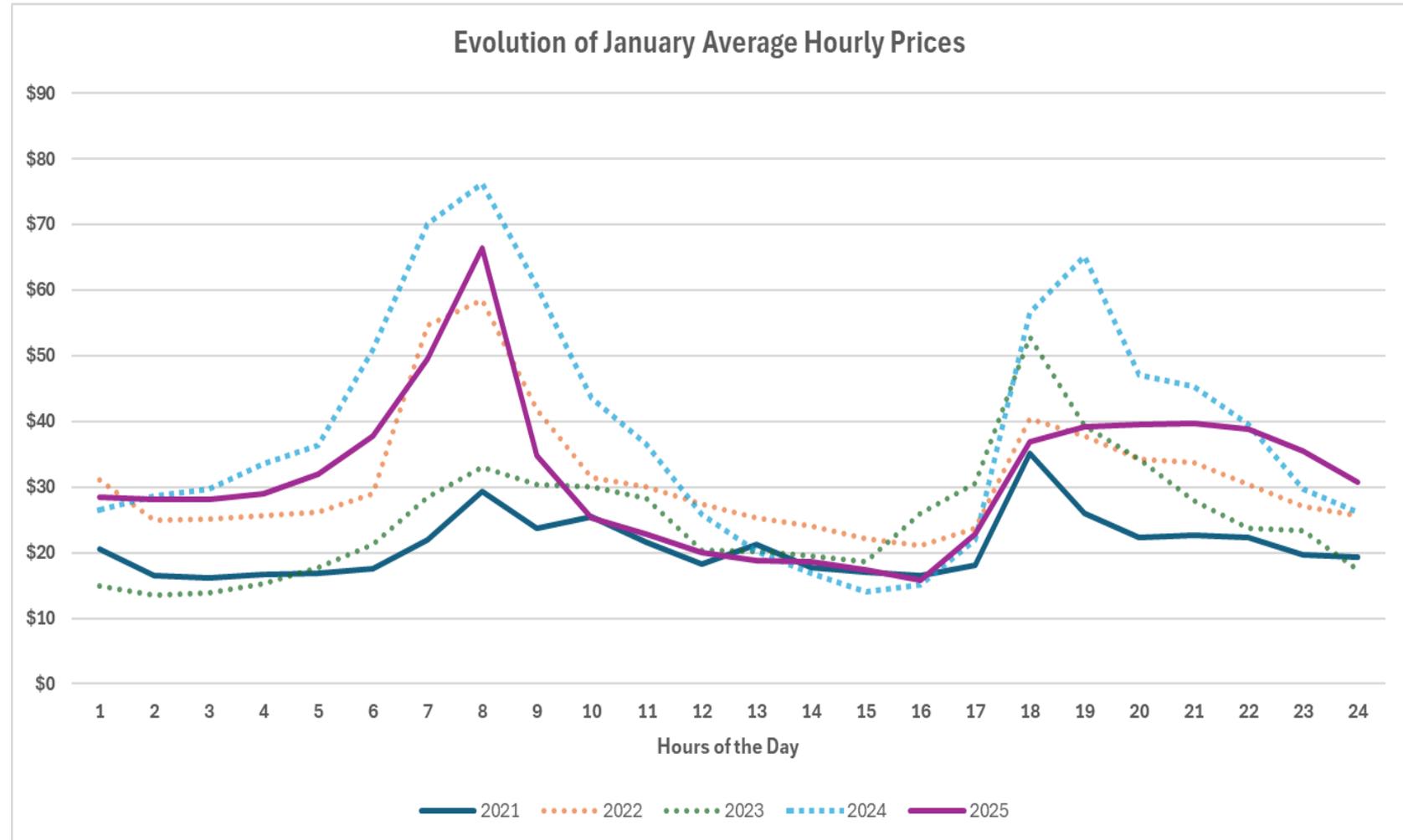


As of January 31, 2025



Real Time January Price Evolution

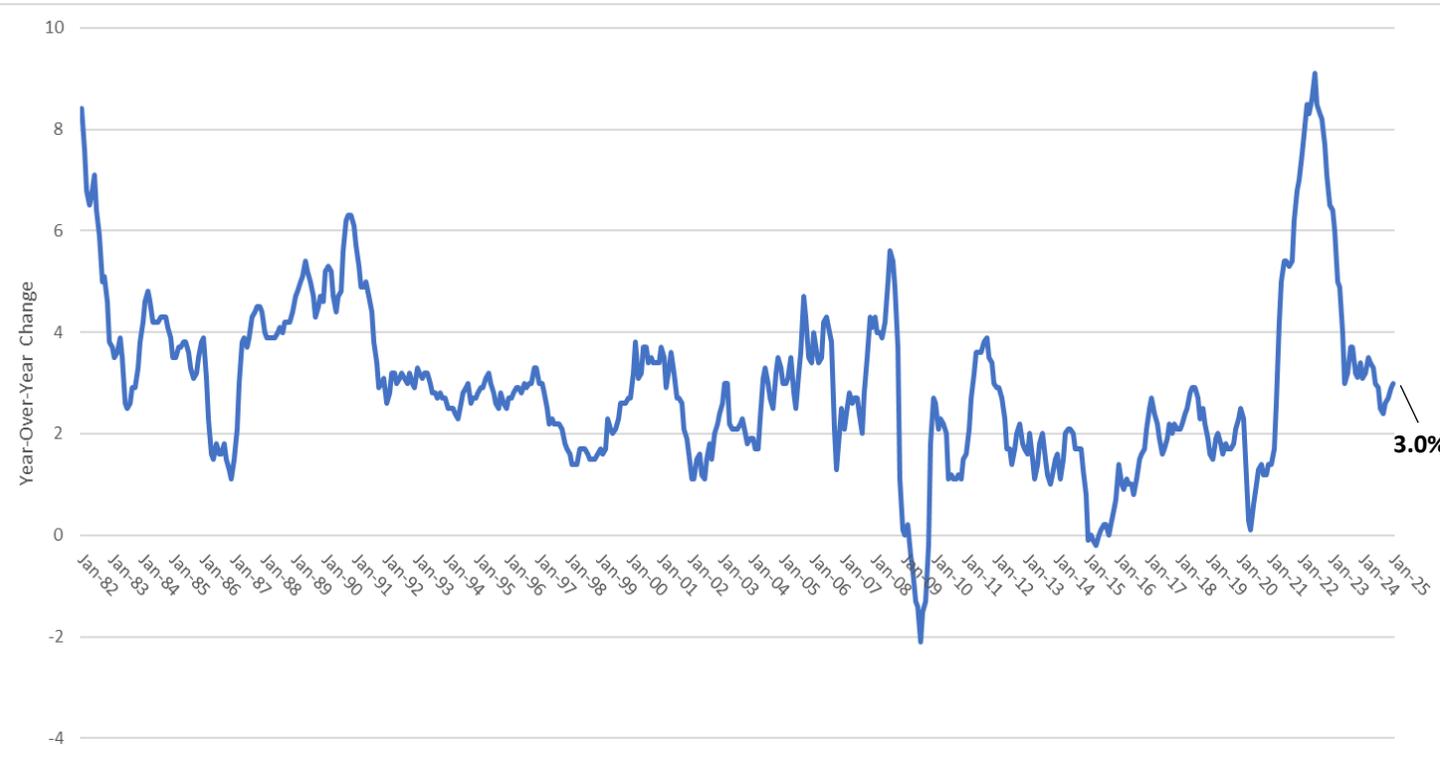
- January peaks:
 - 2021—59GW
 - 2025—78GW
- Capacity additions 2021 to 2025:
 - Solar—24GW
 - Batteries—10GW
 - Nat. Gas—6WG
- The 8:00 a.m. peak growth is not covered by capacity additions, but mid-day load growth is. As a result, prices during solar irradiance remain depressed while the morning and evening hour prices are increasing.
- Over time this will decrease value received by solar generation.



Inflation

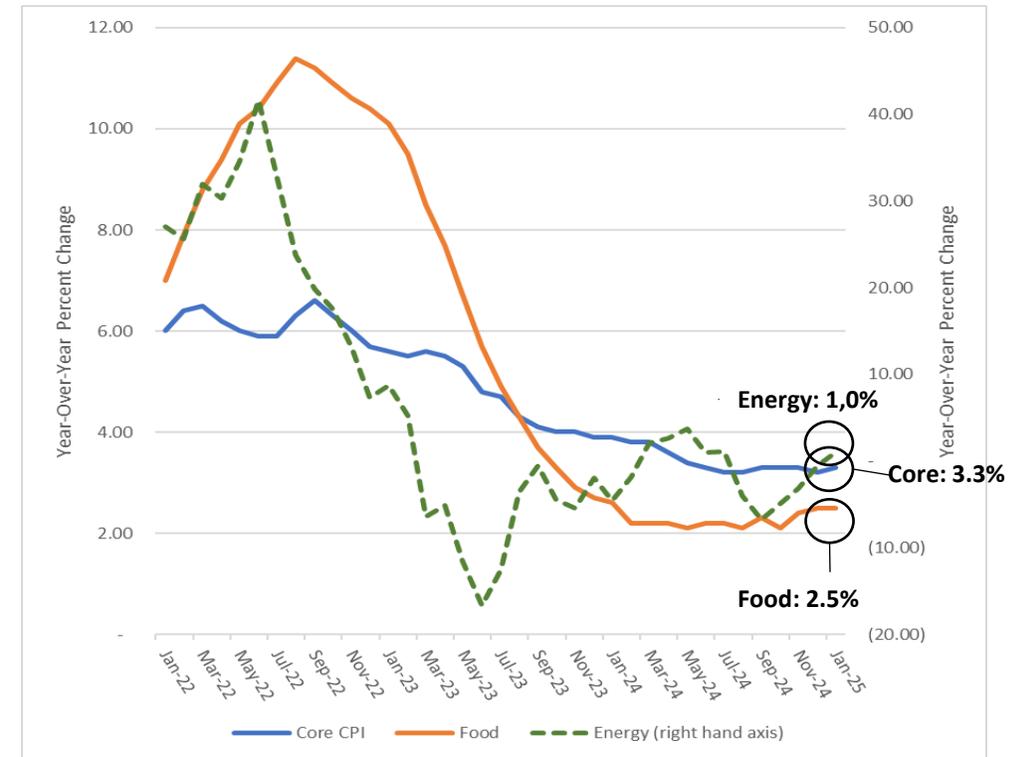
Overall CPI increased to 3.0% YoY from 2.9% YoY in December; Core CPI increased to 3.3% YoY from 3.2% YoY in December. Energy prices up 1.0% YoY driven by utility gas service (+4.9%) and sustained increased to electricity prices (+1.9%); partially offset by fuel oil (-5.3%) and gasoline (-0.5%).

CPI Jan 1982 to January 2025



Source: U.S. Bureau of Labor Statistics

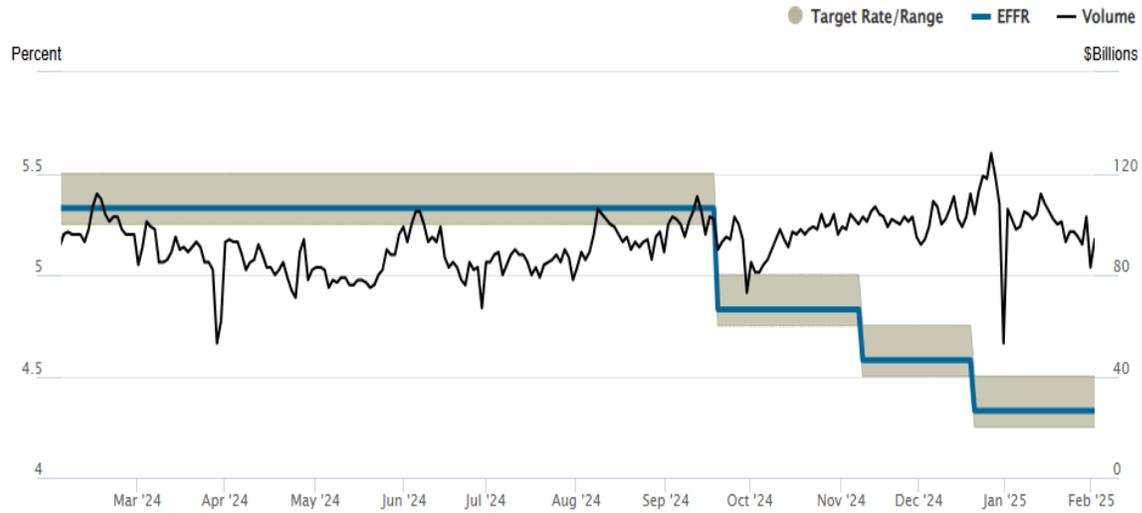
Core CPI, Food and Energy
Jan 2022 to Jan 2025



Source: U.S. Bureau of Labor Statistics

Interest Rates

Federal Funds Rate



Source: Federal Reserve Bank of New York 02/04/2025

10-Year Note



Source: *The Wall Street Journal* 02/12/2025



CAO Report

JP Urban | Chief Administrative Officer

Member Relations Report

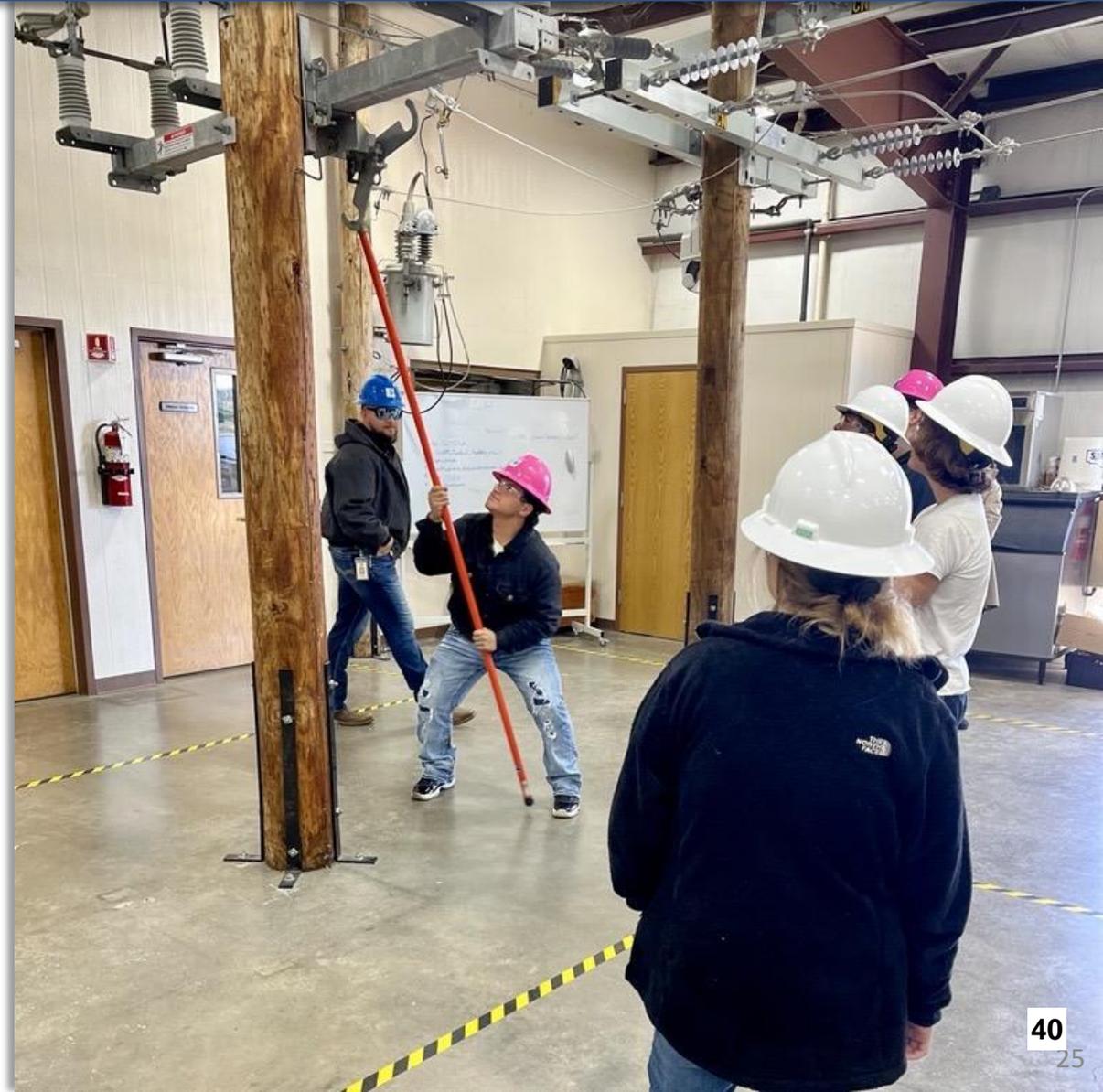
January Member Relations Metrics

- Calls Handled – 21,032
- Chats Handled – 1,190
- Member Experience Satisfaction Rating - 4.52 out of 5
- Member Experience First Contact Resolution -84.5%
- Would member enjoy working with same agent again? - 91.7%
- Applications for Existing Service - Online 1,859 (24%), Offline 6,037 (76%)
- Average Performance Peak Score - 83 out of 100

Photo to be updated the week of February 10

Community Relations

- PEC hosted five Juniors at our Technical Training Center as part of the Marble Falls High School Career Day on January 23, 2025
- The Marble Falls Rotary Club and Marble Falls ISD have worked together on this event for many years. This day allows 11th grade students to engage with local businesses, and to gain knowledge and experience about a future profession of their interest
- Participants spent the day at our Technical Training Center in Marble Falls learning more about the lineworker career, our in-house apprentice program, and received hands-on experience of some of the skills needed for the trade



- The IT Team has completed a data migration, bringing co-op information out of separate department systems and into one central location
 - This represents billions of records and years of analytics from across the company
- A central data hub provides more visibility and support for daily operations, plus the flexibility to build dynamic reports and information dashboards
- Enables better real-time, data-informed decisions





Appreciation and Look Ahead

Employee Shoutouts*



Miranda Soto
Member Relations
Agent
Oak Hill

Kathy Aponte
Member Relations
Analyst
Marble Falls

Pat Gumm
Member Relations
Analyst, Senior
Marble Falls

Kim Knipe
Member Relations
Agent
Marble Falls

Zachary McFee
Journeyworker
Canyon Lake

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



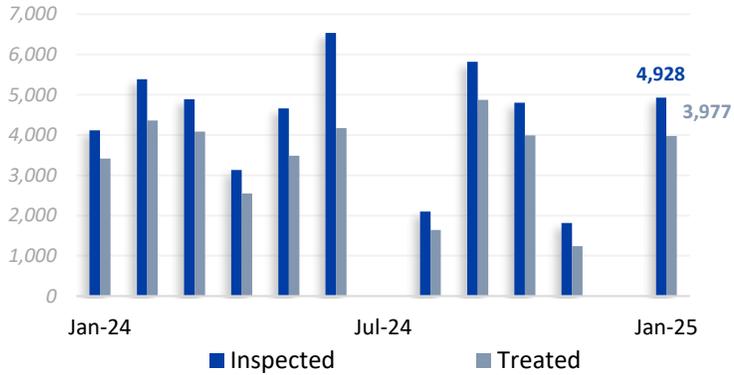
Appendix Pages

Maintenance & Technical Services

Pole Testing & Treatment (PTT)

Poles Inspected & Treated

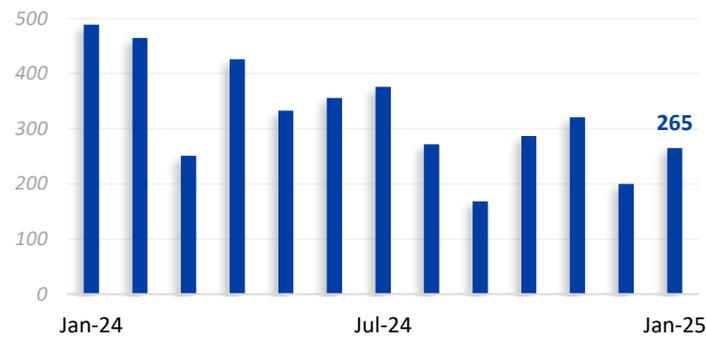
2024 YTD: Inspections - 4,119 Treated - 3,418
2025 YTD: Inspections - 4,928 Treated - 3,977



Underground Equipment

Pad Restorations

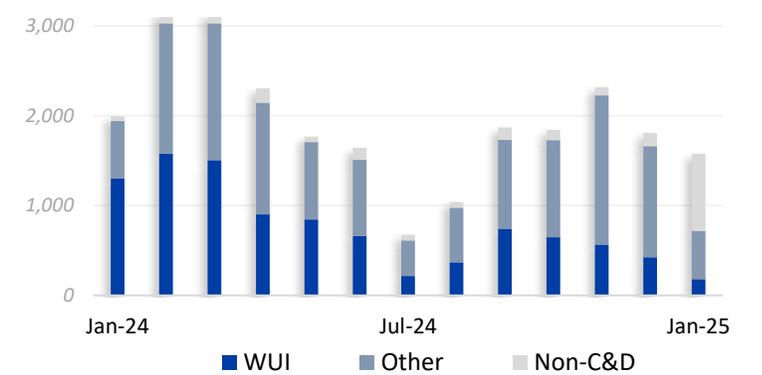
2024 YTD: 3,540
2025 YTD: 3,944



Vegetation Management

Span Clearings

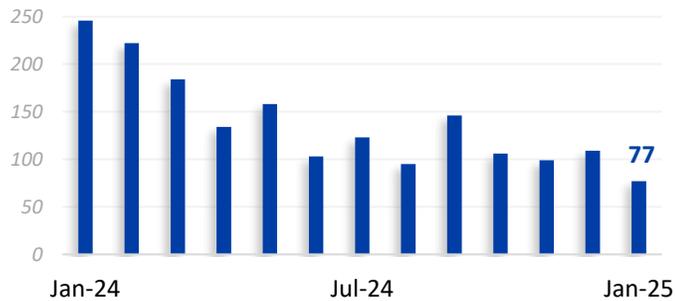
2024 YTD: WUI Spans - 1,300 Other C&D - 645 Non-C&D - 50
2025 YTD: WUI Spans - 181 Other C&D - 538 Non-C&D - 860



Technical Services

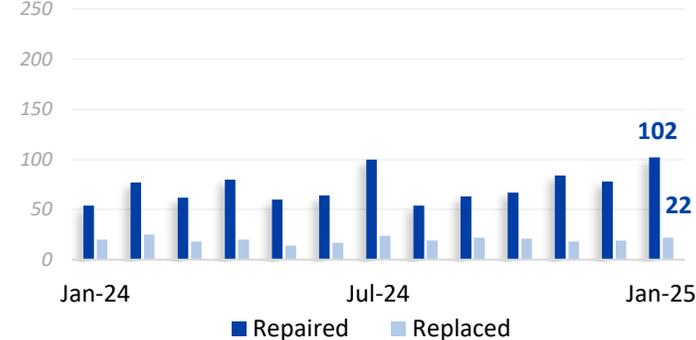
Equipment Inspections

2024 YTD: 246
2025 YTD: 77



Equipment Repaired or Replaced

2024 YTD: Repaired - 54 Replaced - 102
2025 YTD: Repaired - 20 Replaced - 22



Planning Engineering Projects

Project	Completion	Percent Complete
Load Projection Study	Feb 2025	20%
2025 CIP Project Maps	Feb 2025	13%
Capacitor Settings	Mar 2025	80%
4CP Study	Apr 2025	0%
Summer Contingency	May 2025	0%
UFLS Study	Jul 2025	0%
CIP (1 st Draft) Study	Jul 2025	0%
CIP (Final Draft) Study	Aug 2025	0%
Mock UFLS Study	Dec 2025	0%
20-Year Plan Study	Dec 2025	0%
Winter Contingency	Dec 2025	0%

Large Project Updates

Johnson City - Haley Road

Laydown yard and truck canopies completed with electrical, security cameras, and signage. Designing the remaining land for base and infrastructure.

Junction

Contract awarded and work began in late December. Civil work is underway. Project completion forecasted for November 2025.

Marble Falls

Perimeter fence work is complete. Fuel island project awarded and pending agreement. Work to begin soon with completion forecasted in June 2025.

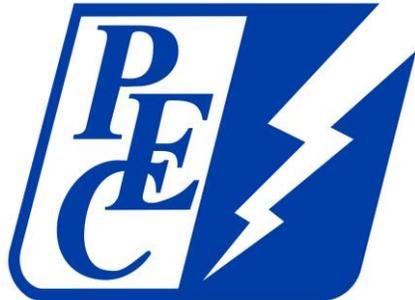
Liberty Hill Parking

Expanding office parking into adjacent lot with fencing. Awarded contract and equipment is arriving in February to begin construction.

Kyle Parking

Expanding office parking lot into existing yard. Contract awarded and construction started in early February.





Appendix to January 2025 Financial Presentation to the Board

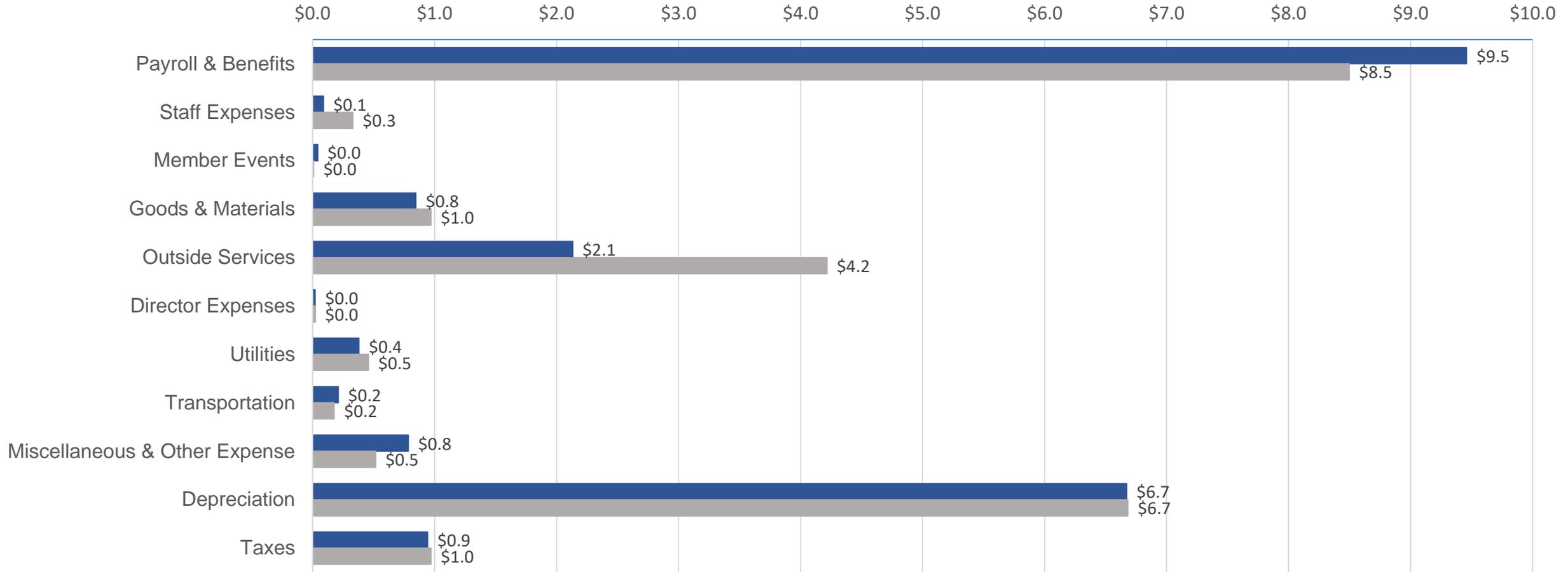
Randy Kruger | Chief Financial Officer

Financial Performance

	MTD			YTD			Annual	2024 to 2025 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
Gross Margins	\$ 34,262,188	\$ 31,969,181	\$ 32,693,680	\$ 34,262,188	\$ 31,969,181	\$ 32,693,680	\$ 400,301,897	4.80%
Operating Expenses Ex. Depreciation	14,908,427	16,165,914	13,440,453	14,908,427	16,165,914	13,440,453	193,600,990	10.92%
Depreciation	6,672,366	6,682,234	7,958,726	6,672,366	6,682,234	7,958,726	83,735,262	
Interest Expense	4,331,094	4,462,182	4,050,497	4,331,094	4,462,182	4,050,497	55,458,822	
Other Income	(139,919)	(90,000)	(53,068)	(139,919)	(90,000)	(53,068)	(3,873,000)	
Net Margins	\$ 8,490,220	\$ 4,748,851	\$ 7,297,072	\$ 8,490,220	\$ 4,748,851	\$ 7,297,072	\$ 71,379,824	
EBIDA	\$ 19,493,680	\$ 15,893,267	\$ 19,306,295	\$ 19,493,680	\$ 15,893,267	\$ 19,306,295	\$ 210,573,907	0.97%
Over (Under) Collected Revenues	4,281,757	(8,698,815)	(3,002,411)	4,281,757	(8,698,815)	(3,002,411)	4,966,279	
EBIDA(X)	\$ 23,775,437	\$ 7,194,452	\$ 16,303,884	\$ 23,775,437	\$ 7,194,452	\$ 16,303,884	\$ 215,540,186	
Total Long-Term Debt							\$ 1,351,315,034	
Debt Service							84,882,554	
Debt Service Coverage Ratio							2.49	
Equity as Percent of Assets							38.5%	
Net Plant in Service							\$ 2,292,525,089	
Capital Improvement Spend							\$ 238,626,599	
Energy Sales kWh	776,875,883	645,785,707	706,333,010	776,875,883	645,785,707	706,333,010	7,910,451,206	9.99%
Energy Purchases kWh	798,600,740	687,042,571	765,437,952	798,600,740	687,042,571	765,437,952	8,415,380,400	4.33%
Active Accounts				426,658	427,378	405,829	446,678	5.13%

Cost of Service (in millions)

YTD Actuals vs Budget through January 2025



■ Actuals - 2025 ■ Budget - 2025

EBIDA(X) Year to Date (in millions)



CIP Spend

Construction Category & Description	YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
Distribution				
100 New Lines (Line Extensions for new primary, secondary and service lines)	\$ (9,665,390)	\$ -	\$ 9,665,390	\$ -
200 Tie Lines (new construction between existing lines)	312,108	1,876,824	1,564,716	14,793,728
300 Conversions or Line Changes	1,046,345	2,491,779	1,445,435	25,001,608
600 Miscellaneous Distribution Equipment	2,327,691	4,468,091	2,140,401	54,370,706
700 Other Distribution Items	11,721	32,248	20,527	391,422
Distribution Total	\$ (5,967,525)	\$ 8,868,943	\$ 14,836,468	\$ 94,557,465
Substation				
400 New Substations, Switching Stations and Meter Points	\$ (649,639)	\$ 1,324,914	\$ 1,974,553	\$ 20,969,733
500 Substations, Switching Stations and Meter Point changes	265,315	4,437,643	4,172,327	42,471,140
Substation Total	\$ (384,324)	\$ 5,762,557	\$ 6,146,881	\$ 63,440,873
Transmission				
800 New Transmission Lines	\$ -	\$ 26,468	\$ 26,468	\$ 1,125,657
1000 Line and Station Changes	539,231	1,649,974	1,110,743	49,195,185
Transmission Total	\$ 539,231	\$ 1,676,442	\$ 1,137,211	\$ 50,320,843
General Plant				
2000 Facilities	\$ 34,675	\$ 2,001,009	\$ 1,966,334	\$ 17,789,898
3000 Information Technology	(29,726)	741,248	770,974	7,017,520
4000 Tools & Equipment	3,407	41,667	38,259	500,000
5000 Vehicles	1,135,063	416,667	(718,397)	5,000,000
Total General Plant	\$ 1,143,419	\$ 3,200,590	\$ 2,057,171	\$ 30,307,418
Accrued WIP	\$ 3,721,677	\$ -	\$ (3,721,677)	\$ -
Total Capital Improvement Plan Spend	\$ (947,522)	\$ 19,508,531	\$ 20,456,053	\$ 238,626,599



myPEC.com



File #: 2025-034, **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: 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

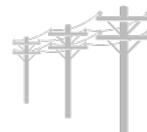
- 4.1. Participants** – Collectively includes Cooperative Board Directors, employees, Members, or any other attendees at PEC business meetings or functions.

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.

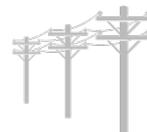


7. REFERENCES AND RELATED DOCUMENTS

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.





File #: 2025-035, Version: 1

Resolution - Review and Approval of Capital Credits Policy - K Jones

Submitted By: Kat Jones

Department: Controller

Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds estimated in the amount of \$0 (currently included in the Cooperative's 2025 operating budget); expenditures of staff time estimated in the amount of 0 hours (other than ordinary processing requirements). Any allocation and retirement and distribution of capital credits will be pursuant to separate resolution(s) approved by the Board.

Pedernales Electric Cooperative, Inc., as a Texas electric cooperative, operates on a nonprofit basis and periodically returns revenues not required for its purposes to the members in proportion to the amount of business done with each member during applicable periods pursuant to its Amended and Restated Articles of Incorporation Article VIII and Texas Utilities Code Section 161.059.

Pursuant to Texas Utilities Code Section 41.055, the Board has the exclusive jurisdiction to set all terms of access, conditions, and rates applicable to services provided (other than wholesale transmission rates, terms of access, and conditions for wholesale transmission service set by the Public Utility Commission) and make any other decisions affecting the electric cooperative's method of conducting business.

The Board adopted the Capital Credits Policy in 2010 and approved subsequent amendments, last amending the Policy in 2019. The proposed amendments to the Capital Credits Policy consist of terminology updates, an exclusion update for non-utility non-operating margins and updates to establishing a beneficiary.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that pursuant to its regular review of Board policies, the Board has reviewed and adopts the revised Capital Credits 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 hereby authorized to take all such action as may be necessary to implement this resolution.



CAPITAL CREDITS POLICY

Effective Date: ~~November 22, 2019~~TBD

POLICY AT A GLANCE

PEC is committed to upholding the Cooperative Principle of **Member Economic Participation** by reinvesting in our operations and returning margins to our Members in the form of Capital Credits.

SUBJECTS INCLUDED IN THIS POLICY

CEO Responsibilities	Board Responsibilities	Net Operating Margin Allocations	Adjustments
Net Operating Loss Allocation	Notice of Allocation	Capital Credit Retirements	Discounting of Allocated Capital Credits
Establishing a Capital Credits Beneficiary	Recoupment	Forfeiture of Capital Credits	Method of Payment
Minimum Amount	Records	Unclaimed Retired Capital Credits	



1. PURPOSE

The purpose of the Capital Credits Policy ("Policy") ~~establishes the general policy of and is to establish that the method~~ and manner in which Pedernales Electric Cooperative, Inc. ("Cooperative" or "PEC") allocates and retires Patronage Capital. ~~The Cooperative will allocate Capital Credits and retire Allocated Capital Credits in a method that is compliant permits the Cooperative to comply with all applicable laws, all restrictions imposed by its debt financing covenants, and the Cooperative's Articles of Incorporation and Bylaws. The allocation and retirement of Patronage Capital shall be in a method that is just and reasonable, reasonable, not unreasonably preferential, prejudicial, or discriminatory to the Cooperative's Members, and implemented in a way that maintains a healthy financial state for the Cooperative.~~

2. SCOPE

2.1. This Policy applies to all Members (including designees) who have Allocated Capital Credits ~~(as defined herein)~~, the Board of Directors ("Board"), and employees of the Cooperative.

~~2.2.1.1. The Cooperative will allocate Capital Credits and retire Allocated Capital Credits in a method that permits the Cooperative to comply with all applicable laws, all restrictions imposed by its debt financing covenants, the Cooperative's Articles of Incorporation and Bylaws, in a method that is just and reasonable, not unreasonably preferential, prejudicial, or discriminatory to the Cooperative's Members, and in a way that maintains a healthy financial state for the Cooperative.~~

3. POLICY AND IMPLEMENTATION

3.1. Chief Executive Officer ("CEO") Responsibilities

3.1.1. The CEO is responsible for:

3.1.1.1. Implementing this Policy and for developing the practices and procedures necessary to allocate Capital Credits and retire Allocated Capital Credits according to this Policy;

3.1.1.2. Recommending to the Board the manner, method, timing, and amount for allocating Capital Credits and retiring Allocated Capital Credits. Recommending revisions to this Policy to the Board when changes are believed to be in the best interest of the Cooperative; and

3.1.1.3. Developing and implementing a program to: (1) educate employees and Members about the role of Capital Credits in the cooperative business model; and (2) effectively inform employees and Members about annual allocations and retirements.

3.2. Board Responsibilities

3.2.1. The Board is responsible for:

3.2.1.1. Reviewing, discussing, and evaluating the CEO's recommendations



regarding the allocation and retirement of Capital Credits;

3.2.1.2. Approving allocations of Capital Credits and retirements of Allocated Capital Credits;

3.2.1.3. Reviewing, discussing, and evaluating this Policy regularly;

3.2.1.4. Reviewing, discussing, and evaluating the CEO's recommendations for revisions of this Policy; and

3.2.1.5. Approving and directing revisions to this Policy.

3.1.3.3. Net Operating Margin Allocations

3.3.1. Each Member purchasing electricity or being billed for electric services or energy from the Cooperative will receive an allocation of the Net Operating Margins.

3.1.1.1.3.3.1.1. Non-utility. Non-Operating Margins will not be included in the allocation of Net Operating Margins.

3.1.2.3.3.2. If the Board approves, the Cooperative may allocate Capital Credits or retire Allocated Capital Credits to the various Member Classes under different manners, methods, timing, and amounts, as long as the Cooperative, ~~based on distinctions that are just and reasonable, is~~ not acting unreasonably preferential, prejudicial, or discriminatory, ~~allocates Capital Credits and retires Allocated Capital Credits to Members within the same class using the same manner, method, timing, and amount.~~ Furthermore, the Cooperative may discount Allocated Capital Credits when retiring credits prior to the Retirement Schedule.

3.1.3.3.3.3. In most cases, the dollar amount of electricity or energy purchased by the Member during a year over the total amount of electricity or energy purchased by the Members within a Member Class is calculated to determine that Member's Patronage Capital and resulting contribution to Net Operating Margins.

3.1.4.3.3.4. Other methods of allocating Net Operating Margins may be utilized to the extent that those methods are deemed to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory.

3.2.3.4. Adjustments

3.2.1.3.4.1. Net Operating Margins may be adjusted for the net change in accrued unbilled revenue, made by the Cooperative during the fiscal year.

3.2.2.3.4.2. Prior to any allocation, the Cooperative shall review each Member's billing records ~~shall be reviewed for each Member~~ to ensure that any Members with a net negative billing have been adjusted so that these Members do not receive a negative allocation of the Net Operating Margins.

3.5. Net Operating Loss Allocation

3.2.3.3.5.1. If the Cooperative has a Net Operating Loss in a given year, that loss will not be allocated to Members. Instead, that loss will be rolled forward and combined with the positive Net Operating Margins in the succeeding year(s) and any remaining Net Operating Margins will then be allocated to the Members.

3.6. Notice of Allocation



3.2.4.3.6.1. The Cooperative will notify each Member in writing of the amount allocated to the Member for the preceding fiscal year within approximately eight and one-half months following the end of the fiscal year.

3.3.3.7. Capital Credits Retirements

3.3.1.3.7.1. Capital Credits Retirements will be made consistent with the assumptions and limitations contained in the approved Equity Management Plan. ~~The Board will use their Equity Management Plan analysis serves~~ as the basis for ~~its~~ Board determination ~~as to of~~ whether a retirement ~~of credits~~ may result in an adverse ~~financial~~ impact to the Cooperative. The Board ~~shall~~ must make ~~this~~ a determination prior to any Capital Credit Retirements.

3.3.2.3.7.2. All Capital Credits Retirements must comply with restrictions placed on PEC by its lenders, its Articles of Incorporation, its Bylaws, and state and federal law.

3.3.3.3.7.3. Each year, subject to the Board's determination as to the impact to the Cooperative, the Cooperative will implement its Capital Credits Retirement strategy on a systematic basis for that year which includes General Capital Credits Retirement and/or Special Capital Credits Retirements as described in Sections 3.78 and 3.89.

3.3.4.3.7.4. When retiring Allocated Capital Credits outside of the Retirement Schedule, either through General Capital Credits Retirements or Special Capital Credits Retirements, ~~prior to the anticipated Retirement Schedule~~, the Cooperative will pay the discounted (applying the Discount Factor), net present value of the Capital Credits ~~with the presumption that any Capital Credit retired prior to the Retirement Schedule will be paid after application of the Discount Factor~~. The actual amount of the discount will be recorded in the systems and records of the Cooperative in the name of the Member.

3.3.4.1.3.7.4.1. ~~Only those M~~members with an Active Account may refuse Allocated Capital Credits retired outside the Retirement Schedule and elect to defer a discounting of its Allocated Capital Credits until such date as the payment at full value would otherwise occur. Acceptance of the discounted retirement of Capital Credits shall be considered acceptance of the Discount Factor. Members with Inactive Accounts may not refuse Allocated Capital Credits.

3.4.3.8. General Capital Credits Retirements

3.4.1.3.8.1. In general, Allocated Capital Credits are retired ~~based upon~~ in accordance with the Retirement Schedule as permitted by the financial health of the Cooperative ~~and in accordance consistent~~ with Cooperative policies, but the Board may decide to retire credits under alternative schedules, other time frames may be appropriate as determined by the Board. Unless otherwise directed by the Board, Capital Credits are generally retired as follows:

3.4.1.1.3.8.1.1. A portion of the General Capital Credits Retirements will be from the oldest outstanding year(s) for which allocations have been made that have not yet been retired. To the extent credits from the oldest outstanding year(s) being retired have been retained less than the prescribed period in the Retirement Schedule, the Discount Factor will be applied to those credit amounts being retired ~~will be made after application of the Discount Factor~~.



~~3.4.1.2-3.8.1.2.~~ A portion of the General Capital Credits Retirements will be made from the most recent year(s) for which allocations have been made that have not yet been retired. To the extent credits from the most recent year(s) being retired have been retained less than the prescribed period in the Retirement Schedule, the Discount Factor will be applied to those credit amounts being retired ~~will be made after application of the Discount Factor.~~

~~3.4.1.3-3.8.1.3.~~ For members with Active Accounts and unretired credit allocations, A portion of the General Capital Credits Retirements may be made from any such other year(s) ~~for those members with Active Accounts for which allocations have been made that have not yet been retired.~~ To the extent credits the most recent year(s) being retired have been retained less than the prescribed period in the Retirement Schedule, the Discount Factor will be applied to those credit amounts being retired ~~will be made after application of the Discount Factor.~~

3.9. Special Capital Credits Retirements

~~3.4.2-3.9.1.~~ The Cooperative may retire Capital Credits outside the Retirement Schedule after considering the determination of the Cooperative's financial health.

~~3.4.2.1-3.9.1.1.~~ Estates - The Cooperative may specially retire Capital Credits when the Cooperative receives proper notification that a Member who is a natural person has died. If a Capital Credits Beneficiary was not established, uUpon request by the appropriate representative of the Member and upon receipt of appropriate legal documentation, the Cooperative will pay the estate its remaining Allocated Capital Credits after application of the Discount Factor. See Section 3.10 of this Policy for information on establishing a Capital Credits Beneficiary.

~~3.4.2.2-3.9.1.2.~~ Non-Natural Members - The Cooperative may specially retire Capital Credits when the Cooperative receives proper notification of the dissolution, liquidation, or cessation of existence of any Non-Natural Member. Upon request of the appropriate representative of the entity and receipt of appropriate legal documentation, the Cooperative will pay the Non-Natural Member its remaining Allocated Capital Credits after application of the Discount Factor. A Non-Natural Member that has dissolved or otherwise ceased existence for the purposes of reorganizing will not be eligible for a Special Capital Credit Retirement under this section.

~~3.4.2.3-3.9.1.3.~~ Inactive Accounts - The Cooperative may specially retire Capital Credits of a former member when the former member has been disconnected ~~from electric service~~ and is no longer ~~continuingreceiving~~ electric service ~~fromwith~~ PEC. In addition to retiring the historically Allocated Capital Credits, the Cooperative may estimate and allocate the current period's capital credit amount for a Member disconnecting from service using the prior year's allocation percentage. The Cooperative will pay the former member its Allocated Capital Credits after application of the Discount Factor.

3.10. Establishing a Capital Credits Beneficiary

~~3.10.1.~~ A Capital Credits Beneficiary is either a natural person or the PEC Charity designated by a Member to receive the Member's Capital Credits Retirements.



3.10.2. If a Member has designated a Capital Credits Beneficiary, through PEC's Capital Credits Beneficiary determination process, the Capital Credits Beneficiary may be eligible to receive the Member's Allocated Capital Credits as a Special Capital Credits Retirement or one or more General Capital Credits Retirement authorized by the Board.

3.10.3. Upon a Member designating a natural person as a Capital Credits Beneficiary, and anytime thereafter, the Member may agree to a discounted retirement upon their death. If the Member does not agree to a discounted retirement for its Capital Credits Beneficiary, the Member's Allocated Capital Credits will be retired through one or more General Capital Credit Retirements.

3.10.4. Upon designating the PEC Charity as a Capital Credits Beneficiary, and anytime thereafter, the Member may agree to a discounted retirement upon their death.

3.5.3.11. Discounting of Allocated Capital Credits

3.5.4.3.11.1. The discounting of Allocated Capital Credits is computed by first determining the current net present value of a retirement of Capital Credits that would otherwise have been made upon the ~~anticipated~~ Retirement Schedule based on the Cooperative's cost of equity capital. ~~The discounted amount would be equal to the full retirement amount if it had been invested until the Retirement Schedule.~~

3.5.2.3.11.2. The amount of the ~~d~~Discounted ~~p~~Payment will be equal to the net present value calculated using the Discount Factor that equals the Cooperative's cost of equity capital and taking into account considering the date that the payment of Capital Credits would have occurred based on the Retirement Schedule. ~~The Cooperative will seek to maintain the Retirement Schedule.~~

3.11.3. This discounting of Allocated Capital Credits will apply to both General Capital Credits Retirements and Special Capital Credits Retirements made prior to the period prescribed in the Retirement Schedule.

3.12. Recoupment

3.5.3.3.12.1. If a Member has a balance due to the Cooperative, the Cooperative shall apply part or all of the Capital Credits being retired to the Member's account balance, unless other arrangements for payment have been made by the Member.

3.13. Forfeiture of Capital Credits

3.5.4.3.13.1. The Cooperative shall not enter into any agreements under which a Member forfeits the right to the allocation or retirement of Capital Credits. The discounting of Capital Credits as provided for in this Policy shall not be deemed a forfeiture.

3.14. Method of ~~p~~Payment

3.5.5.3.14.1. The Cooperative will ~~retire Capital Credits to pay~~ Members for retired Capital Credits either by cash, check, or bill credits, or other electronic means, depending on what method whichever the Board determines will be most effective, and in the Cooperative's best interest.

3.15. Minimum Amount

3.5.6.3.15.1. The Cooperative shall not retire and pay Allocated Capital Credits in an amount less than ten dollars (\$10.00), unless the retirement and payment is for all remaining Capital Credits allocated to a former member. The Cooperative may notify a former



member that the former member has Allocated Capital Credits in an amount less than ten dollars (\$10.00).

3.16. Records

~~3.5.7.3.16.1.~~ The Cooperative will keep complete records of the amount of unretired Capital Credits that have been allocated to each Member, along with a record of the retirements to that Member representing the five years preceding the oldest outstanding unretired year. This information will be available upon request to each Member. The Cooperative requires each Member with Allocated Capital Credits to keep the Cooperative informed of such Member's current mailing address in order that the Cooperative may retire Allocated Capital Credits efficiently.

3.6.3.17. Unclaimed Retired Capital Credits

~~3.6.4.3.17.1.~~ ~~To the extent Retired Capital Credits are to be paid to Members via check, Each~~ year the Cooperative will send checks containing Retired Capital Credits amounts to the most current address listed on the Cooperative's records for those Members ~~with Allocated Capital Credits being retired. The Cooperative may receive returned Retired Capital Credits that~~ ~~If a~~ Members ~~have~~has failed to claim or ~~may receive notifications as a result of Members' failure to~~ cash checks with Retired Capital Credits. ~~Amounts. In each instance,~~ the Cooperative will void any such unclaimed or uncashed ~~check Retired Capital Credits~~ within 120 days of issuance.

~~3.6.2.3.17.2.~~ ~~Notwithstanding Section 3.17.1 of this Policy, if the~~ ~~For a period of three years~~ ~~the Cooperative will continue to send Retired Capital Credits to the~~ most current address listed ~~in~~ on the Cooperative's records ~~of for~~ a Member with Allocated Capital Credits being retired ~~has been determined by the Cooperative to be non-deliverable with respect to that Member, the Cooperative will not send a check containing Retired Capital Credit amounts for the Member to that address. Members, including former Members, are encouraged to keep the Cooperative informed of their current mailing address to facilitate receiving Allocated Capital Credit amounts as credits are retired. If required by the Texas Property Code, the Cooperative will send notice to a Member's last known address before remitting unclaimed Retired Capital Credits to the State Comptroller's Officer pursuant to Section 3.17.3 of this Policy. that year even if in prior years the address for the Member has been determined as non-deliverable.~~

~~3.6.3.~~ The Cooperative may post on its website the names of Members with Retired Capital Credits that have been unclaimed or uncashed.

~~3.6.4.3.17.3.~~ When Retired Capital Credits amounts remain unclaimed after three years, those amounts may be remitted to the State Comptroller's Office ~~delivered~~ in accordance with PEC's Unclaimed Property Policy and with Section 74.3013 of the Texas Property Code. ~~Otherwise, the Cooperative will notify the Member regarding any unclaimed Retired Capital Credits in accordance with the current State of Texas unclaimed property laws and following such notice to those Members, such Retired Capital Credits will be reported and remitted to the State Comptroller's Office as required by law.~~

3.7. PROCEDURE RESPONSIBILITIES



- ~~3.8. **Implementation of Policy**—The Cooperative's Chief Executive Officer ("CEO") is responsible for implementing this Policy and for developing the practices and procedures necessary to allocate Capital Credits and retire Allocated Capital Credits according to this Policy.~~
- ~~3.9. **Recommendations to the Board**—The Cooperative's CEO is responsible for: (1) recommending to the Board the manner, method, timing, and amount for allocating Capital Credits and retiring Allocated Capital Credits; and (2) when changes are believed to be in the best interest of the Cooperative and its Members, recommending to the Board revisions to this Policy.~~
- ~~3.10. **Education and Communication**—The Cooperative's CEO is responsible for developing and implementing a program to: (1) educate employees and Members about the role of Capital Credits in the cooperative business model; and (2) effectively inform employees and Members about annual allocations and retirements.~~

4. DEFINITIONS

- 4.1. **Active Account** – An account of a Member that is receiving electric service or energy from PEC.
- 4.2. **Allocated Capital Credits** – The amount of Capital Credits allocated to each Member appearing as an entry on the permanent financial records of the Cooperative that reflects a Member's equity in the Cooperative.
- 4.3. **Capital Credits** – A representation of each Member's share of the Cooperative's Net Operating Margins based upon each Member's purchases of electric service or energy, or as such Net Operating Margins may otherwise be allocated within a Member Class to a Member.
- ~~4.3.4.4. **Capital Credits Beneficiary** – A natural person or the PEC Charity designated by a Member to receive the Member's Capital Credit Retirements.~~
- ~~4.4.4.5. **Capital Credits Retirements (or Retired Capital Credits)** – The payment ~~retired~~ made to a Member or a designee based on ~~from~~ Allocated Capital Credits at the time ~~when~~ the Board declares a retirement of credits after determination of the Cooperative's financial health.~~
- 4.6. **Discount Factor** – The ~~Discount Factor will be~~ factor to be applied based upon the Cooperative's cost of equity capital rate and the Retirement Schedule and calculated in accordance with Section ~~4.93.119~~ of this Policy.
- ~~4.5.4.7. **Discount Payment** – The amount paid to the Member equal to the net present value based upon the Cooperative's cost of equity capital rate and the number of years remaining in the Retirement Schedule.~~
- ~~4.6.4.8. **Equity Management Plan** – The Cooperative's plan for equity stabilization as outlined in the Equity Management Plan Policy.~~
- ~~4.7.4.9. **General Capital Credits Retirements** – The Allocated Capital Credits retained by the Cooperative and retired in accordance with Section ~~4.73.8~~ of this Policy.~~
- ~~4.8.4.10. **Inactive Accounts** – A Member's ~~account~~ under the membership of a natural person or Non-Natural Member that is no longer receiving electric service or energy from PEC, and whose membership fee has been applied to the final bill or refunded.~~



4.9.4.11. Member – ~~As defined in PEC's Tariff and Business Rules, a Member is a~~Any Person, firm, corporation, or body politic or governmental entity that has applied for electric service and has paid the Cooperative's membership fee and agrees to be bound by the Cooperative's governing documents~~individual or entity with capacity to enter into legally binding contracts that seeks electric service or energy within the Cooperative's service area and fulfills requirements specified in the Bylaws and Tariff and Business Rules. Under this Policy, A~~ Member may include a former Member. ~~A Member may be a natural person or a Non-Natural Member.~~

4.10.4.12. Member Class – A group of Members with similar electric use service characteristics (e.g., residential, commercial, industrial) taking service under one or more rate schedules.

4.11.4.13. Net Operating Margins – The excess revenue remaining after all operating expenses and cost of capital, including but not limited to, cost of power, depreciation, interest, and taxes have been deducted from the Cooperative's total operating revenue.

4.12.4.14. Net Operating Loss – The lack of revenue remaining when revenues are less than the aggregate amount of all operating expenses and other costs, including but not limited to, cost of power, depreciation, interest, and taxes.

4.13. Non-Natural Member – A membership in PEC held by an business entity, trust organization, or group or legal entity other than a natural person.

4.15.

4.14.4.16. Non-Operating Margins – The margins generated from activities that are not related to providing electric service or energy to Members including, without limitation, interest income, gain or loss on disposal of assets, realized monetary settlements, and any other activities that would not be considered related to providing electric services or energy.

4.17. Patronage Capital – The capital component a Member furnishes the Cooperative through payment of amounts billed for electric services or energy.

4.15.4.18. PEC Charity – A nonprofit organization established by PEC that Cooperative Members may designate as a beneficiary for Capital Credits.

4.19. Person – Any natural person, organization, or legal entity.

4.16.4.20. Retirement Schedule – An approximate thirty-year schedule for retirement of Capital Credits as determined by the Board.

4.17.4.21. Special Capital Credits Retirements – The Allocated Capital Credits retained by the Cooperative and retired in accordance with Section 4.83.9 of this Policy.

4.18.4.22. Unclaimed Capital Credits – A Member's financial interest in Allocated Capital Credits that is presumed abandoned after one or more years and that is or may become "Unclaimed Property" under Texas law.

5. POLICY ENFORCEMENT

The Board oversees and enforces this Policy. The CEO, through the Policy Administrator, shall implement and comply with this Policy. Violations of this Policy may result in disciplinary action, up to and including, termination.



6. REFERENCES AND RELATED DOCUMENTS

[Texas Property Code \(Unclaimed Property Title 6\)](#)

[Articles of Incorporation](#)

[Bylaws](#)

[Texas Utilities Code Section 161.059](#)

[Texas Utilities Code Section 41.055](#)

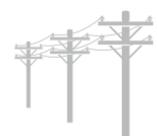
[Equity Management Plan Policy](#)

[Unclaimed Property Policy](#)

~~Capital Credits Handbook~~

[Tariff and Business Rules](#)

Date adopted:	December 20, 2010
Last reviewed:	November 22, 2019 TBD
Review frequency:	Every 3 years
Amendment dates:	December 20, 2010; September 19, 2011; September 15, 2014; November 14, 2016; September 17, 2018; November 22, 2019; TBD
Effective date:	November 22, 2019 ; TBD
Approver:	Board of Directors
Applies to:	All PEC members, former members, Board of Directors and employees
Policy Administrator:	Chief Financial Officer
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





CAPITAL CREDITS POLICY

Effective Date: TBD

POLICY AT A GLANCE

PEC is committed to upholding the Cooperative Principle of **Member Economic Participation** by reinvesting in our operations and returning margins to our Members in the form of Capital Credits.

SUBJECTS INCLUDED IN THIS POLICY

CEO Responsibilities	Board Responsibilities	Net Operating Margin Allocations	Adjustments
Net Operating Loss Allocation	Notice of Allocation	Capital Credit Retirements	Discounting of Allocated Capital Credits
Establishing a Capital Credits Beneficiary	Recoupment	Forfeiture of Capital Credits	Method of Payment
Minimum Amount	Records	Unclaimed Retired Capital Credits	



1. PURPOSE

The purpose of the Capital Credits Policy ("Policy") is to establish that the method and manner in which Pedernales Electric Cooperative, Inc. ("Cooperative" or "PEC") allocates and retires Patronage Capital is compliant with applicable laws, restrictions imposed by its debt financing covenants, and the Cooperative's [Articles of Incorporation](#) and [Bylaws](#). The allocation and retirement of Patronage Capital shall be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory to the Cooperative's Members, and implemented in a way that maintains a healthy financial state for the Cooperative.

2. SCOPE

2.1. This Policy applies to all Members (including designees) who have Allocated Capital Credits, the Board of Directors ("Board"), and employees of the Cooperative.

3. POLICY AND IMPLEMENTATION

3.1. Chief Executive Officer ("CEO") Responsibilities

3.1.1. The CEO is responsible for:

- 3.1.1.1. Implementing this Policy and for developing the practices and procedures necessary to allocate Capital Credits and retire Allocated Capital Credits according to this Policy;
- 3.1.1.2. Recommending to the Board the manner, method, timing, and amount for allocating Capital Credits and retiring Allocated Capital Credits. Recommending revisions to this Policy to the Board when changes are believed to be in the best interest of the Cooperative; and
- 3.1.1.3. Developing and implementing a program to: (1) educate employees and Members about the role of Capital Credits in the cooperative business model; and (2) effectively inform employees and Members about annual allocations and retirements.

3.2. Board Responsibilities

3.2.1. The Board is responsible for:

- 3.2.1.1. Reviewing, discussing, and evaluating the CEO's recommendations regarding the allocation and retirement of Capital Credits;
- 3.2.1.2. Approving allocations of Capital Credits and retirements of Allocated Capital Credits;
- 3.2.1.3. Reviewing, discussing, and evaluating this Policy regularly;
- 3.2.1.4. Reviewing, discussing, and evaluating the CEO's recommendations for revisions of this Policy; and
- 3.2.1.5. Approving and directing revisions to this Policy.

3.3. Net Operating Margin Allocations

3.3.1. Each Member purchasing electricity or being billed for electric services or energy from the Cooperative will receive an allocation of the Net Operating Margins.

- 3.3.1.1. Non-utility, Non-Operating Margins will not be included in the allocation of Net Operating Margins.



- 3.3.2. If the Board approves, the Cooperative may allocate Capital Credits or retire Allocated Capital Credits to the various Member Classes under different manners, methods, timing, and amounts, as long as the Cooperative, is not acting unreasonably preferential, prejudicial, or discriminatory. Furthermore, the Cooperative may discount Allocated Capital Credits when retiring credits prior to the Retirement Schedule.
- 3.3.3. In most cases, the dollar amount of electricity or energy purchased by the Member during a year over the total amount of electricity or energy purchased by the Members within a Member Class is calculated to determine that Member's Patronage Capital and resulting contribution to Net Operating Margins.
- 3.3.4. Other methods of allocating Net Operating Margins may be utilized to the extent that those methods are deemed to be just and reasonable, not unreasonably preferential, prejudicial, or discriminatory.

3.4. Adjustments

- 3.4.1. Net Operating Margins may be adjusted for the net change in accrued unbilled revenue, made by the Cooperative during the fiscal year.
- 3.4.2. Prior to any allocation, the Cooperative shall review each Member's billing records to ensure that any Members with a net negative billing have been adjusted so that these Members do not receive a negative allocation of the Net Operating Margins.

3.5. Net Operating Loss Allocation

- 3.5.1. If the Cooperative has a Net Operating Loss in a given year, that loss will not be allocated to Members. Instead, that loss will be rolled forward and combined with the positive Net Operating Margins in the succeeding year(s) and any remaining Net Operating Margins will then be allocated to the Members.

3.6. Notice of Allocation

- 3.6.1. The Cooperative will notify each Member in writing of the amount allocated to the Member for the preceding fiscal year within approximately eight and one-half months following the end of the fiscal year.

3.7. Capital Credits Retirements

- 3.7.1. Capital Credits Retirements will be made consistent with the assumptions and limitations contained in the approved Equity Management Plan. The Board will use the Equity Management Plan as the basis for its determination of whether a retirement of credits may result in an adverse financial impact to the Cooperative. The Board must make this determination prior to any Capital Credit Retirements.
- 3.7.2. All Capital Credits Retirements must comply with restrictions placed on PEC by its lenders, its Articles of Incorporation, its Bylaws, and state and federal law.
- 3.7.3. Each year, subject to the Board's determination as to the impact to the Cooperative, the Cooperative will implement its Capital Credits Retirement strategy on a systematic basis for that year which includes General Capital Credits Retirement and/or Special Capital Credits Retirements as described in Sections 3.8 and 3.9.
- 3.7.4. When retiring Allocated Capital Credits outside of the Retirement Schedule, either through General Capital Credits Retirements or Special Capital Credits Retirements, the Cooperative will pay the discounted (applying the Discount Factor), net present



value of the Capital Credits. The actual amount of the discount will be recorded in the systems and records of the Cooperative in the name of the Member.

- 3.7.4.1.** Members with an Active Account may refuse Allocated Capital Credits retired outside the Retirement Schedule and elect to defer a discounting of its Allocated Capital Credits until such date as the payment at full value would otherwise occur. Acceptance of the discounted retirement of Capital Credits shall be considered acceptance of the Discount Factor. Members with Inactive Accounts may not refuse Allocated Capital Credits.

3.8. General Capital Credits Retirements

- 3.8.1.** In general, Allocated Capital Credits are retired in accordance with the Retirement Schedule as permitted by the financial health of the Cooperative consistent with Cooperative policies, but the Board may decide to retire credits under alternative schedules. Unless otherwise directed by the Board, Capital Credits are generally retired as follows:

- 3.8.1.1.** A portion of the General Capital Credits Retirements will be from the oldest outstanding year(s) for which allocations have been made that have not yet been retired. To the extent credits from the oldest outstanding year(s) being retired have been retained less than the prescribed period in the Retirement Schedule, the Discount Factor will be applied to those credit amounts being retired.
- 3.8.1.2.** A portion of the General Capital Credits Retirements will be made from the most recent year(s) for which allocations have been made that have not yet been retired. To the extent credits from the most recent year(s) being retired have been retained less than the prescribed period in the Retirement Schedule, the Discount Factor will be applied to those credit amounts being retired.
- 3.8.1.3.** For members with Active Accounts and unretired credit allocations, a portion of the General Capital Credits Retirements may be made from any other year(s). To the extent credits being retired have been retained less than the prescribed period in the Retirement Schedule, the Discount Factor will be applied to those credit amounts being retired.

3.9. Special Capital Credits Retirements

- 3.9.1.** The Cooperative may retire Capital Credits outside the Retirement Schedule after considering the determination of the Cooperative's financial health.
 - 3.9.1.1.** Estates - The Cooperative may specially retire Capital Credits when the Cooperative receives proper notification that a Member who is a natural person has died. If a Capital Credits Beneficiary was not established, upon request by the appropriate representative of the Member and upon receipt of appropriate legal documentation, the Cooperative will pay the estate its remaining Allocated Capital Credits after application of the Discount Factor. See Section 3.10 of this Policy for information on establishing a Capital Credits Beneficiary.
 - 3.9.1.2.** Non-Natural Members - The Cooperative may specially retire Capital Credits when the Cooperative receives proper notification of the dissolution, liquidation, or cessation of existence of any Non-Natural Member. Upon request of the appropriate representative of the entity and receipt of



appropriate legal documentation, the Cooperative will pay the Non-Natural Member its remaining Allocated Capital Credits after application of the Discount Factor. A Non-Natural Member that has dissolved or otherwise ceased existence for the purposes of reorganizing will not be eligible for a Special Capital Credit Retirement under this section.

- 3.9.1.3.** Inactive Accounts - The Cooperative may specially retire Capital Credits of a former member when the former member has been disconnected and is no longer receiving electric service from PEC. In addition to retiring the historically Allocated Capital Credits, the Cooperative may estimate and allocate the current period's capital credit amount for a Member disconnecting from service using the prior year's allocation percentage. The Cooperative will pay the former member its Allocated Capital Credits after application of the Discount Factor.

3.10. Establishing a Capital Credits Beneficiary

- 3.10.1.** A Capital Credits Beneficiary is either a natural person or the PEC Charity designated by a Member to receive the Member's Capital Credits Retirements.
- 3.10.2.** If a Member has designated a Capital Credits Beneficiary, through PEC's Capital Credits Beneficiary determination process, the Capital Credits Beneficiary may be eligible to receive the Member's Allocated Capital Credits as a Special Capital Credits Retirement or one or more General Capital Credits Retirement authorized by the Board.
- 3.10.3.** Upon a Member designating a natural person as a Capital Credits Beneficiary, and anytime thereafter, the Member may agree to a discounted retirement upon their death. If the Member does not agree to a discounted retirement for its Capital Credits Beneficiary, the Member's Allocated Capital Credits will be retired through one or more General Capital Credit Retirements.
- 3.10.4.** Upon designating the PEC Charity as a Capital Credits Beneficiary, and anytime thereafter, the Member may agree to a discounted retirement upon their death.

3.11. Discounting of Allocated Capital Credits

- 3.11.1.** The discounting of Allocated Capital Credits is computed by first determining the current net present value of a retirement of Capital Credits that would otherwise have been made upon the Retirement Schedule based on the Cooperative's cost of equity capital.
- 3.11.2.** The amount of the Discounted Payment will be equal to the net present value considering the date that the payment of Capital Credits would have occurred based on the Retirement Schedule.
- 3.11.3.** This discounting of Allocated Capital Credits will apply to both General Capital Credits Retirements and Special Capital Credits Retirements made prior to the period prescribed in the Retirement Schedule.

3.12. Recoupment

- 3.12.1.** If a Member has a balance due to the Cooperative, the Cooperative shall apply part or all of the Capital Credits being retired to the Member's account balance, unless other arrangements for payment have been made by the Member.

3.13. Forfeiture of Capital Credits



3.13.1. The Cooperative shall not enter into any agreements under which a Member forfeits the right to the allocation or retirement of Capital Credits. The discounting of Capital Credits as provided for in this Policy shall not be deemed a forfeiture.

3.14. Method of Payment

3.14.1. The Cooperative will pay Members for retired Capital Credits by check, bill credits, or other electronic means, depending on what method the Board determines will be most effective, and in the Cooperative's best interest.

3.15. Minimum Amount

3.15.1. The Cooperative shall not retire and pay Allocated Capital Credits in an amount less than ten dollars (\$10.00), unless the retirement and payment is for all remaining Capital Credits allocated to a former member. The Cooperative may notify a former member that the former member has Allocated Capital Credits in an amount less than ten dollars (\$10.00).

3.16. Records

3.16.1. The Cooperative will keep complete records of the amount of unretired Capital Credits that have been allocated to each Member, along with a record of the retirements to that Member representing the five years preceding the oldest outstanding unretired year. This information will be available upon request to each Member. The Cooperative requires each Member with Allocated Capital Credits to keep the Cooperative informed of such Member's current mailing address in order that the Cooperative may retire Allocated Capital Credits efficiently.

3.17. Unclaimed Retired Capital Credits

3.17.1. To the extent Retired Capital Credits are to be paid to Members via check, the Cooperative will send checks containing Retired Capital Credit amounts to the most current address listed on the Cooperative's records for those Members. If a Member has failed to claim or cash checks with Retired Capital Credit Amounts, the Cooperative will void any such unclaimed or uncashed check within 120 days of issuance.

3.17.2. Notwithstanding Section 3.17.1 of this Policy, if the most current address listed in the Cooperative's records for a Member with Allocated Capital Credits being retired has been determined by the Cooperative to be non-deliverable with respect to that Member, the Cooperative will not send a check containing Retired Capital Credit amounts for the Member to that address. Members, including former Members, are encouraged to keep the Cooperative informed of their current mailing address to facilitate receiving Allocated Capital Credit amounts as credits are retired. If required by the Texas Property Code, the Cooperative will send notice to a Member's last known address before remitting unclaimed Retired Capital Credits to the State Comptroller's Officer pursuant to Section 3.17.3 of this Policy.

3.17.3. When Retired Capital Credit amounts remain unclaimed after three years, those amounts may be remitted to the State Comptroller's Office in accordance with PEC's [Unclaimed Property Policy](#) and with Section 74.3013 of the Texas Property Code.



4. DEFINITIONS

- 4.1. **Active Account** – An account of a Member that is receiving electric service or energy from PEC.
- 4.2. **Allocated Capital Credits** – The amount of Capital Credits allocated to each Member appearing as an entry on the permanent financial records of the Cooperative that reflects a Member's equity in the Cooperative.
- 4.3. **Capital Credits** – A representation of each Member's share of the Cooperative's Net Operating Margins based upon each Member's purchases of electric service or energy, or as such Net Operating Margins may otherwise be allocated within a Member Class to a Member.
- 4.4. **Capital Credits Beneficiary** – A natural person or the PEC Charity designated by a Member to receive the Member's Capital Credit Retirements.
- 4.5. **Capital Credits Retirements (or Retired Capital Credits)** – The payment made to a Member or a designee based on Allocated Capital Credits at the time the Board declares a retirement of credits after determination of the Cooperative's financial health.
- 4.6. **Discount Factor** – The factor to be applied based upon the Cooperative's cost of equity capital rate and the Retirement Schedule and calculated in accordance with Section 3.11 of this Policy.
- 4.7. **Discount Payment** – The amount paid to the Member equal to the net present value based upon the Cooperative's cost of equity capital rate and the number of years remaining in the Retirement Schedule.
- 4.8. **Equity Management Plan** – The Cooperative's plan for equity stabilization as outlined in the Equity Management Plan Policy.
- 4.9. **General Capital Credits Retirements** – The Allocated Capital Credits retained by the Cooperative and retired in accordance with Section 3.8 of this Policy.
- 4.10. **Inactive Accounts** – A Member account that is no longer receiving electric service or energy from PEC, and whose membership fee has been applied to the final bill or refunded.
- 4.11. **Member** – As defined in PEC's Tariff and Business Rules, a Member is any Person or governmental entity that has applied for electric service and has paid the Cooperative's membership fee and agrees to be bound by the Cooperative's governing documents. Under this Policy, a Member may include a former Member.
- 4.12. **Member Class** – A group of Members with similar electric use service characteristics (e.g., residential, commercial, industrial) taking service under one or more rate schedules.
- 4.13. **Net Operating Margins** – The excess revenue remaining after all operating expenses and cost of capital, including but not limited to, cost of power, depreciation, interest, and taxes have been deducted from the Cooperative's total operating revenue.
- 4.14. **Net Operating Loss** – The lack of revenue remaining when revenues are less than the aggregate amount of all operating expenses and other costs, including but not limited to, cost of power, depreciation, interest, and taxes.
- 4.15. **Non-Natural Member** – A membership in PEC held by an organization, group or legal entity other than a natural person.



- 4.16. **Non-Operating Margins** – The margins generated from activities that are not related to providing electric service or energy to Members including, without limitation, gain or loss on disposal of assets, realized monetary settlements, and any other activities that would not be considered related to providing electric services or energy.
- 4.17. **Patronage Capital** – The capital component a Member furnishes the Cooperative through payment of amounts billed for electric services or energy.
- 4.18. **PEC Charity** – A nonprofit organization established by PEC that Cooperative Members may designate as a beneficiary for Capital Credits.
- 4.19. **Person** – Any natural person, organization, or legal entity.
- 4.20. **Retirement Schedule** – An approximate thirty-year schedule for retirement of Capital Credits as determined by the Board.
- 4.21. **Special Capital Credits Retirements** – The Allocated Capital Credits retained by the Cooperative and retired in accordance with Section 3.9 of this Policy.
- 4.22. **Unclaimed Capital Credits** – A Member's financial interest in Allocated Capital Credits that is presumed abandoned under Texas law.

5. POLICY ENFORCEMENT

The Board oversees and enforces this Policy. The CEO, through the Policy Administrator, shall implement and comply with this Policy. Violations of this Policy may result in disciplinary action, up to and including, termination.

6. REFERENCES AND RELATED DOCUMENTS

Texas Property Code (Unclaimed Property Title 6)

[Articles of Incorporation](#)

[Bylaws](#)

[Texas Utilities Code Section 161.059](#)

[Texas Utilities Code Section 41.055](#)

[Equity Management Plan Policy](#)

[Unclaimed Property Policy](#)

[Tariff and Business Rules](#)

Date adopted:	December 20, 2010
Last reviewed:	TBD
Review frequency:	Every 3 years
Amendment dates:	December 20, 2010; September 19, 2011; September 15, 2014; November 14, 2016; September 17, 2018; November 22, 2019; TBD
Effective date:	TBD
Approver:	Board of Directors
Applies to:	All PEC members, former members, Board of Directors and employees
Policy Administrator:	Chief Financial Officer
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





Final Resolution – Review and Approval of the Capital Credits Policy

Kat Jones | Controller

Policy Updates

- Terminology and formatting changes have been made to modernize, simplify and standardize the policy.
- Section 3.3 was updated to better align with the presentation of the audited financial statements by defining exclusions of non-operating margins as non-utility only.

3.3.1.1. Non-utility, Non-Operating Margins will not be included in the allocation of Net Operating Margins.

- Section 3.10 was added to allow members to establish a beneficiary to receive their capital credits retirements. Notably members may also now designate a PEC related nonprofit organization as a beneficiary to receive their capital credit retirements.

3.10. Establishing a Capital Credits Beneficiary

3.10.1. A Capital Credits Beneficiary is either a natural person or the PEC Charity designated by a Member to receive the Member's Capital Credit Retirements.



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File #: 2025-036, Version: 1

Resolution - Review and Approval of the Decorum Policy - A Stover

Submitted By: Andrea Stover

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds estimated in the amount of \$0 currently included in the Cooperative's 2025 operating budget; expenditures of staff time estimated in amount of 0 hours (other than ordinary processing requirements).

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 Decorum Policy ("Policy") that was last reviewed and approved on October 16, 2020.

As outlined in the Policy, 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, including Board meetings, and any business interactions with the Cooperative, whether conducted on or off PEC premises or on any PEC platform, shall be conducted in a professional and courteous manner. PEC updates this policy to address interactions with Members and others who participate in PEC meetings or other interactions with PEC to clarify requirements of behavior, including language and behavior in online discussions.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that pursuant to its regular review of Board policies, the Board has reviewed and adopts the updated Decorum Policy with such changes, if any, as were approved by the Board; and

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



DECORUM POLICY

Effective Date: ~~October 16, 2020~~ TBD

1. PURPOSE

As a ~~democratically-controlled~~ 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—~~or~~, Functions—, or Business Interactions with the Cooperative

3.1.3.1.1. ~~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~~ 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, ~~attack~~ personal attacks, or physical abuse ~~is~~ will not be tolerated.

3.1.1.3.1.2. ~~Meeting~~ 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.

3.1.2.3.1.3. ~~Meeting~~ 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 and the current Board Meetings Policy, the latest edition of Robert's Rules of Order Newly Revised, as practicable, and "Board and Committees – 'Procedure for in Small Boards'" (for example, Robert's Rules of Order Newly Revised § 49 (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)).~~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 President Officer, or upon a majority vote of the Board.

~~3.2.1.3.2.2.~~ 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.

~~4.1.4.3.2.3.~~ 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.

~~4. PROCEDURE RESPONSIBILITIES~~

~~4.1. 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.~~

3.2.4. ~~Board Meetings.~~ 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.

5.4. DEFINITIONS

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



6.5. POLICY ENFORCEMENT

~~6.1.5.1.~~ When ~~Member or Participant~~ a Participant's behavior violates this Policy, is severe, or threatens physical safety or property, the Presiding Board Officer, ~~CEO~~ Chief Executive Officer, or ~~responsible designated~~ Cooperative employee or agent may require the ~~Member or Participant~~ to leave the PEC premises, to leave any PEC Board meeting, any other business meeting or function; or ~~discussion to~~ discontinue any discussions regarding Cooperative business.

~~6.2.~~ — Repeated or Severe Violation

~~6.2.1.5.2.~~ PEC Business Meetings or Functions. Upon repeated or severe violation of this Policy, the ~~Board, CEO, or their designee~~ Presiding Board Officer, Chief Executive Officer, or designated Cooperative employee or agent, may prohibit a ~~person~~ Participant from ~~attendance at coming onto~~ attendance at future PEC Board meetings, any other business meetings, functions, online or telephonic 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.

~~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.

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.

7.6. REFERENCES AND RELATED DOCUMENTS

Board Meetings Policy

Board Meetings Policy

Robert's Rules of Order Newly Revised (11th ed. Cambridge, Mass.: Perseus Publishing, 2011) Latest edition, "Boards and Committees – Procedure in Small Boards"

Date adopted:	March 15, 2010
Last reviewed:	October 16, 2020 <u>TBD</u>
Review frequency:	Every Five <u>Three</u> Years
Amendment dates:	September 21, 2015, October 16, 2020; <u>TBD</u>
Effective date:	October 16, 2020 <u>TBD</u>
Approver:	Board of Directors
Applies to:	All Participants at meetings of the Board of Directors, any other business meeting or function of the Cooperative <u>or with respect to any business interactions with the Cooperative,</u> whether on or off PEC premises <u>or any PEC platform.</u>
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.





DECORUM POLICY

Effective Date: TBD

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

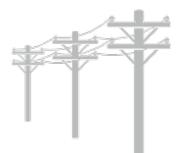
This Policy applies to all Participants at meetings of PEC Board of Directors (“Board” or “Directors”) and any other business meeting or function of the Cooperative, and any business interactions with the Cooperative, whether on or off PEC premises or any PEC platform.

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.



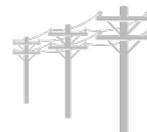
- 3.2.1. All Participants wishing to address the Board during the designated portion of a Board meeting shall sign a registry identifying themselves prior to speaking and shall open their remarks by stating their name and whether they are a Cooperative Member. Time allotted by the Board for each speaker 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.

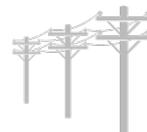


6. REFERENCES AND RELATED DOCUMENTS

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:	TBD
Review frequency:	Every Three Years
Amendment dates:	September 21, 2015, October 16, 2020; TBD
Effective date:	TBD
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.





Resolution – Review and Approval of the Decorum Policy

Andrea Stover | General Counsel

Policy Updates

- The Policy applies to interactions between and among PEC Employees, Board Directors and Members at Cooperative meetings and function.
 - Requires participants to be orderly, respectful and for proceedings to be free from abusive or bullying language and behavior.
- Changes to the policy broaden scope beyond Cooperative meetings and functions to include all interactions with PEC, including other oral communications and online discussions.
- Additional changes were made to provide clarification and consistency within the policy.



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File #: 2025-038, Version: 1

Resolution - Approval of Appointments to 2025 Qualifications and Elections Committee - M Butler

Submitted By: Michael Butler

Department: Legal Services

Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds estimated in the amount of \$2,500 currently included in the Cooperative's 2025 operating budget; expenditures of staff time estimated in amount of 60 hours (other than ordinary processing requirements).

Article III Section 3 of the Bylaws of Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative") provides the following:

Qualifications and Elections Review Committee.

(a) At least ninety (90) days before any Membership vote for Election of a Director, the Board of Directors shall, appoint, by resolution, a qualifications and election review committee ("Qualifications and Elections Committee") consisting of no less than three (3) nor more than seven (7) members who are not existing Cooperative officers, employees, Directors or known candidates for Directors, or close relatives or members of the same household thereof. The Qualifications and Elections Committee shall elect its own chairman and secretary and shall be dissolved without further action required at the conclusion of the fifth day following the Member Meeting for which the Qualifications and Elections Committee was appointed, or upon the conclusion of any business before the Qualifications and Elections Committee, whichever is later. The Board may set compensation, reimbursement, allowances for telephonic meetings, and any other terms for the Qualifications and Elections Committee not otherwise specified by these Bylaws.

(b) It shall be the responsibility of the Qualifications and Elections Committee to verify the qualifications of Director Nominees.

(c) In the exercise of its responsibility, the Qualifications and Elections Committee shall have available to it the assistance of staff and the advice of legal counsel provided by the Cooperative, and shall be subject to the limits of Article III, Sec. 2 (p) of [the] Bylaws.

(d) The Qualifications and Elections Committee's decisions (as reflected by a majority of those actually present and voting) on all matters covered by [Article III Section 3] shall be final.

(e) In all matters, the Qualifications and Elections Committee shall assume the truth of matters asserted by Director Nominees, and act accordingly, unless the Committee has identified a reasonable and specific basis for acting otherwise.

Section 6.2.1.6 of the Election Policy and Procedures provides the following:

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 [the] 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.

The Qualifications and Elections Committee is currently scheduled to meet on April 2 and 3, 2025 at PEC Headquarters in Johnson City, Texas.

WHEREAS the Bylaws of the Cooperative require the Board to appoint a Qualifications and Elections Committee (the "Committee") to review and determine the qualifications of applicants who wish to be candidates for election to the Board ("Candidates"), and in accordance with the Cooperative's Election Policy and Procedures.

NOW, THEREFORE, BE IT RESOLVED that the following individuals are appointed to serve on the Qualifications and Elections Committee for the 2025 Election:

1. Denis Poulos (District 1)
2. Cliff Hahn (District 2)
3. Mike Carroll (District 3)
4. Chris Smith (District 4)
5. Craig Magerkurth (District 5)
6. Deena Clausen (District 6)
7. Chris Oliveira (District 7); and

BE IT FURTHER RESOLVED that the following individuals are appointed as alternates to serve on the Qualifications and Elections Committee for the 2025 Election should an appointed member be unable to serve:

1. Kevin Nolting (District 3); and

BE IT FURTHER RESOLVED that the Committee will elect its own officers (Chair and Secretary), and will have access to information gathered from various sources, including the Candidates themselves, public records, and the Cooperative; and

BE IT FURTHER RESOLVED that the Cooperative will provide legal counsel and staff support; and

BE IT FURTHER RESOLVED that the Committee should conduct meetings as often as the Committee determines that they are needed to perform the review of Candidates applications, and these meetings may be conducted by phone or at a place of the Committee's choosing; and

BE IT FURTHER RESOLVED that Committee members are paid \$150 for each telephonic or live meeting lasting more than one hour; the Cooperative will reimburse mileage and reasonable meal expenses incurred by Committee members in the course of their service; and provide indemnification and protection from liability for Committee members serving in that capacity as provided for in the PEC Bylaws; and

BE IT FURTHER RESOLVED that the General Counsel, or designee, is authorized and directed to take all actions necessary to implement this resolution.



2025 Qualifications and Elections Committee

Michael Butler | Senior Counsel

Qualifications and Elections Committee Appointment

Resolution for the Approval of Appointments to the 2025 Qualifications and Elections Committee



- PEC Elections Policy and Procedures:
 - Section 6.2.1.6: “...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.”
- Each Director has submitted one appointee
- The Qualifications and Elections Committee is currently scheduled to meet on April 2nd and 3rd



Voting Begins May 21st, 2025



PEDERNALES ELECTRIC COOPERATIVE



File #: 2025-039, **Version:** 1

Resolution - Approval of Construction Contract T358 Cedar Valley-Friendship 138 kV Line - J Greene

Submitted By: Jonathan Greene

Department: Chief Operations Officer - Transmission

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

Recommendation to approve the contract for construction of the T358 Cedar Valley-Friendship 138kV Line upgrade project.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative approve an agreement for the construction of the T358 transmission line 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.

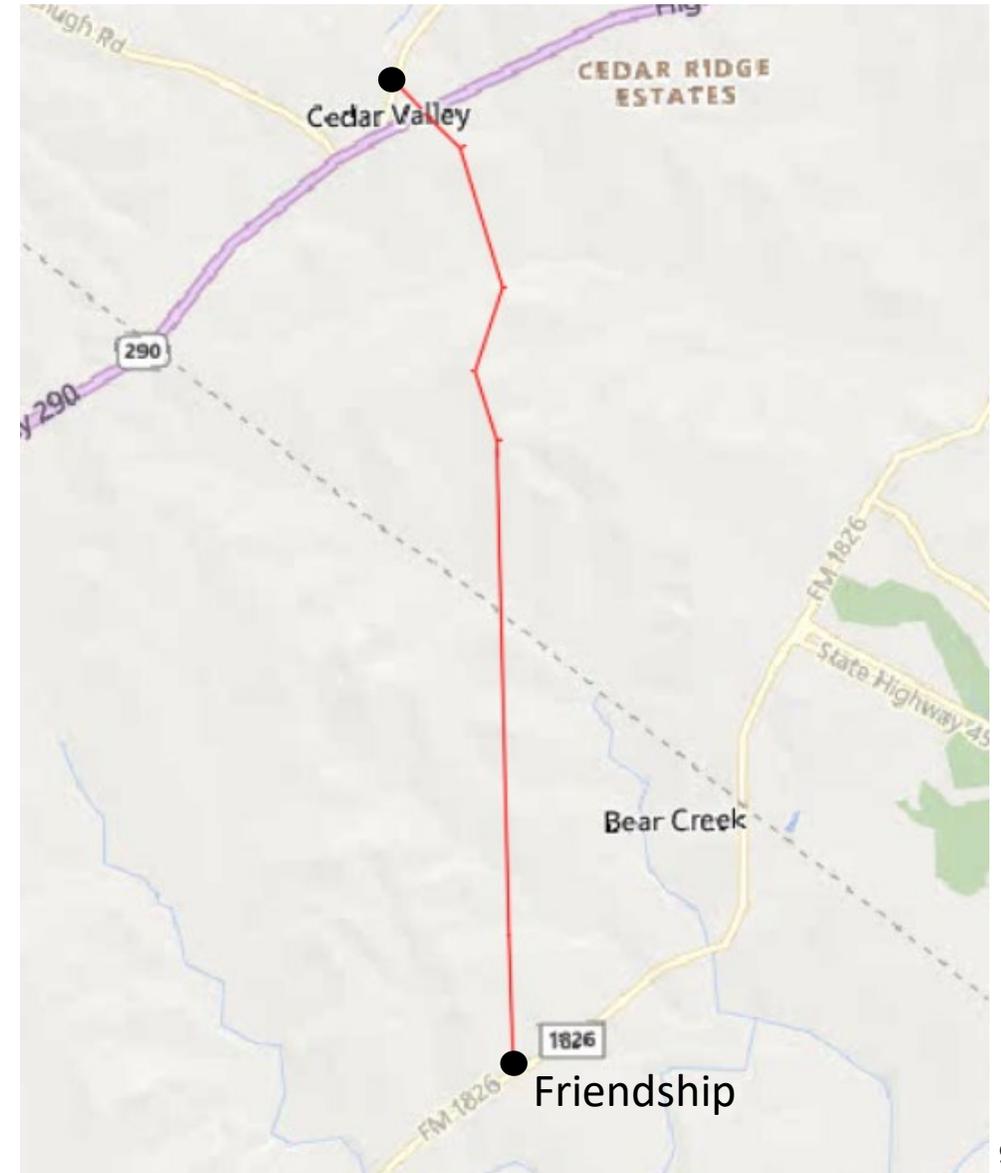


Resolution – Approval of Construction Contract for Cedar Valley to Friendship (T358) Line Upgrade

Jonathan Greene | Chief Operations Officer - Transmission

Cedar Valley - Friendship Line Upgrade

- Project approved in 2024 Capital Improvement Plan
- Replace 4.3 miles of existing 138 kV steel poles with 138 kV steel poles capable of supporting bundled “Drake” conductor between Cedar Valley and Friendship substations in Travis and Hays county.
- Increases capacity of transmission line
- Requesting approval to award construction contract to Maslonka Powerline Services for amount as stated in term sheet
- Construction scheduled to begin August 2025



Cedar Valley - Friendship Line Upgrade

Single Circuit Tangent



Project Summary

Line Length: 4.3 Miles

Existing:

Voltage: 138-kV

Capacity: 219 MVA

Structure Type: Steel Poles

Conductor: Drake 795 ACSR 1 per phase

Shield Wire: 3/8" Steel

Rebuild:

Voltage: 138-kV

Capacity: 439 MVA

Structure Type: Steel Poles

Conductor: 2x795 kcmil ACSR per phased

Shield Wire: OPGW

Schedule: Construction Fall 2025/Winter 2025

Notes:

PEC will replace 4.3 miles of existing steel pole 138 kV transmission line located in Travis and Hays counties with a single circuit 138kV line between the Cedar Valley and Friendship substations. The new structures will be steel monopole structures with the ability to support one circuit of bundled 795 kcmil "drake" ACSR conductor and 144 strand OPGW shield wire.



PEDERNALES ELECTRIC COOPERATIVE



File #: 2025-048, Version: 1

Draft Resolution - Review and Approval of the Board of Directors Compensation Policy - A Stover

Submitted By: Andrea Stover

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: N/A

The purpose of the Board of Directors Compensation Policy is to address all compensation and benefits provided to Directors for their time and attention in the performance of their duties for the Cooperative, including optional insurance coverage.

In September 2024, the Cooperative approved the transition of its medical insurance plan to a self-funded plan beginning in 2025. With adoption of the self-funded plan, it is required to make some amendments to the Board of Directors Compensation Policy as to availability of health insurance for Directors.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board has reviewed and adopts the Board of Directors Compensation Policy, with such changes, if any, as were approved by the Board; and

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



BOARD OF DIRECTORS COMPENSATION POLICY

Effective Date: ~~September 17, 2024~~TBD

POLICY AT A GLANCE

According to PEC's Bylaws, the PEC Board of Directors is allowed reasonable compensation. The Board is committed to being transparent in how that compensation is determined in order to maintain **Accountability** and **Integrity**.

Compensation and Benefits

Time and Attention

Fee Structuring and Fee Establishment



1. PURPOSE

The purpose of the Board of Directors Compensation Policy ("Policy") is to address all compensation and benefits provided to Directors for their time and attention in the performance of their duties for the Cooperative.

2. SCOPE

This Policy applies to members of the Board of Directors ("Board"). The Board of Directors Travel & Expense Reimbursement Policy addresses Director training, travel, and expense reimbursements.

3. POLICY AND IMPLEMENTATION

3.1. Fixed Monthly Fee

3.1.1. All Directors shall be paid a fixed monthly fee of \$3,000; provided, however, that a Director regularly attends Board meetings as provided by this Policy.

3.1.1.1. If a Director attends less than seventy-five percent (75%) of any scheduled Board meetings (e.g., regular, special, or called meeting) during any consecutive, rolling 12-month period, that Director shall forfeit the monthly fixed fee, beginning with the next month following the month in which the attendance fell below 75%, until such time as the Director's rolling attendance rises above 75% for a consecutive 12-month period; and

3.1.1.2. After one telephonic or electronic participation by a Director per year; any others shall be counted as one-half meeting attendance; and

3.1.1.3. If a Director attends less than half of any meeting in person, such attendance shall be counted the same as a telephonic or electronic participation.

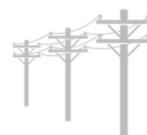
3.1.2. Newly-elected Directors, who are not current Directors, shall be paid one-half (1/2) the Fixed Monthly Fee for the remainder of month following the Director Election at which they are first elected; and the 75% attendance policy does not apply until the first September after their initial election to the Board.

3.1.3. The Fixed Monthly Fee shall be paid regardless of the number of meetings, events or functions attended by the Director in any given month, so long as the 75% minimum Board meeting attendance level is met.

3.1.4. By majority vote of remaining Directors for good cause, a Director may be excused for Board meeting absence(s). The absence of a Director at a Board meeting because of attendance at a Board-approved seminar, educational, or training course is an excused absence.

3.2. Board Officer Fee

3.2.1. Directors who serve as an Officer of the Board shall receive a monthly fee of \$100 in addition to the Fixed Monthly Fee.



3.3. Board Committee Fee

- 3.3.1. Directors who are members of a Board Committee shall receive \$100 for attendance and participation in a Board Committee meeting in addition to the Fixed Monthly Fee. Directors may receive up to a maximum of \$400 annually for each Board Committee.

3.4. Optional Insurance Coverage

- 3.4.1. ~~Health, dDental,~~ and vision insurance coverage that is also available to eligible employees, is provided, on a voluntary basis, to Directors and their dependents so long as the Director serves on the Board. A Director is solely responsible for the payment of all premium costs for selected coverage(s). ~~Coverage may include access to the Cooperative's High Deductible Health Care Plan, including access to a Health Savings Account offered by the Cooperative. Access does not include any PEC contribution to a Health Savings Account offered by the Cooperative.~~
- 3.4.2. The Cooperative does not provide sponsorship of any separate or distinct retirement or healthcare coverage or plan for any former, current, or future Director or their dependents, regardless if the cost of such coverage would be paid by the Cooperative or the Director.

4. POLICY ENFORCEMENT

The Board will enforce this Policy.

5. REFERENCES AND RELATED DOCUMENTS

[Texas Utilities Code § 161.073](#)

[Bylaws Article III, Section 2\(n\), Qualifications](#)

[Bylaws Article III, Section 7, Compensation](#)

[Board of Directors Travel & Expense Reimbursement Policy](#)

[Directors' Code of Conduct](#)

Date adopted:	May 21, 2012
Last reviewed:	September 17, 2018, July 21, 2021; TBD
Review frequency:	Every five years
Amendment dates:	May 21, 2012; June 18, 2012; December 17, 2012, February 22, 2016, September 17, 2018, September 17, 2021; TBD
Effective date:	September 17, 2021 TBD
Approver:	Board of Directors
Applies to:	Board of Directors
Administrator:	Board of Directors
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





BOARD OF DIRECTORS COMPENSATION POLICY

Effective Date: TBD

POLICY AT A GLANCE

According to PEC's Bylaws, the PEC Board of Directors is allowed reasonable compensation. The Board is committed to being transparent in how that compensation is determined in order to maintain **Accountability** and **Integrity**.

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Fee Structuring and Fee Establishment



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 - 3.1.1.2. After one telephonic or electronic participation by a Director per year; any others shall be counted as one-half meeting attendance; and
 - 3.1.1.3. If a Director attends less than half of any meeting in person, such attendance shall be counted the same as a telephonic or electronic participation.
- 3.1.2. Newly-elected Directors, who are not current Directors, shall be paid one-half (1/2) the Fixed Monthly Fee for the remainder of month following the Director Election at which they are first elected; and the 75% attendance policy does not apply until the first September after their initial election to the Board.
- 3.1.3. The Fixed Monthly Fee shall be paid regardless of the number of meetings, events or functions attended by the Director in any given month, so long as the 75% minimum Board meeting attendance level is met.
- 3.1.4. By majority vote of remaining Directors for good cause, a Director may be excused for Board meeting absence(s). The absence of a Director at a Board meeting because of attendance at a Board-approved seminar, educational, or training course is an excused absence.

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- 3.4.1. Dental and vision insurance coverage that is also available to eligible employees is provided, on a voluntary basis, to Directors and their dependents so long as the Director serves on the Board. A Director is solely responsible for the payment of all premium costs for selected coverage(s).
- 3.4.2. The Cooperative does not provide sponsorship of any separate or distinct retirement or healthcare coverage or plan for any former, current, or future Director or their dependents, regardless if the cost of such coverage would be paid by the Cooperative or the Director.

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[Bylaws Article III, Section 2\(n\), Qualifications](#)

[Bylaws Article III, Section 7, Compensation](#)

[Board of Directors Travel & Expense Reimbursement Policy](#)

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Date adopted:	May 21, 2012
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Effective date:	TBD
Approver:	Board of Directors
Applies to:	Board of Directors
Administrator:	Board of Directors
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





Draft Resolution – Review and Approval of the Director Compensation Policy

Andrea Stover | General Counsel

Policy Updates

- The Policy covers all compensation and benefits provided to Directors for their time and attention performing duties for the Cooperative.
 - Benefits have historically included access to PEC health insurance.
- PEC has transitioned to self-funded health insurance for employees and applicable state law related to self-funded insurance precludes PEC from continuing to offer health insurance to Directors.
- Revisions to the policy reflect removal of any reference to access to health insurance offered by PEC as a benefit for Directors.



pec.coop



File #: 2025-040, **Version:** 1

2025 Election Timeline Monthly Update - A Stover (Written Report in Materials)

Submitted By: Andrea Stover

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds estimated in the amount of \$0 currently included in the Cooperative's 2025 operating budget; expenditures of staff time estimated in amount of 0 hours (other than ordinary processing requirements).

Section 3.2 of the Election Policy and Procedures provides that the Board will consider, amend (if desired), and approve an Election Timeline at least 5 months prior to each Annual Meeting of Members. The Board approved the 2025 Election Timeline at its December 2024 Board meeting.

The Election Timeline sets out the key dates relative to the election to be held before the Annual Meeting of the Members currently approved to be held on June 20, 2025.

2025 Election Timeline					
Director Election Ballots, Districts 4 and 5					
NOTE: All due dates apply to all election ballots.					
#	Item	EPP or Other Policy	Responsible Party	Due Date	**2024-2025 Deadline
1	Draft Resolution - Approval of Annual Election Services Provider Contract	4.1	BOD/GC/GT	At or before the August regular board meeting	6/17/24
2	Final Resolution - Approval of Annual Election Services Provider Contract	4.1	BOD/GC/GT	At or before the August regular board meeting	7/19/24
3	Draft Resolution - Establish Annual Meeting date and location	3.1	BOD/GC/GT	At or before the August regular board meeting but no later than December each year	9/20/24
4	Final Resolution - Establish Annual Meeting date and location	3.1	BOD/GC/GT	At or before the August regular board meeting but no later than December each year	10/25/24
5	Present draft Election Timeline	3.2	GT	At least six (6) months prior to Annual Meeting	11/15/24
6	Communications draft plan overview presented to the BOD	7.3	ER	At or before regular board meeting five (5) months before an election	11/15/24
7	Approve Election Timeline	3.2	BOD	At least six (6) months prior to Annual Meeting	12/20/24
8	Final communications plan to be approved by the BOD	7.3	BOD	At or before regular board meeting five (5) months before an election	12/20/24
9	Conduct internal coordination meeting and establish PEC Election Team	3.3	GC/GT/ER/IT/Mapping/Member Relations/SBS	Upon approval of the Election Timeline <i>(meeting set after approval of election timeline)</i>	1/3/25
10	Retain background verifier	6.2.1.7	GC/GT	As specified in this timeline	1/3/25
11	Direct the General Counsel to prepare proposed Non-Director election items	6.1	GC/BOD	No later than the regular board meeting five (5) months prior to Annual Meeting	1/17/25
12	Post and make available nomination application and ballot materials	6.2.1.1.1	BRS/GT/ER/Mapping/Member Relations	At least five (5) months prior to Annual Meeting	1/21/25
13	Membership List available	7.7	GT/IT/ Member Relations	Two (2) months before the deadline for candidate application as specified in Section 6.2.1.4.	1/24/25
14	Directors requested to submit the name(s) of a person or persons (including an alternate) residing in the directors' district eligible and willing to serve on the QEC	6.2.1.6	BOD/GT	As specified in this timeline	1/31/25
15	Directors submit name(s) of persons (including an alternate) residing in the directors' district eligible and willing to serve on the QEC	6.2.1.6	BOD/GT	At least a week before the regular board meeting four (4) months prior to an election	2/7/25
16	Election Services Provider to present quality control steps to the General Counsel	7.11	SBS/GC/GT	Four (4) months prior to the member meeting, the Election Services 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	2/21/25
17	BOD appoints the QEC	6.2.1.6	BOD/QC	At the regular board meeting (4) months before an election	2/21/25
18	Nomination application and ballot materials deadline to be delivered to the Governance Team at PEC Headquarters in Johnson City, TX	6.2.1.4	Candidate Applicants/GT	At or before 5:00PM on the last business day falling 82 days or more before the date of the member meeting	3/24/25
19	Member Record Date for Petition Signatures	5.1	GT/Member Relations	At or before 5:00PM on 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	3/24/25
20	QEC meeting date	6.2.1.6	QEC/GC/EC/GT	The QEC reviews all candidate material and then makes recommendation to the BOD of the candidates' slate	4/2/25 & 4/3/25
21	Candidate Orientation/Photographs	7.1, 7.5	Candidate Applicants/GT/ER	The week preceding the April regular meeting of the BOD	4/7/25
22	Election withdrawal deadline for removal from ballot	7.2	Candidate Applicants	Before BOD approval of ballot	4/17/24

2025 Election Timeline					
Director Election Ballots, Districts 4 and 5					
NOTE: All due dates apply to all election ballots.					
#	Item	EPP or Other Policy	Responsible Party	Due Date	**2024-2025 Deadline
23	Presentation and approval of candidate slate, ballot, and any non-director election items	6.2.1.9, 6.2.1.10	QEC/GC	At least two (2) months prior to an election	4/17/24
24	Written notice of annual member meeting	TX Utilities Code 161.068	GC/GT	Between 30 and 10 days before the date of the Annual Meeting	5/21/25
25	*Mailing of ballots	7.4.1	SBS	Delivered between 25 and 30 days before the Annual Meeting	*5/21/25
26	Online voting site goes live	7.4.2	SBS	30 days before the Annual Meeting	5/21/25
27	Electronic voting devices available to membership at PEC offices		Election Committee/GT	Mobile devices are set-up in various district offices by 5:00PM on the business day prior to live online voting	5/20/25
28	Initial voting email notifications	7.4.3	SBS	Between 25 and 30 days before the Annual Meeting	5/21/25
29	Initial PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan	5/21/25
30	Update on voter turnout (totals by each director election district)	7.10.2	GC/GT	Once weekly after ballots are initially mailed	5/28/25
31	Supplemental mailing of ballots to members since previous mailing	7.4.1	SBS/IT	As specified in this timeline	5/28/25
32	Second voting email notifications	7.4.3	SBS	As specified in this timeline	5/28/25
33	Second PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan.	5/28/25
34	Update on voter turnout (totals by each director election district)	7.10.2	GC/GT	Once weekly after ballots are initially mailed	6/4/25
35	Supplemental mailing of ballots to members since previous mailing	7.4.1	SBS/IT	No later than 16 days before the member meeting at which election results are announced	6/4/25
36	Third voting email notifications	7.4.3	SBS	As specified in this timeline	6/4/25
37	Third PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan	6/4/25
38	Update on voter turnout (totals by each director election district)	7.10.2	GC/GT	Once weekly after ballots are initially mailed	6/11/25
39	Final reminder voting emails	7.4.3	SBS	As specified in this timeline	6/11/25
40	Final PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan	6/11/25
41	Supplemental mailing of ballots to members since previous mailing	7.4.1	SBS/IT	As specified in this timeline	6/11/25
42	Record Date for casting ballot	5.2 Bylaws, Art. II, § 9	IT/GT	Close of business (5:00PM) at least eight (8) business days before Annual Meeting	6/12/25
43	Deadline for mailing or casting online ballots; ballots must be received by Election Services Provider	8.2, 8.4 Bylaws Art. II, § 8	SBS	No later than 5:00PM, seven (7) days prior to the member meeting at which elections results are announced	6/13/25
44	Pre-announcement and pre-results delivery quality control; post tabulation quality control	7.11, 7.12, 8.2, 8.4 & 8.7 Bylaws Art. II, § 8	SBS/GC	No later than four (4) days prior to the member meeting at which pre- announcement and pre-results delivery quality control and pre/post-tabulation quality control is performed by SBS	6/16/25

2025 Election Timeline
Director Election Ballots, Districts 4 and 5
NOTE: All due dates apply to all election ballots.

#	Item	EPP or Other Policy	Responsible Party	Due Date	**2024-2025 Deadline
45	Election Services Provider certifies election results and provides results to PEC	7.11, 8.4, 8.8	GC/GT	No later than four (4) days prior to the member meeting at which election results are announced	6/16/25
46	Candidates and board advised of election results immediately before results released to membership	7.11, 8.4	GC/GT	Three (3) days prior to the member meeting at which election results are announced	6/17/25
47	Election results released to PEC membership	7.11, 8.4	GC/GT/ER	No later than three (3) days prior to the member meeting at which election results are released	6/17/25
48	Announcement of certified election results at Annual Meeting	8.4, 8.8	SBS, or as designated by BOD	On the date of member meeting and as specified in this timeline election results are announced	6/20/25
49	Post-election director acknowledgements	8.90	BOD	On the date of member meeting after the meeting has concluded	6/20/25
50	Final election results district-by-district	9.1	SBS	Within five (5) business days of the Annual Meeting, SBS will provide district-by-district results	6/25/25
51	Post-election analysis	9.2	GC/GT	Within two (2) months after the Annual Meeting	8/15/25

*Ballots mailed for intended delivery to members on the first day of voting period. It is anticipated that U.S. addresses will be mailed 3 days in advance; international addresses 10-15 days in advance of the first day of voting.
 **Dates listed are subject to change with BOD meeting dates.

LEGEND:			
Board of Directors	BOD	Election/Board Counsel	EC
Board Reporting Secretary	BRS	Qualifications & Election Committee	QEC
Governance Team	GT	Survey & Ballot Systems (Election Services Provider)	SBS (ESP)
General Counsel	GC	Information Technology Department	IT
External Relations	ER	Articles of Incorporation	Art.
		Election Policy and Procedures	EPP



File #: 2025-041, **Version:** 1

Key Performance Indicator (KPI) of 2024 Period 2 Results - E Dauterive

Submitted By: Eddie Dauterive

Department: Chief Strategy Officer

Financial Impact and Cost/Benefit Considerations: As provided in the Open Session presentation.

The 2024 Key Performance Indicators (KPI) Plan was approved by the Board in January 2024 (2024-010) and the Board is presented with the performance-based financial distribution for eligible employees for each period.

KPI metrics provide an objective method for evaluating the performance of reaching organizational targets. The 2024 KPI categories include: Maximizing Value to the Membership, Achieving Operational Excellence, Protecting the Financial Health of Cooperative, Pursuing Workforce Optimization, and Advancing Safety and Security.



Key Performance Indicators (KPI) Update of 2024 Period 2 Performance

Eddie Dauterive | Chief Strategy Officer

KPI Overview

Purpose

KPI metrics provide an objective method for evaluating the performance of reaching organizational targets.

Structure

- PEC's 2024 KPI Plan categories are aligned with PEC's 2021-2026 Strategic Plan.
- 19 individual performance metrics among 5 categories.
- Potential 1% adder for coop-wide goals.

Timeframe

The 2024 Period 2 Update applies to the 2nd half of 2024 (Jul. – Dec.)

2024 KPI Categories	Category Weight
<i>Maximize Value to Our Membership</i>	20%
<i>Achieve Operational Excellence</i>	20%
<i>Protect the Financial Health of the Coop.</i>	20%
<i>Pursue Workforce Optimization</i>	20%
<i>Advance Safety and Security</i>	20%

Performances by Category

Metric Categories	Category Score	Category Distribution	Silver Goal	Gold Goal	Platinum Goal
Value to Membership	Platinum	2.00%	1.00%	1.40%	2.00%
Operational Excellence	Gold	1.70%	1.00%	1.40%	2.00%
Financial Health	Silver	1.20%	1.00%	1.40%	2.00%
Workforce Optimization	Platinum	2.00%	1.00%	1.40%	2.00%
Safety & Security	Platinum	2.00%	1.00%	1.40%	2.00%
Coop-wide Goal (Adder)	Achieved	1.00%			
Result: 2024 P2 Payout		9.90%			

Metric Performance

Value to Membership	Platinum
<i>Power of Change Enrollment</i>	<i>Platinum</i>
<i>Community Outreach Events</i>	<i>Platinum</i>
<i>Customer Satisfaction Score</i>	<i>Platinum</i>
<i>First Contact Resolution</i>	<i>Platinum</i>
<i>Paperless Billing Enrollment</i>	<i>Platinum</i>
Operational Excellence	Gold
<i>Remediating Worst Performing Feeders</i>	<i>Platinum</i>
<i>CAIDI</i>	<i>Platinum</i>
<i>First Step Resolution</i>	<i>Silver</i>
Financial Health	Silver
<i>Operating Expense as % Budget</i>	<i>None</i>
<i>Competitively Sourced Spend</i>	<i>Platinum</i>
<i>Competitive Rates</i>	<i>Platinum</i>

Areas of Strength

- Many metric performances came together at the same time making this the highest ever overall performance under this KPI structure.
- Employees scored platinum in 3 of the 5 categories and in 17 of the 19 individual metrics.
- Two areas noted for improvement from the last KPI period were brought to Platinum this period; Paperless Enrollments and Safety Incidents.
- Paperless Enrollments - First Platinum since 2021 and this metric did not reach a goal in the last period.
- New reliability metrics performed well, and staff continue developing processes and tools to improve sectionalizing outages.

Metric Performance

Workforce Optimization

Platinum

Technical Training

Platinum

Compliance Training

Platinum

Professional Development Training

Platinum

Safety & Security

Platinum

Incident Rate (TCR)

Platinum

Restricted Duty (DART)

Platinum

Vehicle Accidents (VAR)

Platinum

Phishing Avoidance

Platinum

Access Control

Platinum

Areas of Strength

- Safety Metrics - For the first time all three metrics (TCR, DART, VAR) reached Platinum in the same period.
- Restricted Duty (DART) - First platinum in this metric since 2019.
- To summarize, in 2025, employees were involved in fewer incidents and in less severe incidents than in the last several years.
- Phishing Avoidance - First Platinum since the metric was introduced in 2022.
- Staff completed 99% of the assigned training that leadership deploys to help keep PEC heading in the right direction.

2024 P2 KPI Performance Payout

9.90%

Financial Impact
\$5,139,869

Payout will be distributed
February 25, 2025



pec.coop

2024 P2 Metrics	Category Weight	Category Score	Category Distributions	Goals		
				Silver	Gold	Platinum
Maximize Value to Membership	20%	Platinum	2.00%	1.00%	1.40%	2.00%
Achieve Operational Excellence	20%	Gold	1.70%	1.00%	1.40%	2.00%
Protect the Financial Health of the Coop	20%	Silver	1.20%	1.00%	1.40%	2.00%
Pursue Workforce Optimization	20%	Platinum	2.00%	1.00%	1.40%	2.00%
Advance Safety and Security	20%	Platinum	2.00%	1.00%	1.40%	2.00%

2024 P2 Payout

8.90%

KPI Metric by Category	Category Weight	Overall KPI Weight	Period Metric	Performance Rating	Distribution %	Goals		
						Silver	Gold	Platinum
Maximize Value to Membership								
Power of Change Enrollment	20%	4.0%	4,559	Platinum	0.40%	2000	3000	4000
Community Outreach Events	20%	4.0%	18	Platinum	0.40%	8	12	16
Customer Satisfaction Score	20%	4.0%	8.8	Platinum	0.40%	8.5	8.6	8.7
First Contact Resolution	20%	4.0%	92%	Platinum	0.40%	65%	70%	75%
Paperless Billing Enrollment	20%	4.0%	10,511	Platinum	0.40%	8000	9000	10000
		20%			2.00%			
Achieve Operational Excellence								
Remediating Worst Performing Feeders	30%	6.0%	7	Platinum	0.60%	3	5	7
CAIDI	40%	8.0%	73	Platinum	0.80%	100	95	90
First Step Resolution	30%	6.0%	113	Silver	0.30%	120	105	90
		20%			1.70%			
Protect the Financial Health of the Coop								
Operating Expense as % Budget	40%	8.0%	110%	None	0.00%	100%	99%	98%
Competitively Sourced Spend	30%	6.0%	98%	Platinum	0.60%	92%	94%	96%
Competitive Rates	30%	6.0%	23%	Platinum	0.60%	5%	8%	10%
		20%			1.20%			
Pursue Workforce Optimization								
% Employees Technical Training	30%	6.0%	100%	Platinum	0.60%	80%	85%	90%
% Employees Compliance Training	40%	8.0%	99%	Platinum	0.80%	90%	95%	99%
% Employees Professional Training	30%	6.0%	90%	Platinum	0.60%	70%	75%	80%
		20%			2.00%			
Advance Safety and Security								
Total Case Incident Rate (TCR)	20%	4.0%	2.0	Platinum	0.40%	3.5	3.0	2.5
Days Away Restricted Duty (DART)	20%	4.0%	1.0	Platinum	0.40%	2.0	1.5	1.0
Vehicle Accident Rate (VAR)	20%	4.0%	1.6	Platinum	0.40%	3.0	2.5	2.0
Phishing Simulation Avoidance	20%	4.0%	97.6%	Platinum	0.40%	96.5%	97.0%	97.5%
Access Control Efficiency	20%	4.0%	100%	Platinum	0.40%	97%	98%	99%
		20%			2.00%			



File #: 2025-042, **Version:** 1

List of Board Approved Future Meetings

Submitted By: Andrea Stover

Department: General Counsel

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").

2025 Board Meeting Calendar

- Friday, January 17, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, February 21, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, March 28, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Thursday, April 17, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, May 16, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, June 20, 2025 Regular Meeting immediately following the conclusion of the 2025 Annual Membership Meeting at 9:00 a.m., at PEC Headquarters
- Friday, July 18, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, August 15, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, September 19, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, October 24, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, November 21, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, December 19, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters



File #: 2025-043, **Version:** 1

Board Planning Calendar (Written Report in Materials)

Submitted By: Andrea Stover

Department: General Counsel

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 assist with compliance and address governance matters. The annual calendar also includes ad hoc items. As well, a three-month outlook of upcoming Board agenda items is included.

PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
1	1	2025 Election Timeline Update	General Counsel	JAN BOD Mtg	Compliance EPP	Recurring
2	1	2025 Texas Legislative Matters	CAO	JAN BOD Mtg	Strategic	Ad-hoc
3	1	Approval Resolution – Approval of 2025 Key Performance Indicators Plan Methodology	COO	JAN BOD Mtg	Strategic	Recurring
4	1	Approval Resolution – Approval of 2025 TEC Annual Membership Dues	CEO	JAN BOD Mtg	Strategic	Annual
5	1	Approval Resolution - Approval of Lago Vista T3 Substation Construction Contract Amendment	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
6	1	Approval Resolution – Approval of Purchase of Land in Williamson County	Compliance & Regulatory	JAN BOD Mtg	Strategic	Ad-hoc
7	1	Approval Resolution – Approval to Review and Amend Tariff and Business Rules	Compliance & Regulatory	JAN BOD Mtg	Compliance	Recurring
8	1	Approval Resolution - Approval to Amend Tariff and Business Rules - Base Power Charge, Sustainable Power Credit, Service Availability Charge & Delivery Charge, Single & Three-Phase Rates, Lamp Charge	Markets	JAN BOD Mtg	Compliance	Ad-hoc
9	1	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	JAN BOD Mtg	Strategic	Recurring
10	1	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	JAN BOD Mtg	Strategic	Recurring
11	1	Cooperative Update	CEO	JAN BOD Mtg	Strategic	Recurring
12	1	Draft Resolution – Approval of Appointments to 2025 Qualifications and Elections Committee (QEC)	General Counsel	JAN BOD Mtg	Compliance	Recurring
13	1	Draft Resolution – Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
14	1	Draft Resolution – Approval of Construction Contract for Whitestone T1 and T2 Upgrade	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
15	1	Draft Resolution – Review and Approval of the Capital Credits Policy	CFO	JAN BOD Mtg	Compliance	Recurring
16	1	Draft Resolution – Review and Approval of the Decorum Policy	General Counsel	JAN BOD Mtg	Strategic	Ad-hoc
17	1	Long-Term Distribution/Substation Capacity/Transmission Planning/Real Estate Update	COO-T/COO-D/Compliance & Regulatory	JAN BOD Mtg	Strategic	Ad-hoc
18	1	Markets Report	Markets	JAN BOD Mtg	Strategic	Recurring
19	1	Personnel Matters	Human Resources	JAN BOD Mtg	Strategic	Recurring
20	1	Real Estate Semiannual Update	Compliance & Regulatory	JAN BOD Mtg	Strategic	MAR/SEP
21	1	Review of 2025 Corporate Initiatives and CEO Action Items	CEO	JAN BOD Mtg	Strategic	Recurring
22	1	Safety/Security	Human Resources	JAN BOD Mtg	Strategic	Recurring
23	1	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JAN BOD Mtg	Compliance	Ad-hoc
24	2	2025 Election Timeline Update	General Counsel	FEB BOD Mtg	Compliance EPP	Recurring
25	2	2025 Texas Legislative Matters	CAO	FEB BOD Mtg	Strategic	Ad-hoc
26	2	Approval Resolution – Approval of Appointments to 2025 Qualifications and Elections Committee	General Counsel	FEB BOD Mtg	Compliance	Recurring
27	2	Approval Resolution – Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
28	2	Approval Resolution – Review and Approval of the Capital Credits Policy	CFO	FEB BOD Mtg	Compliance	Recurring
29	2	Approval Resolution – Review and Approval of the Decorum Policy	General Counsel	FEB BOD Mtg	Strategic	Ad-Hoc
30	2	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	FEB BOD Mtg	Strategic	Recurring
31	2	Cooperative Update	CEO	FEB BOD Mtg	Strategic	Recurring
32	2	Cyber Security Semiannual Update	Compliance & Regulatory	FEB BOD Mtg	Strategic	FEB/AUG
33	2	Draft Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
34	2	Draft Resolution - Approval of Construction Contract for Graphite Mine T1 Upgrade	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
35	2	Draft Resolution – Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Blanco - Devils Hill 138kV Line (Engineering Project T318); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Blanco - Devils Hill 138kV Line Easement Amendments	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
36	2	Draft Resolution - Authorization of the Cooperative to Use Eminent Domain to Acquire Property in Williamson County	Compliance & Regulatory	FEB BOD Mtg	Strategic	Ad-hoc
37	2	Draft Resolution - Review and Approval of the Board of Directors Compensation Policy	General Counsel	DEC BOD Mtg	Strategic	Ad-hoc
38	2	Key Performance Indicator (KPI) of 2024 Period 2 Results	CS\IO	FEB BOD Mtg	Strategic	Recurring
39	2	Markets Report	Markets	FEB BOD Mtg	Strategic	Recurring
40	2	Personnel Matters	Human Resources	FEB BOD Mtg	Strategic	Recurring
41	2	Safety/Security	Human Resources	FEB BOD Mtg	Strategic	Recurring
42	2	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	FEB BOD Mtg	Compliance	Ad-hoc
43	3	2025 Election Timeline Update	General Counsel	MAR BOD Mtg	Compliance EPP	Recurring
44	3	2025 Texas Legislative Matters	CAO	MAR BOD Mtg	Strategic	Ad-hoc
45	3	Approval Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
46	3	Approval Resolution - Approval of Construction Contract for Graphite Mine T1 Upgrade	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
47	3	Approval Resolution – Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Blanco - Devils Hill 138kV Line (Engineering Project T318); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Blanco - Devils Hill 138kV Line Easement Amendments	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
48	3	Approval Resolution - Review and Approval of the Board of Directors Compensation Policy	General Counsel	MAR BOD Mtg	Strategic	Ad-hoc
49	3	Approval Resolution – Authorization of the Cooperative to Use Eminent Domain to Acquire Property in Williamson County	Compliance & Regulatory	MAR BOD Mtg	Strategic	Ad-hoc
50	3	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	MAR BOD Mtg	Strategic	Recurring
51	3	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	MAR BOD Mtg	Compliance	Quarterly
52	3	Cooperative Update	CEO	MAR BOD Mtg	Strategic	Recurring
53	3	Draft Resolution – Approval and Certification of 2025 Election Ballot	General Counsel	MAR BOD Mtg	Compliance	Recurring
54	3	Draft Resolution – Approval of 2025 Annual Membership Meeting Agenda	General Counsel	MAR BOD Mtg	Compliance	Annual
55	3	Draft Resolution – Approval of Construction Contract T318 Blanco – Devils Hill 138kV Line	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
56	3	Draft Resolution – Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	MAR BOD Mtg	Compliance	Ad-hoc
57	3	Markets Report	Markets	MAR BOD Mtg	Strategic	Recurring
58	3	Personnel Matters	Human Resources	MAR BOD Mtg	Strategic	Recurring
59	3	Safety/Security	Human Resources	MAR BOD Mtg	Strategic	Recurring
60	4	2024 Financial Audit	Audit Committee	APR Audit Committee Mtg	Compliance	Recurring
61	4	Presentation of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	Audit Committee	APR Audit Committee Mtg	Compliance	Recurring
62	4	2025 Election Timeline Update	General Counsel	APR BOD Mtg	Compliance EPP	Recurring
63	4	2025 Texas Legislative Matters	CAO	APR BOD Mtg	Strategic	Ad-hoc
64	4	Approval Resolution – Approval and Certification of 2025 Election Ballot	General Counsel	APR BOD Mtg	Compliance	Recurring
65	4	Approval Resolution – Approval of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	CFO	APR BOD Mtg	Compliance	Recurring
66	4	Approval Resolution – Approval of 2025 Annual Membership Meeting Agenda	General Counsel	APR BOD Mtg	Strategic	Annual
67	4	Approval Resolution – Approval of Director Candidates for 2025 Pedernales Electric Cooperative Board of Director's Election Ballot	General Counsel	APR BOD Mtg	Compliance	Recurring
68	4	Approval Resolution – Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
69	4	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	APR BOD Mtg	Strategic	Recurring
70	4	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	APR BOD Mtg	Strategic	Recurring
71	4	Cooperative Update	CEO	APR BOD Mtg	Strategic	Recurring

PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
72	4	Draft Resolution – Approval of Construction Contract - Old Eighty-One Substation	COO-T	APR BOD Mtg	Strategic	Ad-hoc
73	4	Markets Report	Markets	APR BOD Mtg	Strategic	Recurring
74	4	Personnel Matters	Human Resources	APR BOD Mtg	Strategic	Recurring
75	4	Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates – QEC Rep	General Counsel	APR BOD Mtg	Compliance	Recurring
76	4	Report on Property, Liability, and Corporate Insurance Policies	Compliance & Regulatory	APR BOD Mtg	Strategic	Annual
77	4	Safety/Security	Human Resources	APR BOD Mtg	Strategic	Recurring
78	4	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
79	5	2025 Election Timeline Update	General Counsel	MAY BOD Mtg	Compliance EPP	Recurring
80	5	2025 Texas Legislative Matters	CAO	MAY BOD Mtg	Strategic	Ad-hoc
81	5	Approval Resolution – Approval of Construction Contract - Old Eighty-One Substation	COO-T	MAY BOD Mtg	Strategic	Ad-hoc
82	5	Approval Resolution – Review and Approval of 2025 CEO Performance Evaluation and Compensation	Board of Directors	MAY BOD Mtg	Compliance	Recurring
83	5	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	MAY BOD Mtg	Strategic	Recurring
84	5	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	MAY BOD Mtg	Strategic	Recurring
85	5	Cooperative Update	CEO	MAY BOD Mtg	Strategic	Recurring
86	5	Draft Resolution – Review and Approval of Privacy Policy	Compliance & Regulatory	MAY BOD Mtg	Compliance	Annual
87	5	Ethics and Compliance Semiannual Update	Ethics/Compliance	MAY BOD Mtg	Compliance	MAY/NOV
88	5	Markets Report	Markets	MAY BOD Mtg	Strategic	Recurring
89	5	Moment of Silence in Commemoration of Memorial Day	Board President	MAY BOD Mtg	Strategic	Recurring
90	5	Personnel Matters	Human Resources	MAY BOD Mtg	Strategic	Recurring
91	5	Safety/Security	Human Resources	MAY BOD Mtg	Strategic	Recurring
92	5	Summer Preparedness	COO	MAY BOD Mtg	Strategic	Annual
93	5	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	MAY BOD Mtg	Compliance	Ad-hoc
94	6	2025 Texas Legislative Matters	CAO	JUN BOD Mtg	Strategic	Ad-hoc
95	6	Approval Resolution – Approval of Written Certification of the Election Results	General Counsel	JUN Annual Membership	Compliance EPP	Annual
96	6	Receipt of Conflict of Interest Disclosure Form, Director Affirmation, and Directors’ Code of Conduct Acknowledgement	General Counsel	JUN Annual Membership	Compliance	Annual
97	6	Acknowledgement and Seating of Directors Elected at Annual Membership Meeting	General Counsel	JUN BOD Mtg	Compliance Bylaws	Annual
98	6	Approval Resolution – Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting	Board President	JUN BOD Mtg	Compliance TEC	Annual
99	6	Approval Resolution – Approval of the Appointment of Audit Committee and Audit Committee Chairperson	General Counsel	JUN BOD Mtg	Compliance Bylaws	Annual
100	6	Approval Resolution – Review and Approval of Privacy Policy	Compliance & Regulatory	JUN BOD Mtg	Compliance	Annual
101	6	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	JUN BOD Mtg	Strategic	Recurring
102	6	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	JUN BOD Mtg	Strategic	Recurring
103	6	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	JUN BOD Mtg	Compliance	Quarterly
104	6	Cooperative Update	CEO	JUN BOD Mtg	Strategic	Recurring
105	6	Draft Resolution – Approval of Election Services Provider Contract	Legal Services	JUN BOD Mtg	Compliance	Recurring
106	6	Election – Office of President	General Counsel	JUN BOD Mtg	Compliance	Recurring
107	6	Election – Office of Secretary and Treasurer	General Counsel	JUN BOD Mtg	Compliance	Recurring
108	6	Election – Office of Vice President	General Counsel	JUN BOD Mtg	Compliance	Recurring
109	6	Markets Report	Markets	JUN BOD Mtg	Strategic	Recurring
110	6	Personnel Matters	Human Resources	JUN BOD Mtg	Strategic	Recurring
111	6	Safety/Security	Human Resources	JUN BOD Mtg	Strategic	Recurring
112	6	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JUN BOD Mtg	Compliance	Ad-hoc
113	7	Annual Review of Conflicts of Interest Certification and Disclosure Forms from Directors	General Counsel	JUL BOD Mtg	Compliance Bylaws	Annual
114	7	Approval Resolution – Approval of Election Services Provider Contract	Legal Services	JUL BOD Mtg	Compliance	Recurring
115	7	Draft Resolution – Approval of T360 Friendship - Rutherford 138kV Line Pole Order	COO-T	JUL BOD Mtg	Strategic	Ad-hoc
116	7	Approval Resolution – Approval of Written Certification of the Election Results	Legal Services	JUL BOD Mtg	Compliance	Recurring
117	7	Approval Resolution – Approval to Renew Contract for Election Service Provider	Legal Services	JUL BOD Mtg	Compliance	Recurring
118	7	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	JUL BOD Mtg	Strategic	Recurring
119	7	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	JUL BOD Mtg	Strategic	Recurring
120	7	Cooperative Update	CEO	JUL BOD Mtg	Strategic	Recurring
121	7	Election Update – Annual Voter Turnout	Legal Services	JUL BOD Mtg	Compliance EPP	Annual
122	7	Key Performance Indicator (KPI) Update of 2025 Period 1 Results	CSO	JUL BOD Mtg	Strategic	Recurring
123	7	Markets Report	Markets	JUL BOD Mtg	Strategic	Recurring
124	7	Personnel Matters	Human Resources	JUL BOD Mtg	Strategic	Recurring
125	7	Safety/Security	Human Resources	JUL BOD Mtg	Strategic	Recurring
126	7	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JUL BOD Mtg	Compliance	Ad-hoc
127	8	2025 Property (Real and Personal) Tax Appraisal Assessment and Strategy Update	Tax & Regulatory	AUG BOD Mtg	Strategic	Recurring
128	8	Approval Resolution – Approval of T360 Friendship - Rutherford 138kV Line Pole Order	COO-T	AUG BOD Mtg	Strategic	Ad-hoc
129	8	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	AUG BOD Mtg	Strategic	Recurring
130	8	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	AUG BOD Mtg	Strategic	Recurring
131	8	Cooperative Update	CEO	AUG BOD Mtg	Strategic	Recurring
132	8	Cyber Security Semiannual Update	Compliance & Regulatory	AUG BOD Mtg	Strategic	FEB/AUG
133	8	Directors’ Conflict of Interest Training and Directors’ Code of Conduct Training	Board Counsel	AUG BOD Mtg	Compliance	Recurring
134	8	Markets Report	Markets	AUG BOD Mtg	Strategic	Recurring
135	8	Medical Insurance Benefits Update	Human Resources	AUG BOD Mtg	Compliance	Recurring
136	8	Personnel Matters	Human Resources	AUG BOD Mtg	Strategic	Recurring
137	8	Post Member-Election Analysis and Annual Review	General Counsel	AUG BOD Mtg	Compliance EPP	Annual
138	8	Safety/Security	Human Resources	AUG BOD Mtg	Strategic	Recurring
139	8	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	AUG BOD Mtg	Compliance	Ad-hoc
140	9	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	SEP BOD Mtg	Strategic	Recurring
141	9	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	SEP BOD Mtg	Strategic	Recurring
142	9	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	SEP BOD Mtg	Compliance	Quarterly
143	9	Cooperative Update	CEO	SEP BOD Mtg	Strategic	Recurring
144	9	Draft Resolution – Approval of Election Policy and Procedures Amendments Related to 2025 Post-Election Analysis for Annual Director Elections and Annual Review of Election Policy and Procedures	General Counsel	SEP BOD Mtg	Compliance EPP	Annual

PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
145	9	Draft Resolution – Approval to Establish 2026 Annual Membership Meeting Date and Location	General Counsel	SEP BOD Mtg	Compliance	Annual
146	9	Markets Report	Markets	SEP BOD Mtg	Strategic	Reoccurring
147	9	Personnel Matters	Human Resources	SEP BOD Mtg	Strategic	Reoccurring
148	9	Safety/Security	Human Resources	SEP BOD Mtg	Strategic	Reoccurring
149	9	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	SEP BOD Mtg	Strategic	Ad-hoc
150	10	Approval Resolution – Recommend Approval by Board of Directors of 2024 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Audit Committee	OCT Audit Committee Mtg	Compliance	Reoccurring
151	10	Annual Enterprise Risk Management (ERM) Update	Compliance & Regulatory	OCT BOD Mtg	Strategic	Annual
152	10	Annual Review of 2021-2026 Strategic Plan	Board President	OCT BOD Mtg	Strategic	Annual
153	10	Approval Resolution – Approval of 2024 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Tax & Regulatory	OCT BOD Mtg	Compliance	Reoccurring
154	10	Approval Resolution – Approval of Election Policy and Procedures Amendments Related to 2025 Post-Election Analysis for Annual Director Elections and Annual Review of Election Policy and Procedures	General Counsel	OCT BOD Mtg	Compliance EPP	Annual
155	10	Approval Resolution – Approval of Engineering Master Service Agreements	Engineering	OCT BOD Mtg	Strategic	Ad-hoc
156	10	Approval Resolution – Approval to Establish 2026 Annual Membership Meeting Date and Location	General Counsel	OCT BOD Mtg	Compliance	Annual
157	10	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	OCT BOD Mtg	Strategic	Reoccurring
158	10	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	OCT BOD Mtg	Strategic	Reoccurring
159	10	Cooperative Update	CEO	OCT BOD Mtg	Strategic	Reoccurring
160	10	Draft Resolution – Approval of 2026 Operating Budget and 2026 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	OCT BOD Mtg	Compliance	Reoccurring
161	10	Draft Resolution – Review and Approval of the 2026 Rate Plan	CFO	OCT BOD Mtg	Compliance	Reoccurring
162	10	Markets Report	Markets	OCT BOD Mtg	Strategic	Reoccurring
163	10	Personnel Matters	Human Resources	OCT BOD Mtg	Strategic	Reoccurring
164	10	Real Estate Update	Compliance & Regulatory	OCT BOD Mtg	Strategic	MAR/SEP
165	10	Safety/Security	Human Resources	OCT BOD Mtg	Strategic	Reoccurring
166	10	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
167	11	Approval Resolution – Approval of 2026 Board of Directors List of Proposed Future Meetings	Board President	NOV BOD Mtg	Compliance	Reoccurring
168	11	Approval Resolution – Approval of 2026 Operating Budget and 2026 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	NOV BOD Mtg	Compliance	Reoccurring
169	11	Approval Resolution - Review and Approval of the 2026 Rate Plan	CFO	NOV BOD Mtg	Compliance	Reoccurring
170	11	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	NOV BOD Mtg	Strategic	Reoccurring
171	11	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	NOV BOD Mtg	Strategic	Reoccurring
172	11	Cooperative Update	CEO	NOV BOD Mtg	Strategic	Reoccurring
173	11	Draft Resolution – Approval of 2026 Election Timeline	General Counsel	NOV BOD Mtg	Compliance	Reoccurring
174	11	Draft Resolution – Approval of Capital Credits Distribution during Calendar Year 2025	CFO	NOV BOD Mtg	Compliance	Reoccurring
175	11	Ethics and Compliance Semiannual Update	Ethics/Compliance	NOV BOD Mtg	Compliance	MAY/NOV
176	11	Markets Report	Markets	NOV BOD Mtg	Strategic	Reoccurring
177	11	Personnel Matters	Human Resources	NOV BOD Mtg	Strategic	Reoccurring
178	11	Recognition of Veterans Day	Board President	NOV BOD Mtg	Compliance	Reoccurring
179	11	Safety/Security	Human Resources	NOV BOD Mtg	Strategic	Reoccurring
180	11	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	NOV BOD Mtg	Compliance	Ad-hoc
181	11	Winter Preparedness	Operations	NOV BOD Mtg	Strategic	Annual
182	12	Approval Resolution – Approval of 2026 Election Timeline and Communications Plan	CEO	DEC BOD Mtg	Strategic	Reoccurring
183	12	Approval Resolution – Approval of Appointment of Members to the Plan Administration Committee	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
184	12	Approval Resolution – Approval of Capital Credits Distribution during Calendar Year 2025	CFO	DEC BOD Mtg	Compliance	Reoccurring
185	12	Approval Resolution – Review of 2025 Corporate Initiatives and CEO Action Items with Consideration of Performance Bonus	Board VP	DEC BOD Mtg	Strategic	Annual
186	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	DEC BOD Mtg	Strategic	Reoccurring
187	12	Cooperative Update	CEO	DEC BOD Mtg	Strategic	Reoccurring
188	12	Draft Resolution – Approval of 2026 Key Performance Indicators Plan Methodology	CSO	DEC BOD Mtg	Strategic	Reoccurring
189	12	Draft Resolution – Approval for Directing the General Counsel to Prepare 2025 Proposed Non-Director Election Ballot Item(s)	General Counsel	DEC BOD Mtg	Strategic	Reoccurring
190	12	Draft Resolution – Approval to Review and Amend Tariff and Business Rules	Compliance & Regulatory	DEC BOD Mtg	Compliance	Reoccurring
191	12	Markets Report	Markets	DEC BOD Mtg	Strategic	Reoccurring
192	12	Personnel Matters	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
193	12	Plan Administration Committee (PAC) Update - B Dawson, Drew McCorckle, CAPTRUST Advisors	Human Resources	DEC BOD Mtg	Compliance	Reoccurring
194	12	Review of 2026 Corporate Initiatives and CEO Action Items	CEO	DEC BOD Mtg	Strategic	Annual
195	12	Safety/Security	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
196	12	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	DEC BOD Mtg	Compliance	Ad-hoc

3-Month Outlook Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
MAR						
1	3	2025 Election Timeline Update	General Counsel	MAR BOD Mtg	Compliance EPP	Reoccurring
2	3	2025 Texas Legislative Matters	CAO	MAR BOD Mtg	Strategic	Ad-hoc
3	3	Approval Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
4	3	Approval Resolution - Approval of Construction Contract for Graphite Mine T1 Upgrade	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
5	3	Approval Resolution – Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Blanco - Devils Hill 138kV Line (Engineering Project T318); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Blanco - Devils Hill 138kV Line Easement Amendments	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
6	3	Approval Resolution - Review and Approval of the Board of Directors Compensation Policy	General Counsel	MAR BOD Mtg	Strategic	Ad-hoc
7	3	Approval Resolution – Authorization of the Cooperative to Use Eminent Domain to Acquire Property in Williamson County	Compliance & Regulatory	MAR BOD Mtg	Strategic	Ad-hoc
8	3	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	MAR BOD Mtg	Strategic	Reoccurring
9	3	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	MAR BOD Mtg	Compliance	Quarterly
10	3	Cooperative Update	CEO	MAR BOD Mtg	Strategic	Reoccurring
11	3	Draft Resolution – Approval and Certification of 2025 Election Ballot	General Counsel	MAR BOD Mtg	Compliance	Reoccurring
12	3	Draft Resolution – Approval of 2025 Annual Membership Meeting Agenda	General Counsel	MAR BOD Mtg	Compliance	Annual
13	3	Draft Resolution – Approval of Construction Contract T318 Blanco – Devils Hill 138kV Line	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
14	3	Draft Resolution – Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	MAR BOD Mtg	Compliance	Ad-hoc
15	3	Markets Report	Markets	MAR BOD Mtg	Strategic	Reoccurring
16	3	Personnel Matters	Human Resources	MAR BOD Mtg	Strategic	Reoccurring
17	3	Safety/Security	Human Resources	MAR BOD Mtg	Strategic	Reoccurring
APR						
18	4	2024 Financial Audit	Audit Committee	APR Audit Committee Mtg	Compliance	Reoccurring
19	4	Presentation of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	Audit Committee	APR Audit Committee Mtg	Compliance	Reoccurring
20	4	2025 Election Timeline Update	General Counsel	APR BOD Mtg	Compliance EPP	Reoccurring
21	4	2025 Texas Legislative Matters	CAO	APR BOD Mtg	Strategic	Ad-hoc
22	4	Approval Resolution – Approval and Certification of 2025 Election Ballot	General Counsel	APR BOD Mtg	Compliance	Reoccurring
23	4	Approval Resolution – Approval of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	CFO	APR BOD Mtg	Compliance	Reoccurring
24	4	Approval Resolution – Approval of 2025 Annual Membership Meeting Agenda	General Counsel	APR BOD Mtg	Strategic	Annual
25	4	Approval Resolution – Approval of Director Candidates for 2025 Pedernales Electric Cooperative Board of Director's Election Ballot	General Counsel	APR BOD Mtg	Compliance	Reoccurring
26	4	Approval Resolution – Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
27	4	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	APR BOD Mtg	Strategic	Reoccurring
28	4	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	APR BOD Mtg	Strategic	Reoccurring
29	4	Cooperative Update	CEO	APR BOD Mtg	Strategic	Reoccurring
30	4	Draft Resolution – Approval of Construction Contract - Old Eighty-One Substation	COO-T	APR BOD Mtg	Strategic	Ad-hoc
31	4	Markets Report	Markets	APR BOD Mtg	Strategic	Reoccurring
32	4	Personnel Matters	Human Resources	APR BOD Mtg	Strategic	Reoccurring
33	4	Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates – QEC Rep	General Counsel	APR BOD Mtg	Compliance	Reoccurring
34	4	Report on Property, Liability, and Corporate Insurance Policies	Compliance & Regulatory	APR BOD Mtg	Strategic	Annual
35	4	Safety/Security	Human Resources	APR BOD Mtg	Strategic	Reoccurring
36	4	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
MAY						
37	5	2025 Election Timeline Update	General Counsel	MAY BOD Mtg	Compliance EPP	Reoccurring
38	5	2025 Texas Legislative Matters	CAO	MAY BOD Mtg	Strategic	Ad-hoc
39	5	Approval Resolution – Approval of Construction Contract - Old Eighty-One Substation	COO-T	MAY BOD Mtg	Strategic	Ad-hoc
40	5	Approval Resolution – Review and Approval of 2025 CEO Performance Evaluation and Compensation	Board of Directors	MAY BOD Mtg	Compliance	Reoccurring
41	5	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Compliance & Regulatory	MAY BOD Mtg	Strategic	Reoccurring
42	5	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Compliance & Regulatory	MAY BOD Mtg	Strategic	Reoccurring
43	5	Cooperative Update	CEO	MAY BOD Mtg	Strategic	Reoccurring
44	5	Draft Resolution – Review and Approval of Privacy Policy	Compliance & Regulatory	MAY BOD Mtg	Compliance	Annual
45	5	Ethics and Compliance Semiannual Update	Ethics/Compliance	MAY BOD Mtg	Compliance	MAY/NOV
46	5	Markets Report	Markets	MAY BOD Mtg	Strategic	Reoccurring
47	5	Moment of Silence in Commemoration of Memorial Day	Board President	MAY BOD Mtg	Strategic	Reoccurring
48	5	Personnel Matters	Human Resources	MAY BOD Mtg	Strategic	Reoccurring
49	5	Safety/Security	Human Resources	MAY BOD Mtg	Strategic	Reoccurring
50	5	Summer Preparedness	COO	MAY BOD Mtg	Strategic	Annual
51	5	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	MAY BOD Mtg	Compliance	Ad-hoc



File #: 2025-044, Version: 1

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

**Submitted By: Andrea Stover
Department: General Counsel**



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

File #: 2025-045, Version: 1

2025 Texas Legislative Matters - J Urban

Submitted By: JP Urban
Department: Chief Administrative Officer



File #: 2025-046, **Version:** 1

Litigation and Related Legal Matters - A Stover

Submitted By: Andrea Stover
Department: General Counsel



File #: 2025-047, Version: 1

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

Submitted By: Andrea Stover

Department: General Counsel

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



File #: 2025-064, Version: 1

Discussion of the Development of the 2026-2030 Strategic Plan - E Dauterive

Submitted By: Eddie Dauterive
Department: Chief Strategy Officer
Financial Impact and Cost/Benefit Considerations: N/A



File #: 2025-049, Version: 1

Draft Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends - J Greene

Submitted By: Jonathan Greene

Department: Chief Operations Officer - Transmission

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



File #: 2025-051, Version: 1

Draft Resolution - Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Blanco - Devils Hill 138kV Line (Engineering Project T318); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Blanco - Devils Hill 138kV Line Easement Amendments - J Greene

Submitted By: Jonathan Greene

Department: Chief Operations Officer - Transmission

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



File #: 2025-037, **Version:** 1

Draft Resolution - Approval of Construction Contract for Graphite Mine T1 Upgrade - J Greene

Submitted By: Jonathan Greene

Department: Chief Operations Officer - Transmission

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



File #: 2025-053, **Version:** 1

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

Submitted By: Christian Powell/Eric Blakey
Department: Compliance & Regulatory



File #: 2025-054, **Version:** 1

Markets Report - R Strobel/R Kruger

Submitted By: Rob Strobel/Randy Kruger
Department: Markets



File #: 2025-055, **Version:** 1

Draft Resolution - Authorization of the Cooperative to Use Eminent Domain to Acquire Property in Williamson County - C Powell

Submitted By: Christian Powell

Department: Compliance & Regulatory

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



File #: 2025-056, Version: 1

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.



File #: 2025-057, **Version:** 1

Safety and Security Matters

Submitted By: Human Resources
Department: Human Resources



File #: 2025-058, Version: 1

Cyber Security Semiannual Update - S Stoppelmoor

Submitted By: Seth Stoppelmoor
Department: Compliance & Regulatory
Financial Impact and Cost/Benefit Considerations: N/A



File #: 2025-059, **Version:** 1

Personnel Matters

Submitted By: Human Resources
Department: Human Resources