



PEDERNALES ELECTRIC COOPERATIVE

Board of Directors Agenda - Final

10/20/2023 | 9:00 AM | PEC Headquarters Auditorium

201 S. Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting will be held in the PEC Auditorium and will be recorded in accordance with Board Meetings Policy. Members are able to 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 October 20, 2023, 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.

Cooperative Recognitions

1. [2023-130](#) Recognition of PEC True Blue Recipients and Member Service Appreciation Week - J Urban

Adoption of Agenda

Consent Items

2. [2023-297](#) Friday, September 15, 2023 - Regular Meeting Minutes

Attachments: [2023-09-15 OS Meeting Minutes](#)

Cooperative Monthly Report

3. [2023-298](#) Cooperative Update - J Parsley/E Dauterive/R Kruger/D Ballard/J Urban

Attachments: [Oct Coop Update v6 w COO and CFO slides 10.12.23](#)

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

4. [2023-299](#) Member Comments

Attachments: [Decorum Policy](#)

Action Items / Other Items

5. [2023-268](#) Resolution - Approval of Construction Contract for Yarrington Substation - J Treviño
6. [2023-301](#) Resolution - Approval of Election Policy and Procedures Amendments Related to 2023 Annual Director Post-Election Analysis - M Butler/D Ballard
Attachments: [Election Policy and Procedures - 2023-301 - Redline](#)
[Election Policy and Procedures - 2023-301 - Clean](#)
7. [2023-302](#) Resolution - Approval to Establish 2024 Annual Membership Meeting Date and Location - D Ballard

8. [2023-303](#) Resolution - Approval of 2024 Rate Plan - D Thompson/W Symank
Attachments: [PPT - Approval of 2024 Rate Plan - 2023-303-Final](#)
9. [2023-306](#) Resolution - Consideration of Public Utility Regulatory Policies Act (PURPA) Amendments - D Thompson
Attachments: [PPT - Consideration of Public Utility Regulatory Policies Act \(PURPA\) Amendments - 2023-306-Final](#)
10. [2023-307](#) Resolution - Approval of Vegetation Management Master Services Contracts - E Dauterive
11. [2023-308](#) Resolution - Approval of 2022 IRS Form 990 - S Houghton
Attachments: [Audit Committee Resolution - Recommendation - 2023-290 Final](#)
12. [2023-300](#) Resolution - Review and Approval of Equity Management Plan Policy - K Jones
Attachments: [Equity Management Plan Policy Redline - 2023-300](#)
[Equity Management Plan Policy Clean - 2023-300](#)
13. [2023-309](#) Plan Administration Committee (PAC) Report
Bernie Dawson, PAC Chairman, Drew McCorkle, CAPTRUST Advisors
Attachments: [Plan Administration Committee \(PAC\) Activity Report - 2023-309](#)
[2020-121 Resolution - Approval of Board Delegation of Authority, Composition, and Role of PEC Plan](#)

Proposed Future Items / Meetings (subject to final posting)

14. [2023-311](#) List of Board Approved Future Meetings
Attachments: [2023 Board Meeting Calendar](#)
15. [2023-312](#) Board Planning Calendar (Written Report in Materials)
Attachments: [3-Month Outlook Calendar](#)
[PEC Annual Planning Calendar](#)

Recess to Executive Session

Executive Session - Legal Matters

16. [2023-313](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services
17. [2023-314](#) Litigation and Related Legal Matters - D Ballard
18. [2023-315](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard
19. [2023-316](#) Annual Review of 2021-2026 Strategic Plan - M Ekrut
20. [2023-317](#) Annual Enterprise Risk Management (ERM) Update - K Krueger

Executive Session - Contract and Competitive Matters

21. [2023-304](#) Resolution - Approval of Authorization to Purchase Power Supply for 2023 - D Thompson
22. [2023-305](#) Resolution - Approval of 2024 Power Supply Plan and 2024 Power Supply Plan Delegation of Authority - D Thompson
23. [2023-352](#) Draft Resolution - Approval to Amend the 2023 Capital Improvement Plan (CIP) for individually approved Capital Projects - J Smith/K Jones
24. [2023-318](#) Draft Resolution - Approval of 2024 Operating Budget and 2024 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/K Jones
25. [2023-350](#) Draft Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - Lampasas County - A Hagen/T Whitehead
26. [2023-351](#) Draft Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell
27. [2023-310](#) Winter Preparedness Report - E Dauterive
28. [2023-320](#) Markets Monthly Report

Executive Session - Real Estate Matters

29. [2023-321](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
30. [2023-322](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

Executive Session - Safety and Security Matters

31. [2023-323](#) Safety and Security Matters

Executive Session - Personnel Matters

32. [2023-324](#) Personnel Matters

Reconvene to Open Session

Items from Executive Session

Adjournment



File #: 2023-130, **Version:** 1

Recognition of PEC True Blue Recipients and Member Service Appreciation Week - J Urban

Submitted By: JP Urban

Department: External Relations

Financial Impact and Cost/Benefit Considerations: N/A



File #: 2023-297, **Version:** 1

Friday, September 15, 2023 - Regular Meeting Minutes



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Board of Directors

Friday, September 15, 2023

9:00 AM

PEC Headquarters Auditorium

201 S. Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting was held in the PEC Auditorium and was recorded in accordance with Board Meetings Policy. Members may watch this 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 9:08 a.m. on Friday, September 15, 2023, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas. Director Amy Akers was not present.

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

Absent: 1 - Director Amy Akers

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

Mr. Don Ballard, General Counsel, stated that the August 22, 2023 Emergency Special Meeting minutes will be corrected to reflect that the Board Members attended the meeting telephonically. Without objection the items listed under Consent Items were approved by general consent.

1. [2023-262](#) **Friday, August 18, 2023 - Regular Meeting Minutes**
Tuesday, August 22, 2023 - Emergency Special Board Meeting Minutes

Attachments: [2023-08-18 OS Meeting Minutes](#)
[2023-08-22 OS Meeting Minutes draft v2](#)

Cooperative Monthly Report

2. [2023-263](#) **Cooperative Update - J Parsley/E Dauterive/R Kruger/D Ballard/J Urban**

Attachments: [2023-263 Sept Coop Update FINAL](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Eddie Dauterive, Chief Operations Officer (COO), Mr. Randy Kruger, Chief Financial Officer (CFO), Mr. Don Ballard, General Counsel, and, Mr. JP Urban, Executive Vice President,

External Relations, presented a collaborative Cooperative Update. Ms. Parsley discussed the regulatory update, the ERCOT generating capacity comparison from 2020 to 2023, PEC's meter growth, the 2023 Association of Large Distribution Cooperatives Fall Conference, and employee kudos. Mr. Dauterive discussed reliability, system growth, and distribution maintenance. Mr. Kruger discussed the August 2023 financial report, power market fundamentals, ERCOT historical demand, ERCOT pricing peaks, and ERCOT net load/pricing, and interest rates. Mr. Ballard discussed the workforce and governance report, employee development, and the October 18, 2023 PEC Shredding Day hosted at the Marble Falls District Office. Mr. Urban discussed the community and member engagement report, the Community Solar Program opening, the Roadway Safety Campaign launch, and the PEC Community Outreach team in-person training for educators in the Marble Falls ISD providing information about resources PEC provides to school systems.

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

3. [2023-264](#) Member Comments

Attachments: [Decorum Policy](#)

There were no members present.

Action Items / Other Items

4. [2023-265](#) Resolution - Approval for Renewal of 2024 Medical Insurance Benefits - N Fulmer

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board approve renewal of the employee health insurance contract of the Cooperative for an additional period based upon the terms and conditions with insurance provider(s) presented to the Board during Executive Session; and

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

Mr. Nathan Fulmer, Vice President, Workforce and Safety Operations, presented the resolution and asked the Board for approval.

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

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

Absent: 1 - Akers

5. [2023-266](#) Resolution - Approval of Amendments and Restatement of Employees' 401(k) Savings Plan - N Fulmer

Body: **WHEREAS**, effective January 1, 1968, Pedernales Electric Cooperative, Inc. ("Plan Sponsor"), established, for the exclusive benefit of its employees and their beneficiaries, the *Pedernales Electric Cooperative, Inc. Employees*

Defined Contribution Savings Plan ("Plan"), a money purchase pension plan intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code;

WHEREAS, effective December 31, 2001, the Plan Sponsor amended the Plan to add a qualified cash or deferred arrangement to the Plan as permitted to a "rural cooperative plan" under Section 401(k)(7)(A) of the Internal Revenue Code, eliminated the fixed employer contribution previously provided for under the Plan, so that it became a profit-sharing plan rather than a money purchase pension plan as of January 1, 2002, and renamed the Plan the *Pedernales Electric Cooperative, Inc. Employees' 401(k) Savings Plan*;

WHEREAS, under the terms of the Plan, the Plan Sponsor has the continuing ability to amend the Plan;

WHEREAS, the Plan Sponsor amended and restated the Plan effective January 1, 2012 and subsequently amended the restated Plan four times;

WHEREAS, effective January 1, 2020, the Board of Directors ("Board") of the Plan Sponsor amended and restated the Plan to except as otherwise provided below to: (i) permit participants to make elective deferrals to the Plan from bonus payments and certain payments related to accrued paid time off ("PTO Payments"); (ii) provide for matching contributions on catch-up contributions and elective deferrals made with respect to bonus payments and PTO Payments; (iii) provide for an annual "true-up" adjustment on matching contributions, effective January 1, 2019; (iv) add an automatic enrollment feature with respect to newly hired employees, (v) eliminate the joint and survivor annuity default form of payment with respect to new Plan participants who are married at the time of a distribution; (vi) permit participants to make in-service withdrawals of their entire Plan account, including employer contributions, beginning at age 59 ½; (vii) clarify certain timing and service rules related to matching contributions; (viii) remove a 1,000 hours of service requirement for employees not classified as full-time; (ix) revise the Plan's election requirements applicable to catch-up contributions; (x) clarify that Department of Labor regulations applicable to certain "disability claims" do not apply to the Plan; and (xi) make certain other minor changes and clarifications;

WHEREAS, the Board of Directors of the Plan Sponsor now desires to amend and restate the Plan to clarify the Plan's current administrative practices, to comply with mandatory and certain optional requirements of law, and to make several optional design changes to the Plan, including but not limited to: (i) revise the definition of Compensation to match the safe harbor definition of Regulation §1.414(s)-1(c)(3), namely the Participant's Form W-2 wages (that is, the amount shown in an employee's W-2, Box 1, Wages, tips, other compensation), less reimbursements, fringe benefits, moving expenses, and welfare benefits; (ii) provide for matching contribution from a single Salary Reduction Contribution rather than from two separate Salary Reduction Contributions derived from (a) base rate of pay and (b) bonuses; (iii) eliminate the minimum Salary Reduction Contribution amount; (iv) add a disqualification/conflict of interest provision; and (v) make certain other minor changes and clarifications;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Plan is amended and restated, effective January 1, 2024, except as otherwise stated herein, in the form presented to the Board in Executive Session.

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized, in the name of and on behalf of the Plan Sponsor, to take all such other actions as necessary to implement this resolution.

Mr. Nathan Fulmer, Vice President, Workforce and Safety Operations, presented the resolution and asked the Board for approval.

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

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

Absent: 1 - Akers

6. [2023-267](#) **Resolution - Approval of Security Guard Services Agreement - C Moos**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS**, that the Cooperative negotiate, execute and deliver an agreement with respect to security guard services for the term and costs as discussed in Executive Session; and

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

Mr. Cody Moos, Director, Director, Security, Facilities and Corporate Real Estate, presented the resolution and asked the Board for approval.

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

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

Absent: 1 - Akers

7. [2023-269](#) **Resolution - Approval of Amendment to ARCOS Contract - J Treviño**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS**, that the Chief Executive Officer, or designee, is authorized to negotiate and execute a contract amendment with ARCOS as described, and

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

Mr. Jose Treviño, Vice President, Engineering, presented the resolution and asked the Board for approval.

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

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

Absent: 1 - Akers

8. [2023-270](#) **Resolution - Approval of Directive(s) for Delegates Regarding Upcoming NRECA Regional Meeting - J Urban**
- Body:** **RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that PEC's voting delegate and alternate voting delegate follow the Board's directive regarding the proposed NRECA resolutions as discussed by the Board this day; and
- BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee is authorized to take all such actions necessary to implement this resolution.
- Attachments:** [National Resolutions Committee Report and 2023 Compendium of Proposed Resolutions\[48\]](#)
[2_ The Resolutions Process](#)
- Mr. JP Urban, Vice President of External Relations, presented a summary of the proposed resolutions of the National Rural Electric Cooperative Association (NRECA) and asked the Board for approval.
- A motion was made by Director Pataki, seconded by Secretary/Treasurer Cox, that this item be approved. The motion carried by the following vote:**
- Yes:** 6 - Rister, Pataki, Ekrut, Cox, Oakley, and Graf
- Absent:** 1 - Akers
9. [2023-258](#) **Draft Resolution - Review and Approval of Equity Management Plan 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 Equity Management Plan 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:** [Equity Management Plan Policy Clean - 2023-258 - Final](#)
[Equity Management Plan Policy Redline - 2023-258 - Final](#)
- Ms. Kat Jones, Controller, presented a summary of the draft resolution and said the final resolution would be presented to the Board for approval next month.
10. [2023-271](#) **Draft Resolution - Approval of Election Policy and Procedures Amendments Related to 2023 Annual Director Post-Election Analysis - M Butler/D Ballard**
- Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to the Election Policy and Procedures and its regular review of Board policies, the Board has reviewed and adopts the Election Policy and Procedures presented to and discussed by the Board this day, with any amendments, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the General Counsel, or designee, is authorized to take all such action as may be necessary to implement this resolution.

Attachments: [Election Policy and Procedures - 2023-271 - Redline.v2](#)

[Election Policy and Procedures Clean.v2](#)

Mr. Michael Butler, Corporate Counsel, presented a summary of the draft resolution and said the final resolution would be presented to the Board for approval next month.

11. [2023-272](#) **Draft Resolution - Approval to Establish 2024 Annual Membership Meeting Date and Location - D Ballard**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2024 Annual Meeting of the Pedernales Electric Cooperative, Inc. ("PEC") be held within the PEC service territory at the Cooperative's E. Babe Smith Headquarters in Johnson City, Texas, on Friday, June 21, 2024, at 9:00 a.m.; and

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

Mr. Don Ballard, General Counsel, presented the draft resolution recommending the 2024 Annual Membership Meeting be held as a business meeting at PEC Headquarters in Johnson City, Texas, on Friday, June 21, 2024, at 9:00 a.m.

12. [2023-277](#) **Draft Resolution - Approval of 2024 Rate Plan - D Thompson/W Symank**

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative approves the 2024 Rate Plan that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

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

Attachments: [PPT - Approval of 2024 Rate Plan - 2023-277-Final](#)

Mr. David Thompson, Vice President of Markets, presented a summary of the draft resolution and said the final resolution would be presented to the Board for approval next month.

13. [2023-276](#) **Draft Resolution - Consideration of Public Utility Regulatory Policies Act (PURPA) Amendments - D Thompson**

Body: **now, therefore, be it RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative acknowledges that it has considered all components of PURPA, as amended (including, 16 USC Sections 2621(d)(20) and (d)(21);

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE

COOPERATIVE, after provision of notice and consideration at an open meeting, consistent with the requirements of 16 USC Section 2621, 2622, and 2631, the Cooperative has considered and determined it is appropriate to implement or not implement the following PURPA standards:

- The Cooperative has considered and determined it is appropriate to continue with already implemented programs that promote **demand response practices** in the standard established in PURPA (16 U.S.C. § 2621(d)(20)) as it is in alignment with the Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate not to implement the **electric vehicle charging programs** standard established in PURPA 16 USC § 2621(d)(21) as the State is directed to consider measures to promote greater electrification of the transportation sector.

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, the Cooperative reserves the right to re-consider the adoption and implementation of any of these federal standards if it deems it beneficial and in alignment with the Cooperative's objectives, its Rate Policy or any other Board-approved Policy; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the CEO, or designee, is authorized to take all such other actions necessary to implement this resolution.

Attachments: [PPT - Consideration of Public Utility Regulatory Policies Act \(PURPA\) Amendments - 2023-276-Final](#)

Mr. David Thompson, Vice President of Markets, presented a summary of the draft resolution and said the final resolution would be presented to the Board for approval next month.

Proposed Future Items / Meetings (subject to final posting)

14. [2023-259](#) List of Board Approved Future Meetings

Attachments: [2023 Board Meeting Calendar](#)

President Mark Ekrut stated that the Board approved meeting dates were included in the meeting materials.

15. [2023-260](#) Board Planning Calendar (Written Report in Materials)

Attachments: [3-Month Outlook Calendar](#)
[PEC Annual Planning Calendar](#)

President Mark Ekrut stated that the proposed planning calendars were included in the meeting materials.

Recess to Executive Session

President Mark Ekrut announced the items to be discussed in Executive Session and at 10:09 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

- 16. [2023-273](#) **Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**
- 17. [2023-274](#) **Litigation and Related Legal Matters - D Ballard**
- 18. [2023-275](#) **Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard**

Executive Session - Contract and Competitive Matters

- 19. [2023-296](#) **Draft Resolution - Approval of Authorization to Purchase Power Supply for 2023 - D Thompson**
- 20. [2023-278](#) **Draft Resolution - Approval of 2024 Power Supply Plan and 2024 Power Supply Plan Delegation of Authority - D Thompson**
- 21. [2023-279](#) **Draft Resolution - Approval of Vegetation Management Master Services Contracts - E Dauterive**
- 22. [2023-280](#) **Markets Monthly Report - D Thompson**

Executive Session - Real Estate Matters

- [2023-282](#) **Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos**
- 24. [2023-283](#) **Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos**

Executive Session - Safety and Security Matters

- 25. [2023-284](#) **Safety and Security Matters**

Executive Session - Personnel Matters

- 26. [2023-285](#) **Personnel Matters**
- 27. [2023-281](#) **Chief Executive Officer Corporate Initiative and Action Items Quarterly Update - J Parsley**

Reconvene to Open Session

At 12:08 p.m., the Board reconvened to the Open Session meeting. Director Amy Akers was not present.

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

Absent: 1 - Director Amy Akers

Items from Executive Session

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

23. [2023-282](#) Resolution - Approval of Purchase of Land in Blanco County - J Parsley

Body: NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative approve the purchase of real property, subject to satisfaction of any terms as discussed by the Board during Executive Session of this meeting, with certain details of any such purchase to be publicly available upon public filing of instruments memorializing the transfer; and

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

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

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

Absent: 1 - Akers

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 12:08 p.m.

Approved:

Travis Cox, Secretary

Mark Ekrut, President



File #: 2023-298, **Version:** 1

Cooperative Update - J Parsley/E Dauterive/R Kruger/D Ballard/J Urban

Submitted By: Julie Parsley
Department: Chief Executive Officer
Financial Impact and Cost/Benefit Considerations: N/A



Cooperative Update

Julie C. Parsley | Chief Executive Officer
Eddie Dauterive | Chief Operations Officer
Randy Kruger | Chief Financial Officer
Don Ballard | General Counsel
JP Urban | EVP, External Relations



CEO Report

Julie C. Parsley | Chief Executive Officer

Legislative Update

- Governor Greg Abbott called a third special session of the Texas Legislature
 - Began Monday, October 9 at 1 p.m.
 - School vouchers, border security, public safety, and ending COVID-19 restrictions are the focus of this special session
 - No utility or wholesale power market issues at this time

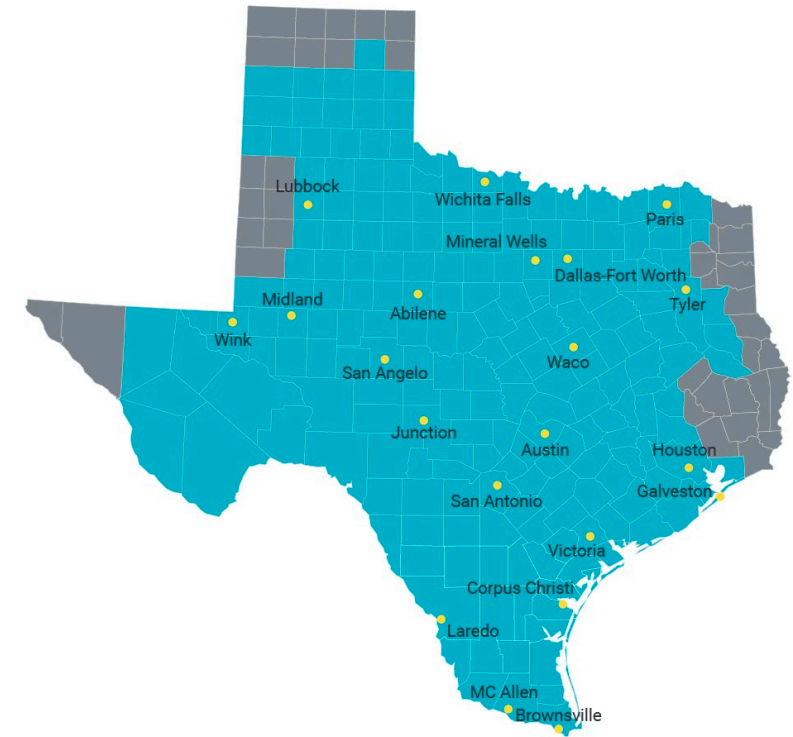


Regulatory Update

**More Information to Come
(Any additional updates or news)**

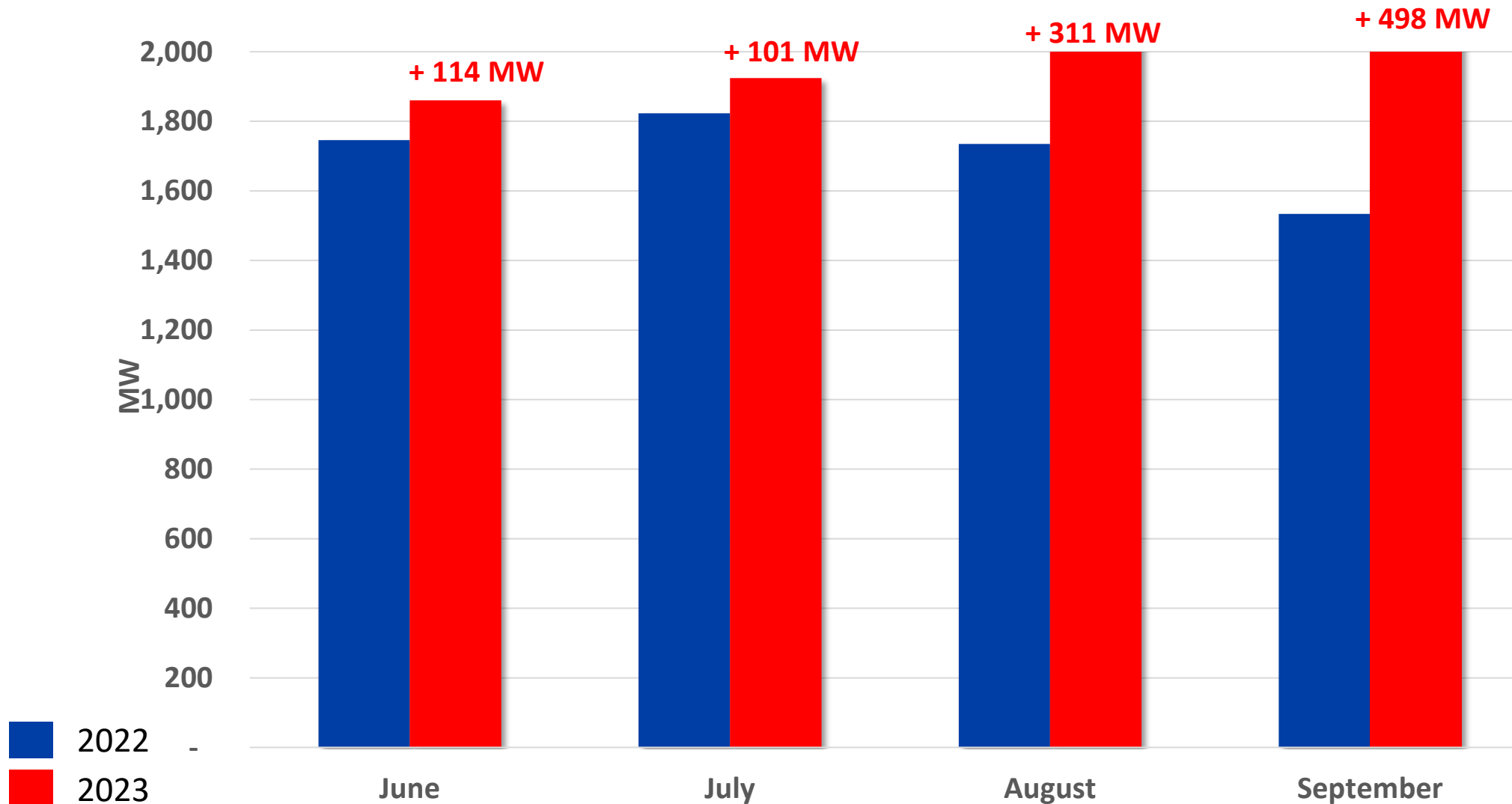
ERCOT Releases Fall SARA

- ERCOT recently released its Fall 2023 Seasonal Assessment of Resource Adequacy (SARA) report
- ERCOT region is expected to have sufficient installed generating capacity to serve peak demands in the upcoming fall season (October – November) under normal system conditions
- Fall 2023 peak demand of 69,654 MW anticipated (includes impacts of rooftop solar and large flexible load additions)



Monthly 4CP Summer Peak Comparison

PEC Peaks for TCOS calculations (4CP)



- 15% increase compared to last year
- Peaks determined by 15-min settlement interval
- 2023 peaks are indicative at this time but not expected to change significantly

PUC Interim Chair Jackson Visits PEC



- The PUC's newest Commissioner and current Interim Chair Kathleen Jackson spent September 29 with staff in Johnson City and was treated to the following:
 - Hands-on Transbanker demonstration
 - Presentation on PEC's history
 - Roundtable discussion with employees from across PEC
 - Tour of LBJ Boyhood Home

PEC Welcomes OPUC in Johnson City

- PEC proudly hosted the Office of the Public Utility Counsel (OPUC) on September 25
 - Courtney Hjaltnan, Chief Executive and Public Counsel
 - Matthew Cooksey, GR Specialist
- Toured headquarters and received updates on PEC business and upcoming projects



Utility Industry News and Events



Gulf Coast Power Association
38th Annual Fall Conference
Austin, Texas
October 3–4

- Staff attended event hosted at the AT&T Conference Center in Austin
- Provided opportunity to meet with industry leaders, share ideas, and learn the latest market developments
- Sessions covered a variety of topics impacting the wholesale power market and Texas utilities, including resource adequacy, energy efficiency and demand response, plus resiliency

PEC Helps Power Local Educators

- \$23,000 in contributions to area education foundations
- Helps fund classroom activities, teacher grants, and scholarships
- Funded **100%** through Power of Change and the generosity of PEC members





**Happy
National
Cooperative
Month!**



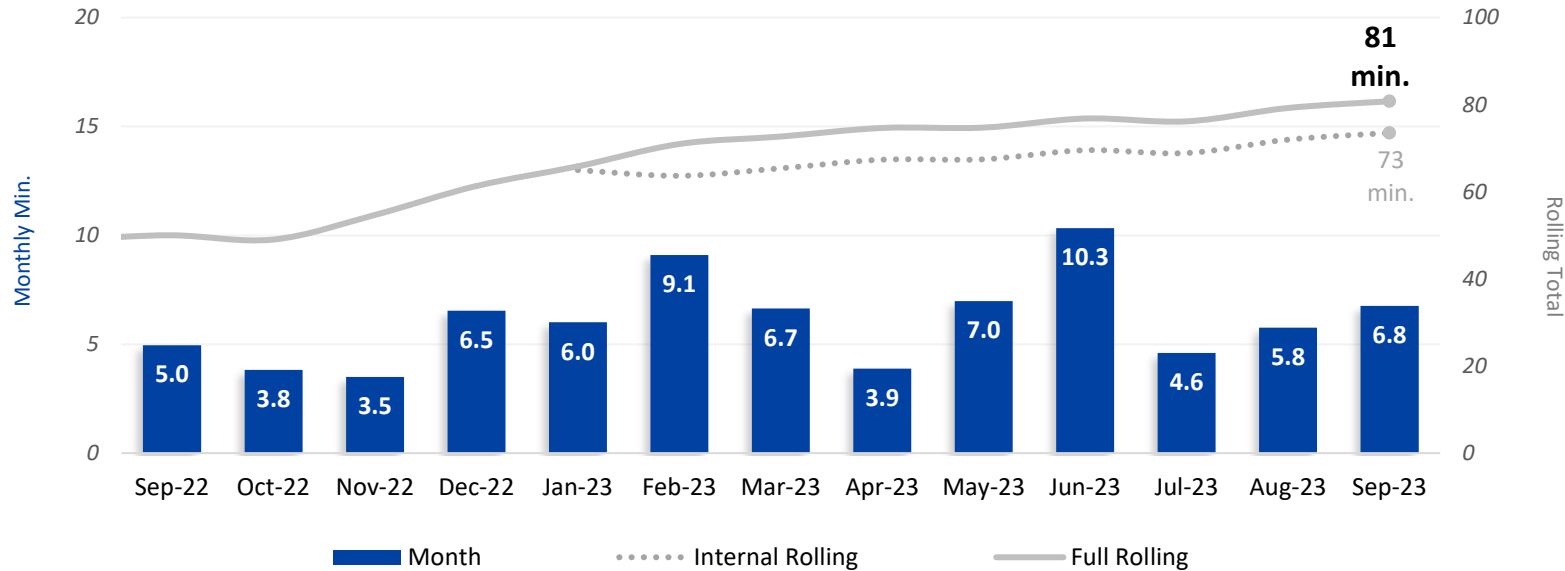


Operations Report

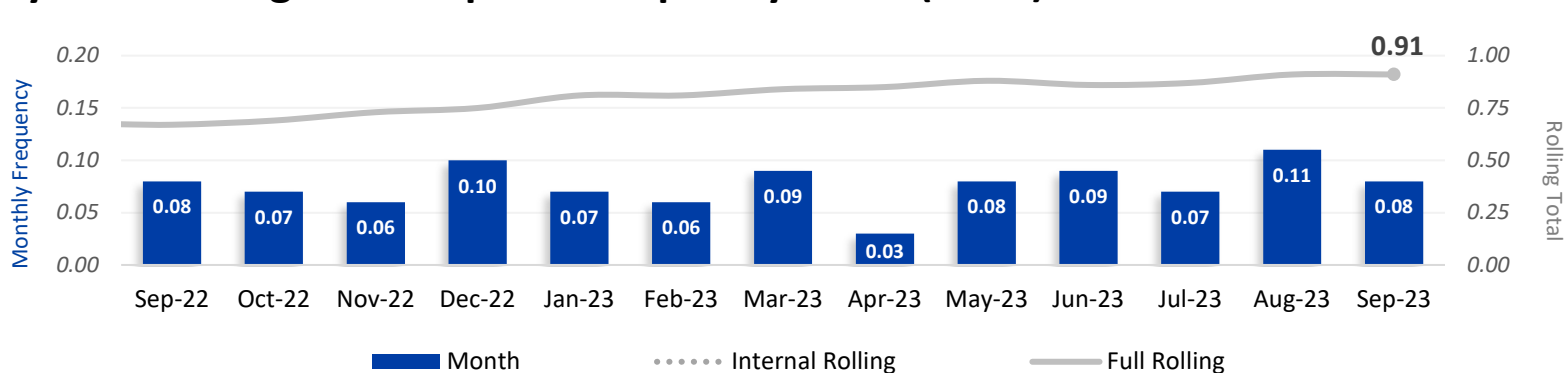
Eddie Dauterive | Chief Operations Officer

Reliability

System Average Interruption Duration Index (SAIDI)

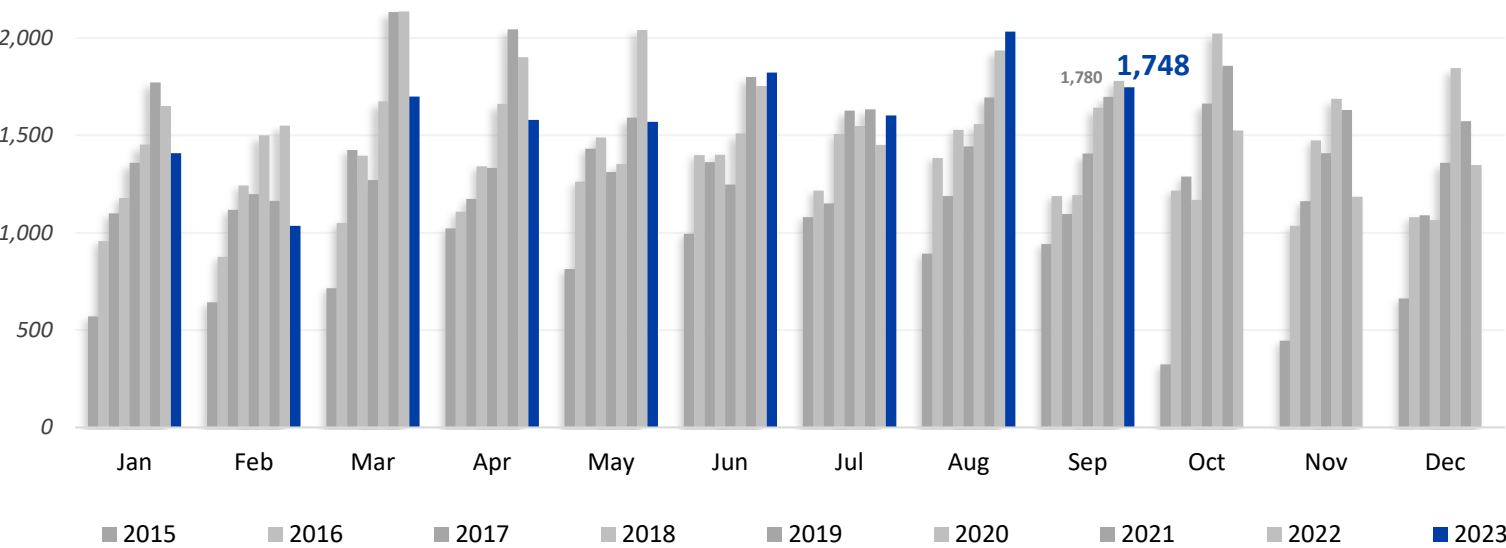


System Average Interruption Frequency Index (SAIFI)

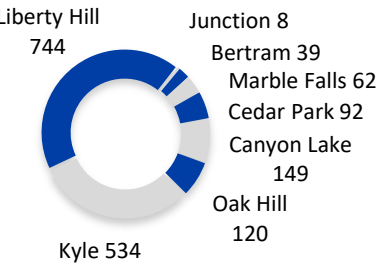


System Growth

Line Extensions Completed 2019: 16,640 2020: 19,458 2021: 20,592 2022: 20,262 2023 YTD: 14,500



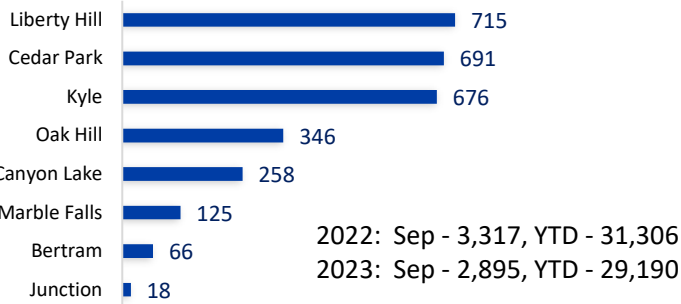
Line Extensions
Per District (1,748)



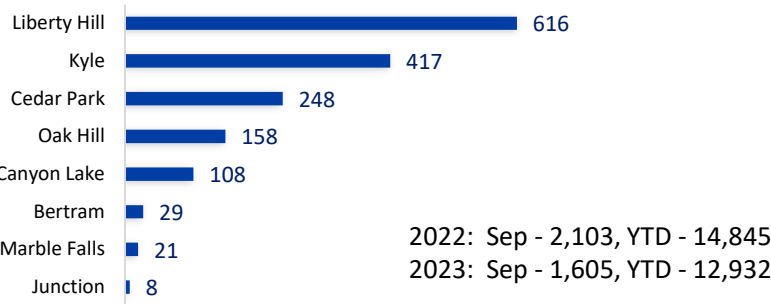
Miles of Distribution Line:
Overhead: 17,686 (71%)
Underground: 7,127 (29%)
Total: 24,813



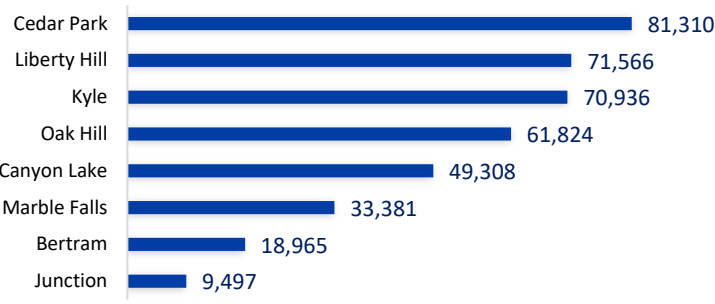
Member Applications (2,895)



Meter Growth (1,605)



Meter Totals (396,787)



AMI Deployment

Deliveries and Exchange Schedule (as of October 1)

Estimated completion dates dependent on continued fulfillment of meter delivery.

Meters exchanged since
deployments restarted:

57,502

Total RF meters installed
coop-wide:

208,290

Projected full completion:

End of 2nd Qtr 2024

Projected district completions:

| | |
|-------------|-------------|
| CP: Oct. 23 | MF: Apr. 24 |
| KY: Dec. 23 | BT: May. 24 |
| OH: Feb. 24 | CL: Jul. 24 |

Cedar Park Exchanges:

- Placed: 44,022
- Remaining: 317

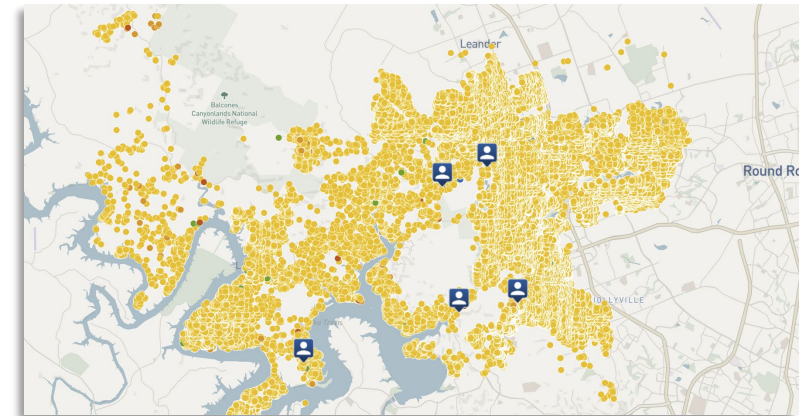
Kyle Exchanges:

- Placed: 13,480
- Remaining: 39,182

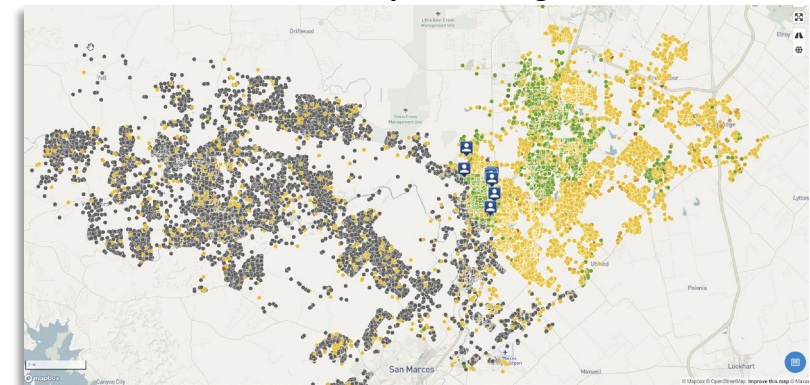
Correspondence Completed (in Sep.):

- Letters: 16,400
- Emails: 12,320
- Calls: 3,938
- Texts: 9,542

Cedar Park Completions



Kyle Planning

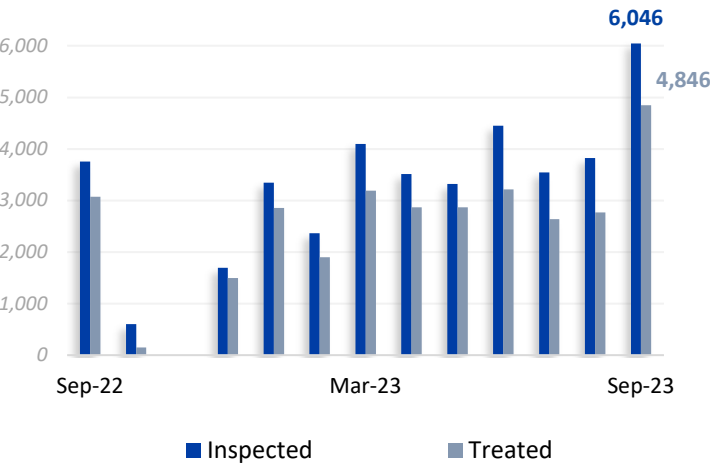


Distribution Maintenance

Pole Testing & Treatment (PTT)

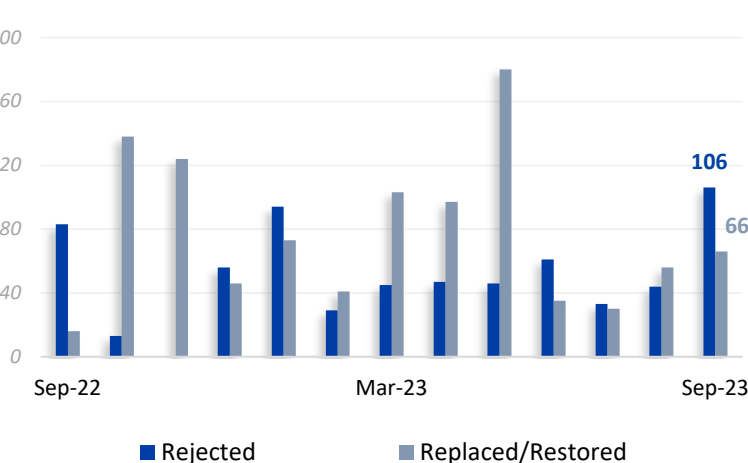
Poles Inspected & Treated

2022 YTD: Inspections - 34,740 Treated - 27,785
2023 YTD: Inspections - 34,502 Treated - 27,154



Poles Rejected & Replaced/Restored

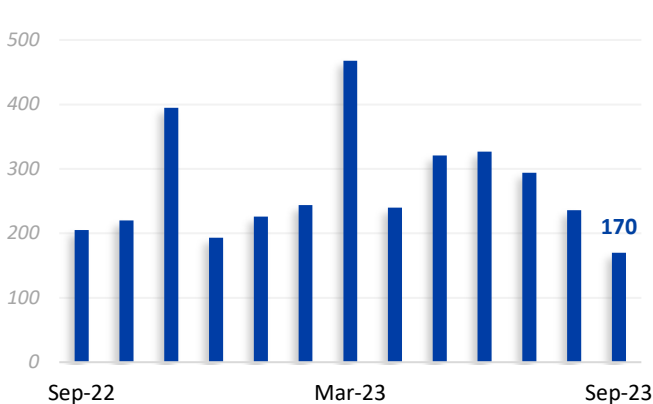
2022 YTD: Rejected - 590, Restored - 375
2023 YTD: Rejected - 505, Restored - 681



Underground Equipment

URD Pad Restorations

2022 YTD: Restorations - 1,895
2023 YTD: Restorations - 2,526



Vegetation Management

LiDAR Assessment Audits Completed:

| Type | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|-------------------|-----|-----|-------|-------|-------|-------|-------|-------|-------|
| C&D WUI 3 Phase | 50 | 239 | 453 | 841 | 134 | 46 | 15 | 10 | 8 |
| C&D WUI 1 Phase | 333 | 330 | 1,241 | 761 | 1,392 | 1,011 | 581 | 993 | 877 |
| C&D Other 3 Phase | 48 | 28 | 109 | 121 | 207 | 250 | 143 | 195 | 179 |
| C&D Other 1 Phase | 362 | 161 | 95 | 233 | 860 | 604 | 532 | 763 | 517 |
| All C&D | 793 | 758 | 1,898 | 1,956 | 2,595 | 1,920 | 1,271 | 1,962 | 1,582 |



Distribution Maintenance

Vegetation Maintenance

- From PEC's LiDAR assessments, all critical C&D rated feeders are scheduled for completion by year-end 2023.
- Over 29K locations were identified in PEC's 2021 scan.

Critical Locations Completed in 2023

| Type | Completions | % | Remaining |
|------------------|-------------|-----|-----------|
| C&D 3-Phase | 1,796 | 99% | 12 |
| C&D Single-Phase | 7,519 | 70% | 4,027 |

Non-Critical Locations Completed in 2023

| Type | Completions | % | Remaining |
|------------------|-------------|-----|-----------|
| C&D 3-Phase | 1,280 | 65% | 769 |
| C&D Single-Phase | 4,127 | 41% | 7,899 |

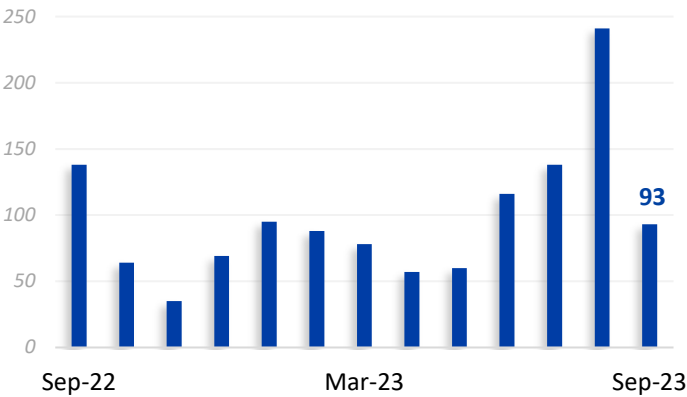


Distribution Maintenance

Technical Services

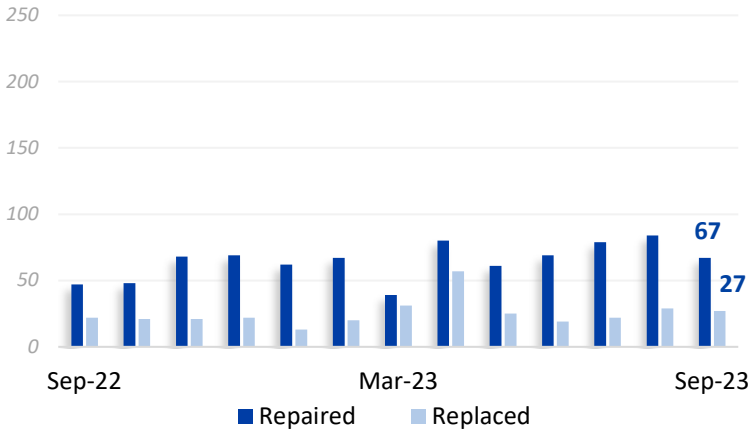
Equipment Inspections

2022 YTD: 1,108
2023 YTD: 966



Equipment Repaired & Replaced

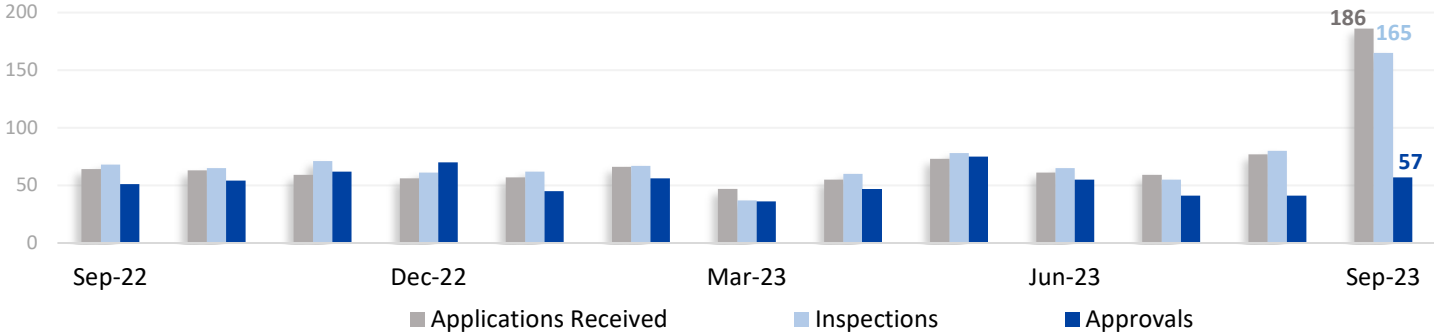
2022 YTD: Repaired - 641, Replaced - 211
2023 YTD: Repaired - 608, Replaced - 243



Pole Contacts

Applications Received & Permits Issued

2022 YTD: Received - 570, Inspected - 591, Approved - 512
2023 YTD: Received - 681, Inspected - 669, Approved - 452



Large Crane Pole Changeout

SW 150 Pole Project in Cedar Park





September 2023 Financial Report

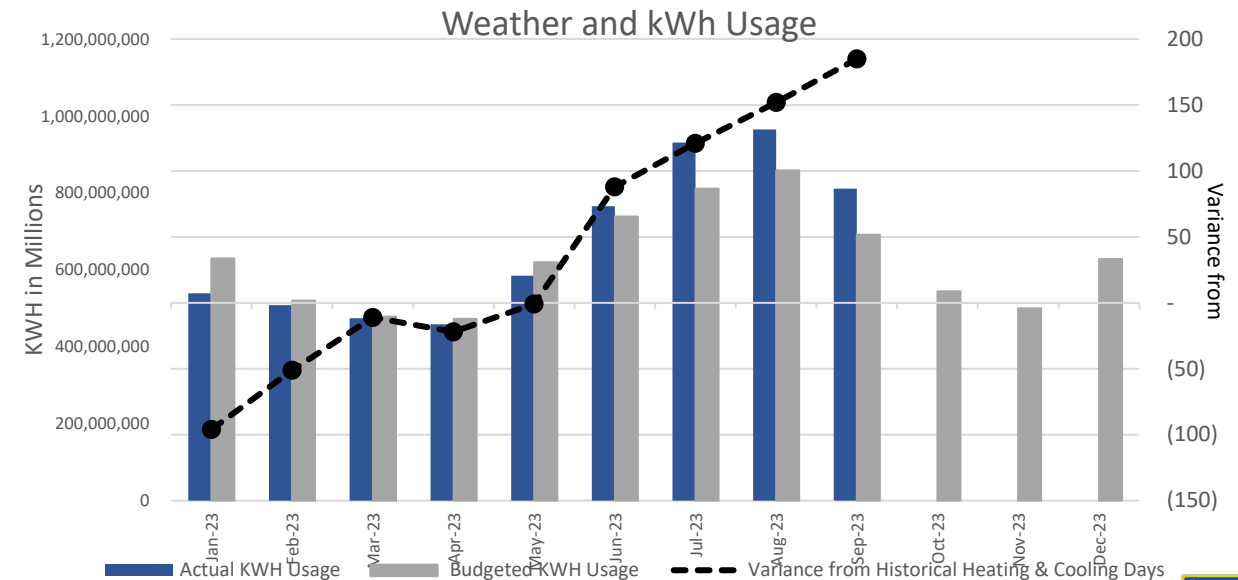
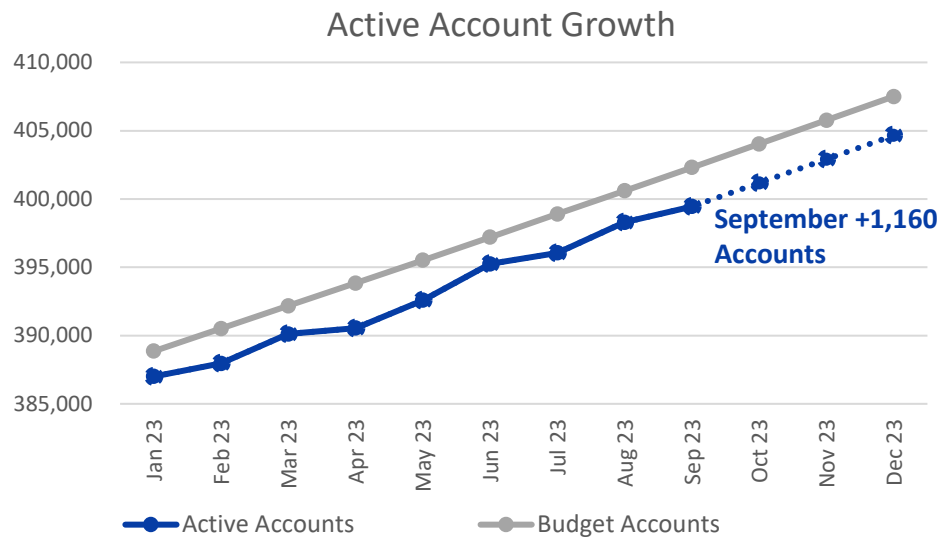
Randy Kruger | Chief Financial Officer

3. Financial Report

Finance at a Glance – September 2023

| | MTD (\$ in millions) | | | YTD (\$ in millions) | | |
|----------------------|----------------------|---------|-----------|----------------------|-----------|-----------|
| | Actual | Budget | Variance | Actual | Budget | Variance |
| MWH Sold | 811,148 | 691,264 | 119,884 | 6,037,298 | 5,819,337 | 217,961 |
| Gross Margins | \$ 36.8 | \$ 31.7 | \$ 5.1 | \$ 284.8 | \$ 270.8 | \$ 14.0 |
| Net Margins | \$ 13.1 | \$ 6.2 | \$ 6.9 | \$ 56.4 | \$ 20.7 | \$ 35.7 |
| EBIDA | \$ 23.9 | \$ 18.4 | \$ 5.5 | \$ 154.7 | \$ 137.4 | \$ 17.3 |
| Revenue O/(U) | \$ (25.1) | \$ 1.5 | \$ (26.6) | \$ 3.5 | \$ 15.8 | \$ (12.3) |
| EBIDA(X) | \$ (1.2) | \$ 19.8 | \$ (21.0) | \$ 158.2 | \$ 153.2 | \$ 5.0 |

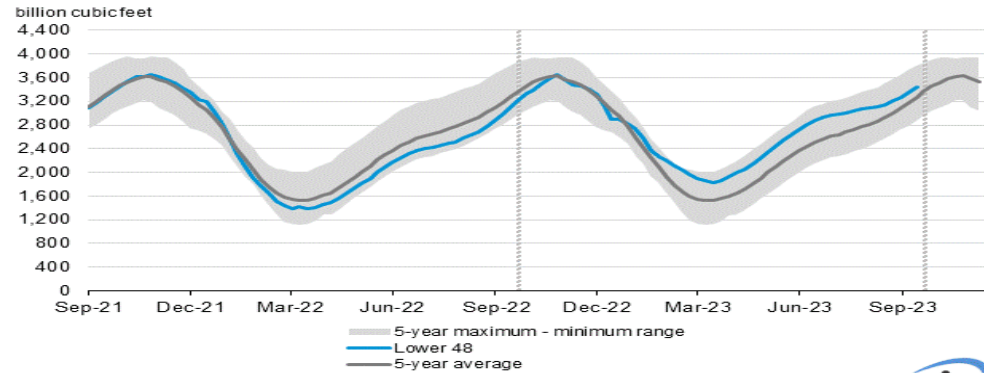
| | Liquidity Coverage |
|----------------------------------|--------------------|
| Cash & Marketable Securities | \$ 15,889,256 |
| Short Term Facilities | 505,000,000 |
| Less: Short Term Borrowings | 44,926,438 |
| Available Liquidity | \$ 475,962,818 |
| Liquidity Coverage (Days) | 244 |



3. Financial Report

Power Market Fundamentals

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



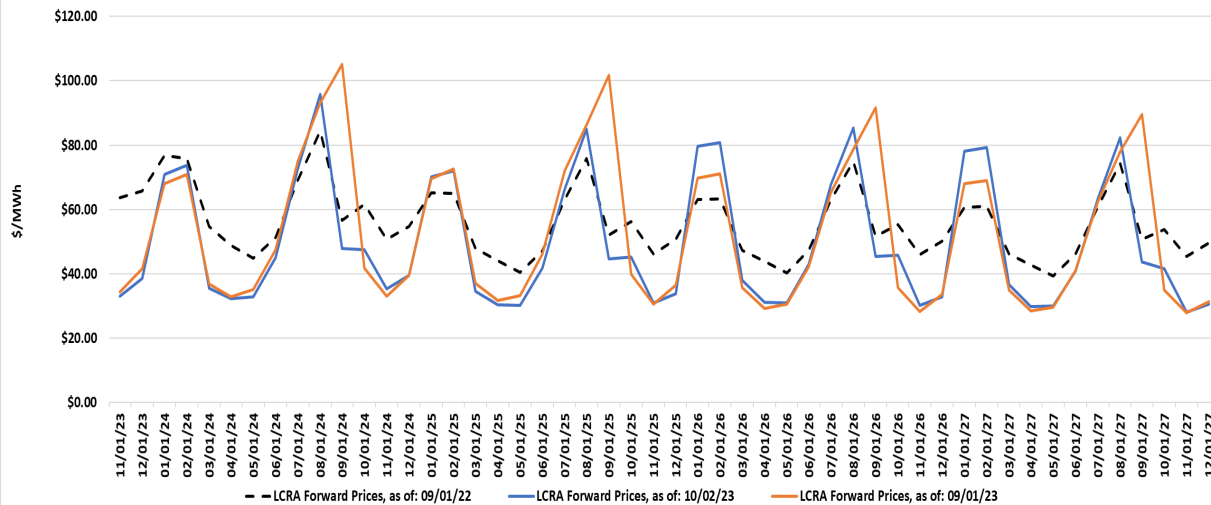
Data source: U.S. Energy Information Administration

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2018 through 2022. The dashed vertical lines indicate current and year-ago weekly periods.

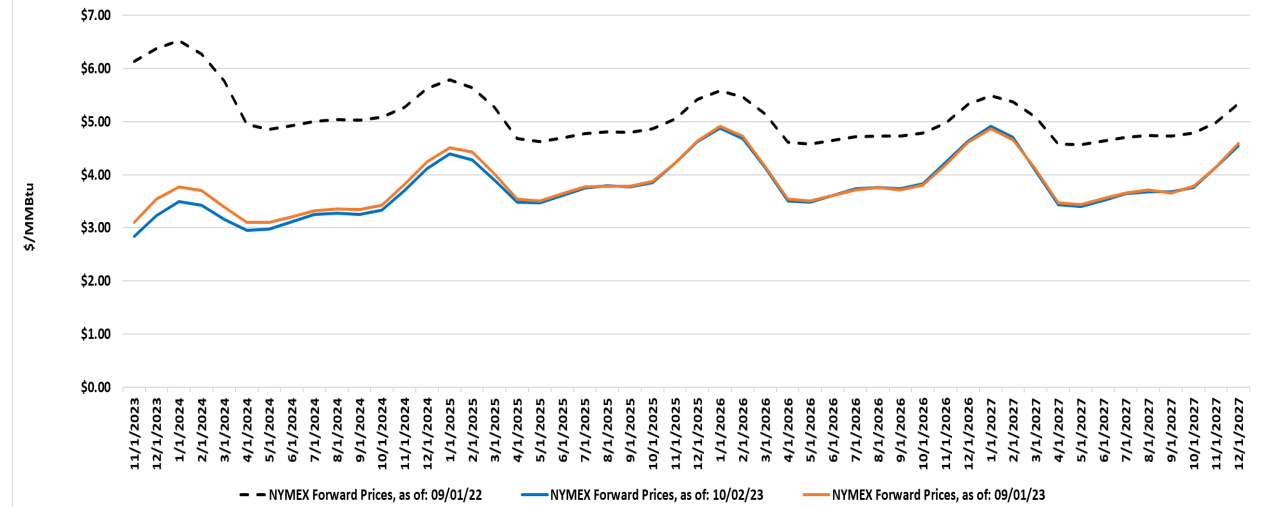


As of October 5

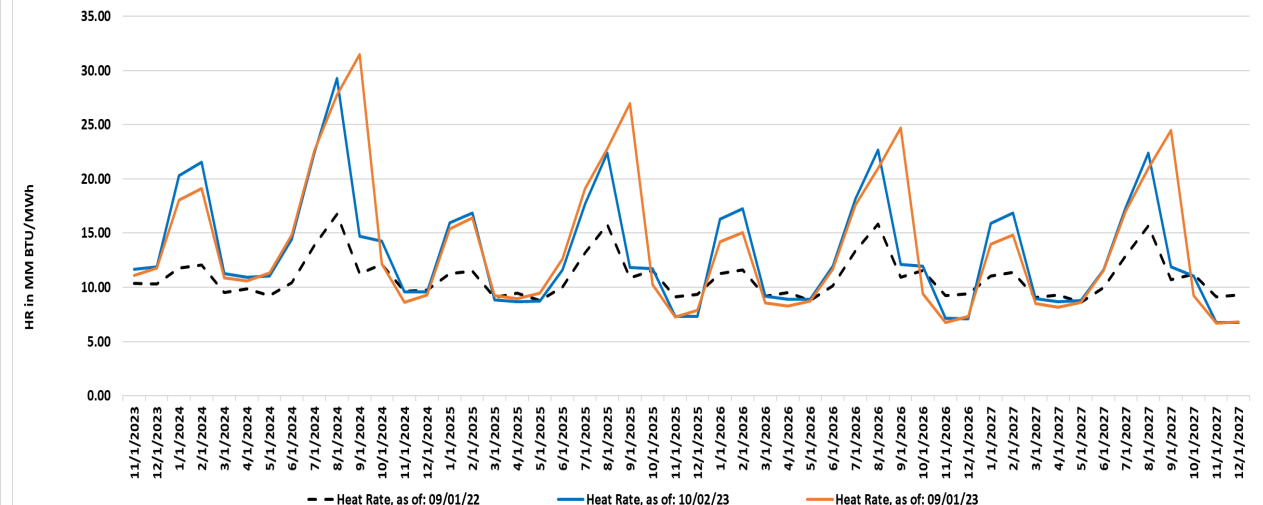
Power Forward Prices



Natural Gas Forward Prices



Forward Heat Rates



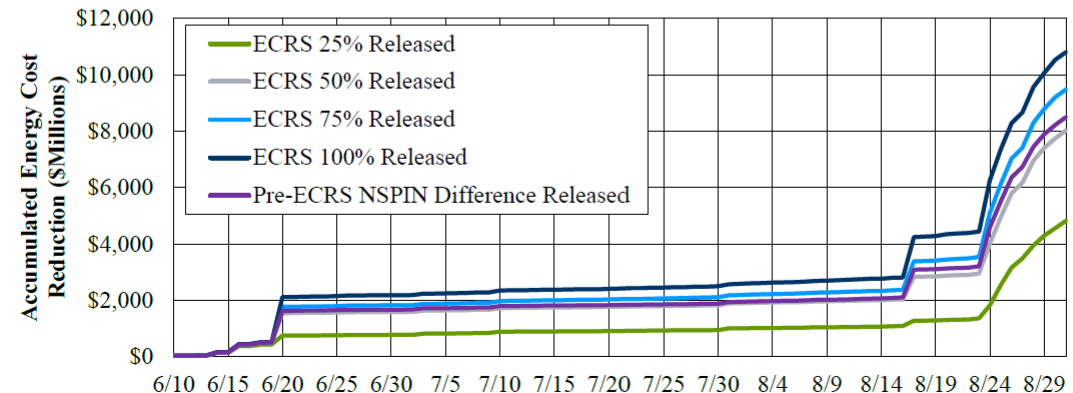
ERCOT Contingency Reserve Service

- June 10 ERCOT implemented ERCOT Contingency Reserve Service (ECRS) to provide more reserve capacity to cope with variability in intermittent renewables.
- The ERCOT IMM estimates ECRS to have raised real-time market energy value by approximately \$8 to \$10 billion between June 10 and August 31.
- Reserve Procurement increases for June - 3 p.m. to 8 p.m. hours:
 - 81% more reserve capacity procured in June 2022 than June 2020
 - After June 10, 2023, reserve procurement increased 22.5% more than the preceding month.
- These reserves are do not appear as available to ERCOT's market price calculation algorithms which raises both energy and congestion costs.
- The IMM is recommending ERCOT conduct a holistic review of ancillary services.

Simulated Energy Cost Increases from Higher Online Reserve Procurements: June 10 - August 31, 2023

ERCOT's increase in online reserve procurements with the introduction of ECRS likely raised real-time market energy value by ~\$8-10 billion in three months. Additional costs continue to accumulate, notably in early September.

| | 25% Released | 50% Released | 75% Released | 100% Released | Pre-ECRS NSPIN Difference Released |
|--------------|-------------------------|-------------------------|-------------------------|--------------------------|------------------------------------|
| June | -\$774,345,448 | -\$1,587,969,782 | -\$1,823,128,056 | -\$2,183,715,958 | -\$1,670,295,524 |
| July | -\$230,429,049 | -\$303,797,235 | -\$356,456,936 | -\$388,845,385 | -\$272,166,972 |
| August | -\$3,818,750,565 | -\$6,132,111,308 | -\$7,303,871,948 | -\$8,236,831,344 | -\$6,557,867,403 |
| Total | -\$4,823,525,063 | -\$8,023,878,324 | -\$9,483,456,940 | -\$10,809,392,687 | -\$8,500,329,899 |



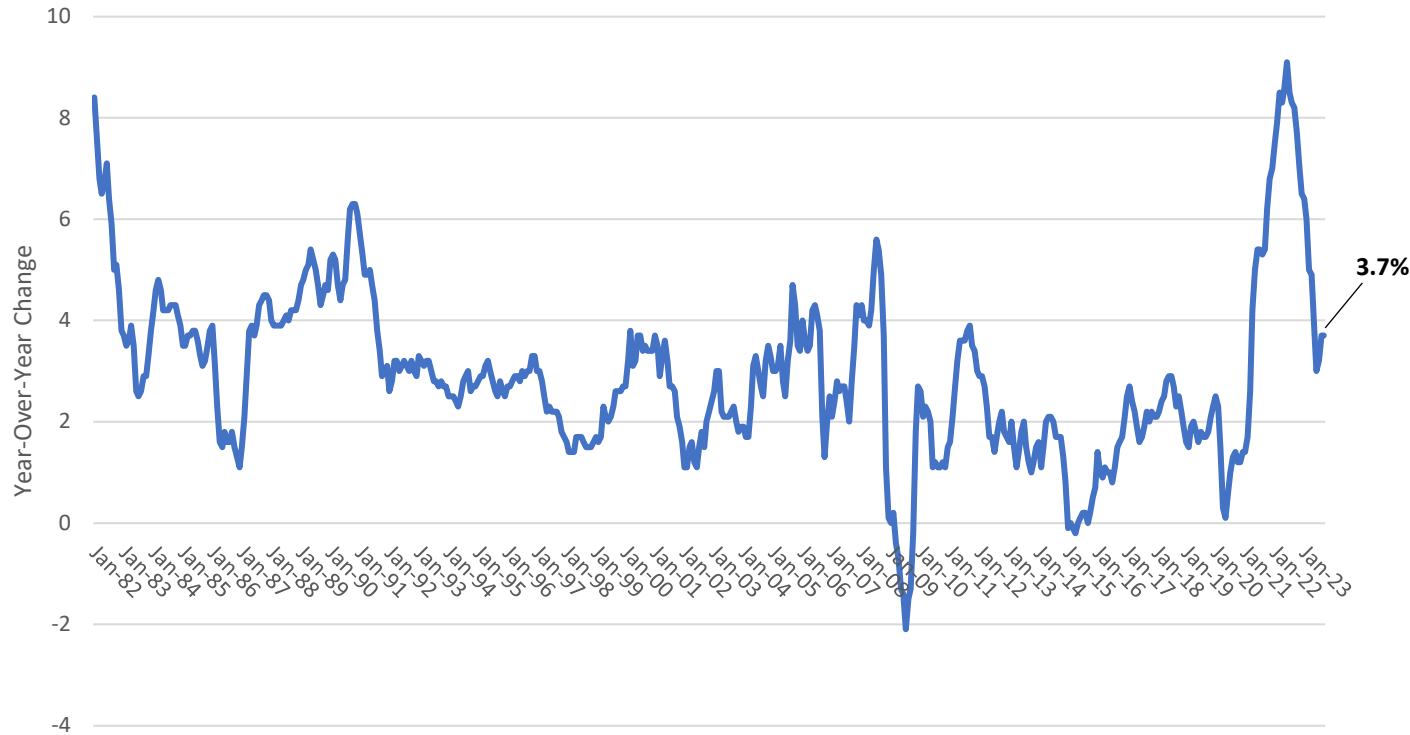
© 2023 Potomac Economics

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Source: Potomac Economics' IMM office for ERCOT presentation to Sept. 22 meeting of ERCOT's Wholesale Market Working Group

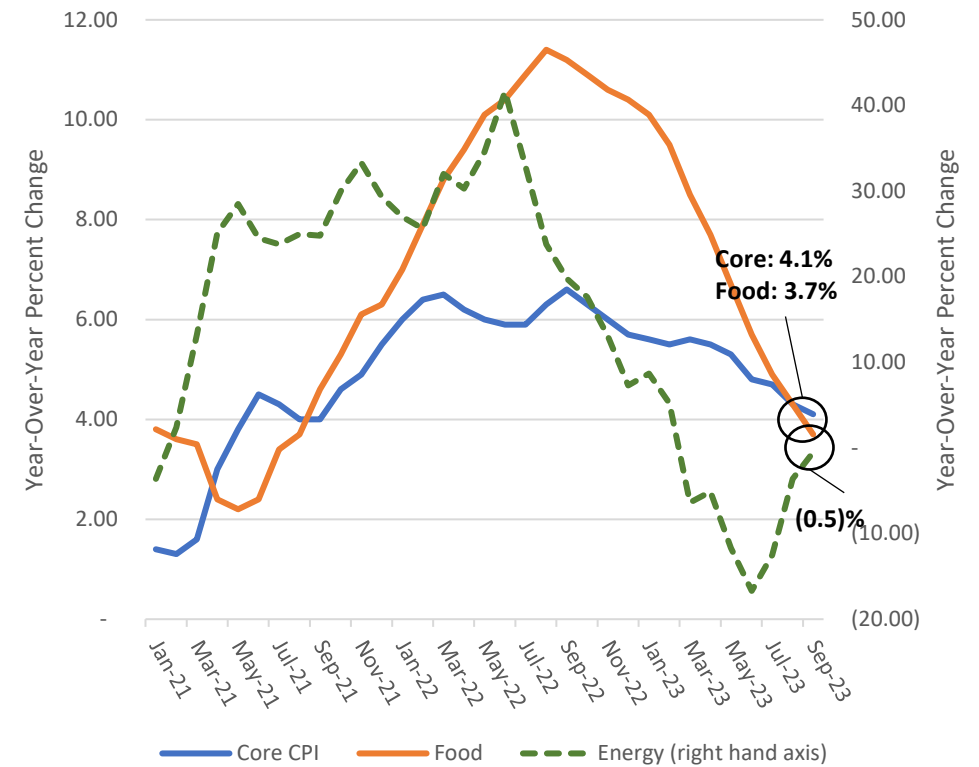
Overall CPI remains constant at 3.7%; Core CPI has dropped below the previous range of 4.3% to 4.1%; Energy prices recovered in September but remain down 0.5% YoY driven by fuel oil (-5.1%) and utility gas services (-19.9%) offset by gasoline (+3.0%) and sustained increases to electricity (+2.6%) prices

CPI Jan 1982 to September 2023



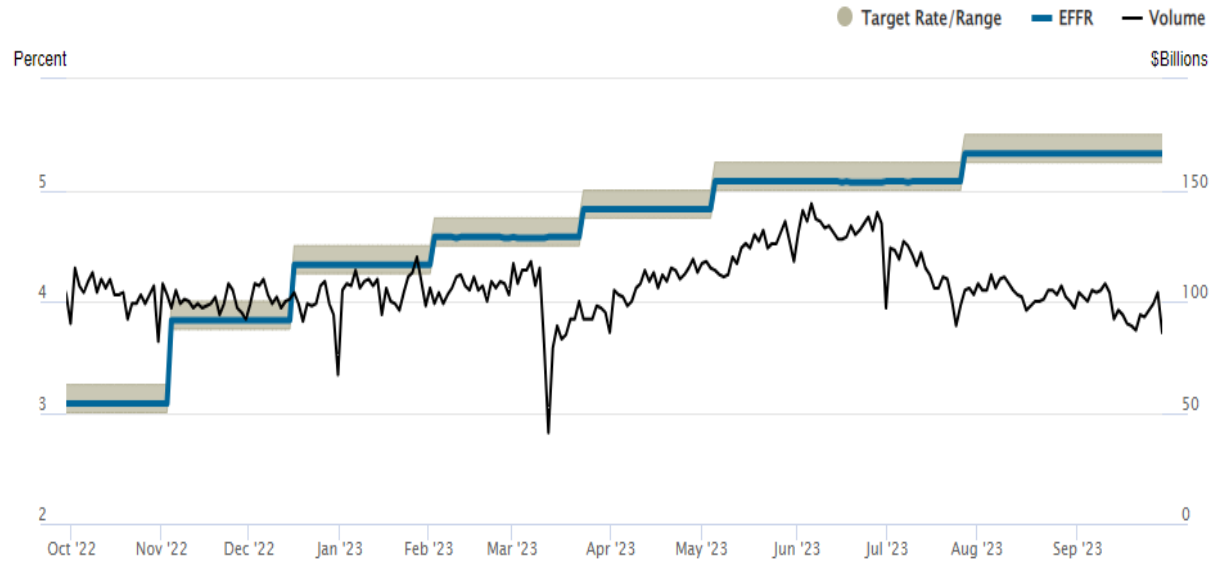
Source: U.S. Bureau of Labor Statistics

Core CPI, Food and Energy
Jan 2021 to September 2023



Source: U.S. Bureau of Labor Statistics

Federal Funds Rate



Source: Federal Reserve Bank of New York 10/02/2023

10-Year Note



Source: *The Wall Street Journal* 10/02/2023



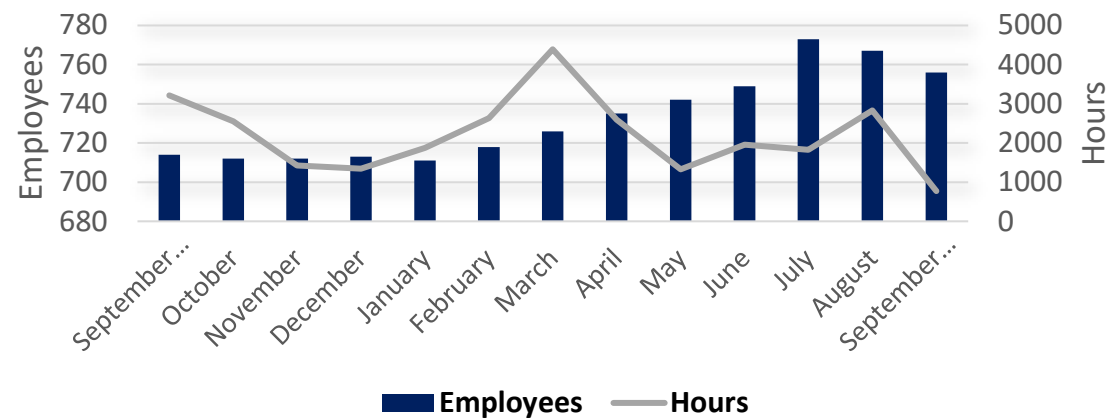
Workforce and Governance Report

Don Ballard | General Counsel

September Employee Development

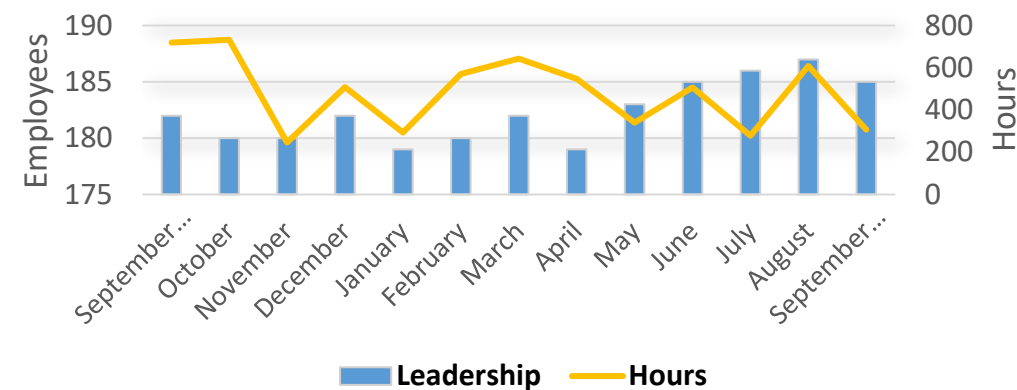
Employee Training

Hours for employees and leadership overall by month



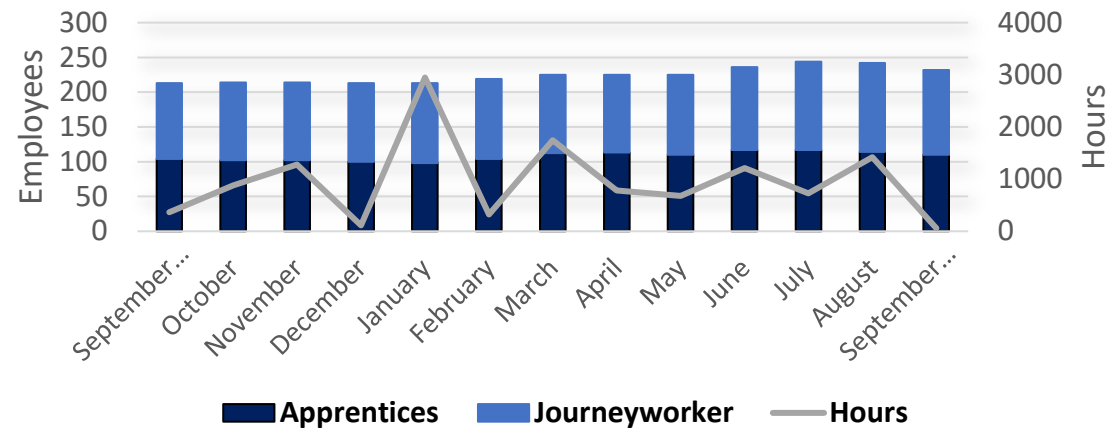
Leadership Training

Hours for employees and leadership overall by month



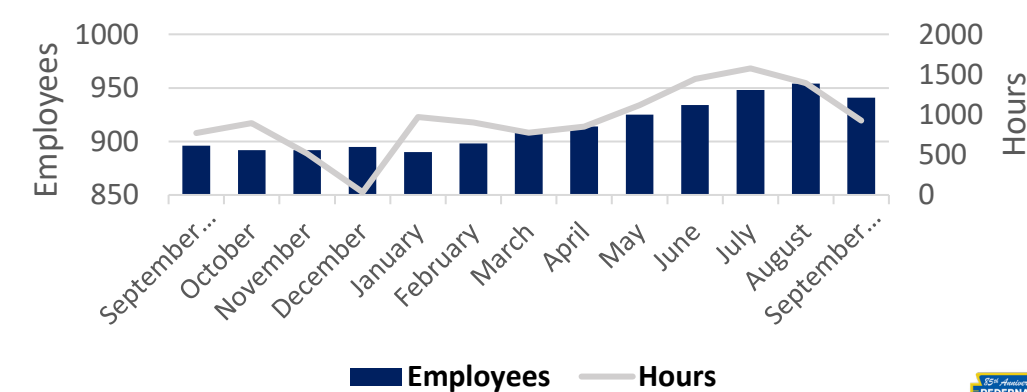
Apprentices & Journeyworker Training Hours

Hours trained for Apprentices & Journeyworkers per month



Safety Training Hours

Safety training hours per month



Employee Development Spotlight



Blake Jackson

Blake is a Lineworker Apprentice 4 from Liberty Hill and is part of the inaugural class that has gone through all four years of the apprenticeship program administered at the Safety and Technical Training Center. During his recent class Blake actively encouraged others and engaged in constructive discussions around crew leadership and equipment operation. Blake delivered a strong presentation and will help drive the culture of change with his leadership and willingness to help others.



Shane Powers

Shane is a Lineworker Apprentice 3 from Junction, and he joined the apprenticeship program as a Year 3 apprentice with outside experience as a contractor. During class, Shane has helped demonstrate to his peers proper work technique and shared personal experiences regarding troubleshooting. Shane has been a great example of being patient and willing to work with others to complete all the tasks asked of him.

October is Cybersecurity Awareness Month

PEC is committed to keeping our employees, members, and infrastructure safe

- Routine internal scam and phishing exercises
- Required security training
- Dedicated team to mitigate and respond to issues



PEC Set to Participate in GridEx

- NERC's Electricity Information Sharing and Analysis Center (E-ISAC) is hosting the seventh biennial grid security and resilience exercise, GridEx
- Largest grid security event in North America
- Gives E-ISAC member and partner organizations a forum to practice how they would respond to and recover from coordinated cyber and physical security threats and incidents
- PEC is participating November 14-15



PEC Visits TEEX Lineworker Academy



- The Technical Training team, HR, and our Community Relations team recently visited the TEEX Lineworker Academy in College Station
- Technical Training Manager Josh Hanawalt provided keynote speech to trainees
- Shared PEC opportunities with trainees and discussed our training programs



Community and Member Engagement

JP Urban EVP, External Relations

PEC Communities Benefit from LCRA Partnership

More than \$53,000 in CDPP Support



Commemorative
Air Force—
Central Texas
Wing

\$8,800 to
replace 55
mercury vapor
lights with
energy-saving
LED lights

Round
Mountain
Volunteer
Fire Dept.

\$24,750 to
purchase
personal
protective
equipment and
portable radios

North Hays Co.
Emergency
Services
District #1

\$19,800 to
replace two
aging chest
compression
devices used
during CPR

New Work Environments for Member Relations



- Member Relations has successfully rolled out a new hybrid schedule for agents
- Currently, 30 agents are rotating between home and a PEC office
- Proven extremely valuable as we were able to quickly activate staff remotely during August and September's ERCOT events and tight grid conditions

5. Member and
Community
Engagement

Employees Bake Their Best for 85th Anniversary



85 Years and Celebrating with Members!

- Celebrating 85th Anniversary with elder members across the cooperative
- Events include live music, dancing, games, and cake and ice cream
- Identifying elder members to interview for PEC's history



Don't Let Energy Vampires Haunt Your Bill

- This month, PEC is launching a spooktacular new communications campaign just in time for Halloween
- Highlighting energy vampires, the video gives tips and tricks to help members save electricity and money every month





Appreciation and Look Ahead

Employee Kudos*



Angela Fry
Member Relations
Agent
Marble Falls



Clarissa Torres
Member Relations
Analyst
Kyle



Nick Wall
Journeyworker
Marble Falls



Brandon Culton
Journeyworker
Marble Falls



Rachel Rodriguez
Member Relations
Analyst
Canyon Lake

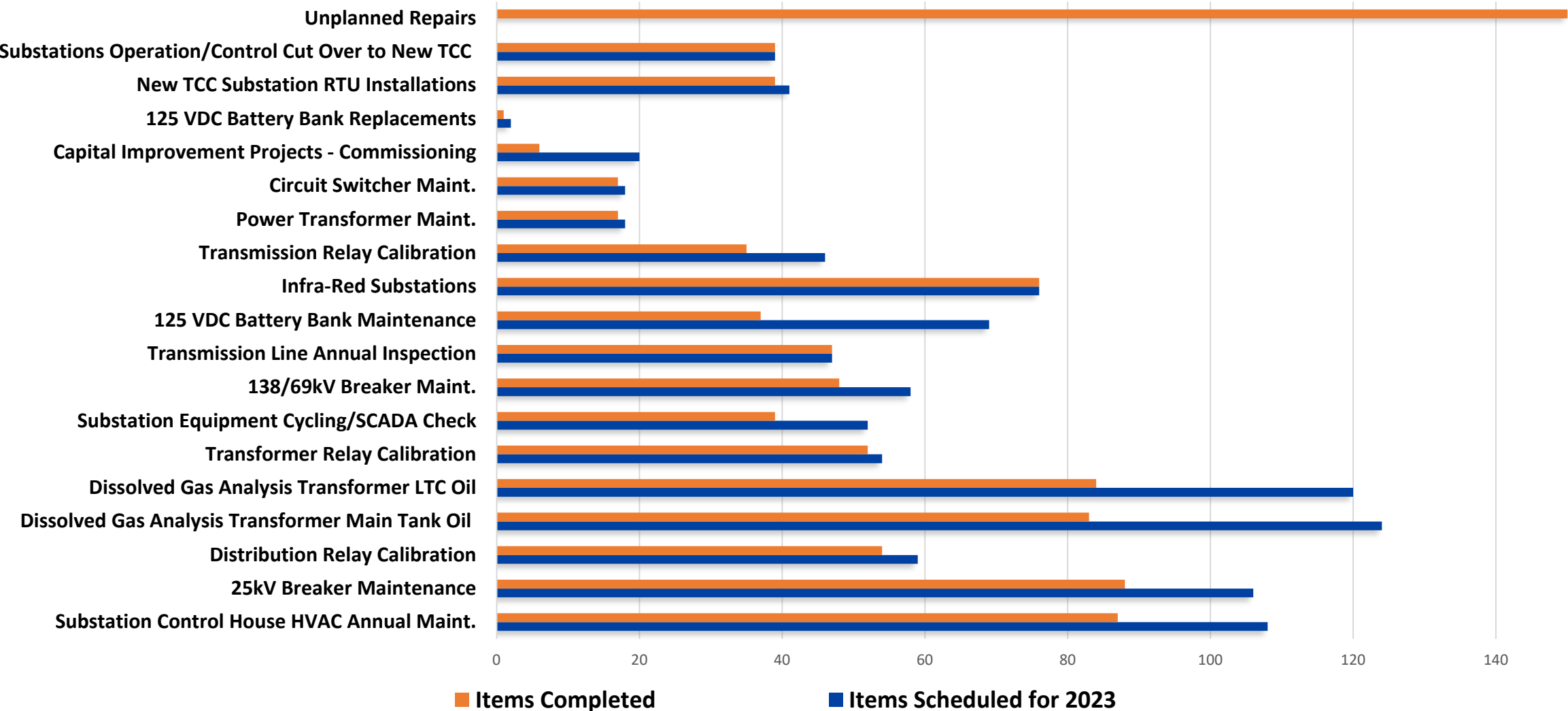
*These were selected from the hundreds of kudos PEC receives each month



Appendix Pages From Operations and Financials Reports

Substation & Transmission Maintenance

2023 Itemized Maintenance By Equipment



Planning Engineering Projects

Overall Status

| Project | Completion Date | Percent Complete |
|--|-----------------|------------------|
| Load Projections Study | Jan 2023 | 100% |
| 2023 CIP Project Maps | Feb 2023 | 100% |
| Capacitor Settings | Mar 2023 | 100% |
| 4CP Study | Apr 2023 | 100% |
| Summer Contingency | May 2023 | 100% |
| 20 Year Plan | Jun 2023 | 100% |
| UFLS Study | Jun 2023 | 100% |
| CIP (1st draft) Study | Jul 2023 | 100% |
| CIP Final Study | Sep 2023 | 90% |
| Mock UFLS Study | Dec 2023 | 0% |
| Winter Contingency | Dec 2023 | 0% |
| 2 Year System Protection Coordination Review | Dec 2023 | 75% |
| PEC System Arc Flash Study | Feb 2024 | 50% |

Substation Engineering Projects

| District | Phase | | Start Date | Completion Date | Percent Complete |
|---------------|--------------|---|------------|-----------------|------------------|
| Cedar Park | Construction | Upgrade bus to double-bus double-breaker | Apr-21 | Apr-23 | 100% |
| Oak Hill | Construction | Upgrade line protection relay panels | Apr-21 | May-24 | 81% |
| Junction | Construction | Upgrade transformer and add line breakers | May-21 | Oct-23 | 89% |
| All Districts | Construction | Upgrade circuit switches and relay protection on three mobile substations | Nov-21 | Jun-23 | 72% |
| Liberty Hill | Construction | Construct new substation | Dec-21 | Dec-23 | 88% |
| Liberty Hill | Construction | Add third power transformer | Apr-22 | Aug-23 | 90% |
| Kyle | Construction | Add third power transformer | May-22 | Jul-23 | 90% |
| Bertram | Construction | Upgrade power transformer | Jun-22 | Sep-23 | 89% |
| Cedar Park | Construction | Make improvements to ground grid for reliability | Aug-22 | Apr-23 | 100% |
| All Districts | Engineering | Develop transmission protection philosophy for protective settings | Jan-23 | Sep-23 | 81% |
| All Districts | Engineering | Develop configuration for engineering to have access to RTU settings | Nov-22 | Dec-23 | 25% |
| Oak Hill | Engineering | Upgrade two power transformers | Feb-23 | Jan-25 | 32% |
| Liberty Hill | Engineering | Upgrade power transformer | Feb-23 | May-24 | 50% |
| Cedar Park | Engineering | Add third power transformer | Feb-23 | Nov-24 | 30% |
| Kyle | Engineering | Construct new substation | Feb-23 | Nov-24 | 38% |
| Liberty Hill | Engineering | Construct new substation | Feb-23 | Nov-24 | 37% |
| Oak Hill | Engineering | Add feeder breaker and feeder | Mar-23 | Nov-23 | 88% |
| Oak Hill | Engineering | Add feeder | Mar-23 | Nov-23 | 88% |
| Bertram | Engineering | Add circuit switcher on power transformer | Mar-23 | Dec-23 | 34% |
| Kyle/Canyon | Engineering | Add substation capacitor | May-23 | May-24 | 41% |
| Liberty Hill | Engineering | Add substation capacitor | May-23 | May-24 | 41% |
| Liberty Hill | Engineering | Add second power transformer | Aug-23 | Dec-24 | 10% |

Transmission Projects

Overall Status

| District | Phase | Description | Completion Date | Percent Complete |
|-----------------------------|--------------|--|-----------------|------------------|
| Canyon Lake | Complete | Increase clearance to meet USACE requirements | Dec 2022 | 100% |
| Marble Falls and Cedar Park | Complete | Reconductor (Phase 1) | Feb 2023 | 100% |
| Oak Hill | Complete | Harden transmission line to meet severe weather requirements | Mar 2023 | 100% |
| Kyle | Closeout | Harden transmission line to meet severe weather requirements | May 2023 | 99% |
| Junction | Engineering | Extend tap to new substation bay | Dec 2023 | 30% |
| Liberty Hill | Construction | Harden transmission line to meet severe weather requirements | Dec 2023 | 65% |
| Liberty Hill | Construction | Add Fiber to existing transmission line | Dec 2023 | 50% |
| Liberty Hill | Procurement | Developer funded transmission line relocation | May 2024 | 30% |
| Liberty Hill | Construction | Harden transmission line to meet severe weather requirements | May 2024 | 60% |
| Marble Falls and Cedar Park | Procurement | Overhaul (Phase 2) | May 2024 | 55% |
| Kyle | Engineering | Transmission line overhaul | Jan 2025 | 25% |
| Oak Hill | Procurement | Harden transmission line to meet severe weather requirements | May 2025 | 40% |
| Cedar Park | Engineering | Harden transmission line to meet severe weather requirements | May 2025 | 40% |

Large Project Updates

Cedar Park

Construction for additional bathrooms underway. Expected completion in December.

Johnson City

Developing a master plan for the Haley Rd site. Fencing of new property lines complete. Drainage design in progress. Contract awarded for 7,000 sq. ft. facilities storage building; permit submitted to the city.

Junction

Fuel Island, generator, oil containment pad, power upgrade to complete in October. Engaging architect & engineers for site work, fencing, new entrance, etc.

Oak Hill Contact Center

Design and demo completed with construction underway. Targeted completion in January 2024.

Marble Falls

Parameter fence designed and RFP released. Furniture for Contact Center changes on order, expected to install early October.

Oak Hill Fuel Island

Slab poured, canopy on order, fuel equipment on order. Completion in December.



Facility Management Metrics

PEC Facilities staff complete approx. 400 orders/mo.

| | Goal | 2023 YTD | 2022 |
|-----------------------|---------|----------|----------|
| Avg Response Time | < 1 day | .27 days | .54 days |
| Completed On-Time | > 90% | 84% | 79% |
| Proactive Work Orders | > 80% | 95% | 85% |
| Satisfaction Rating | > 95% | 97.9% | 100% |



Appendix to September 2023 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

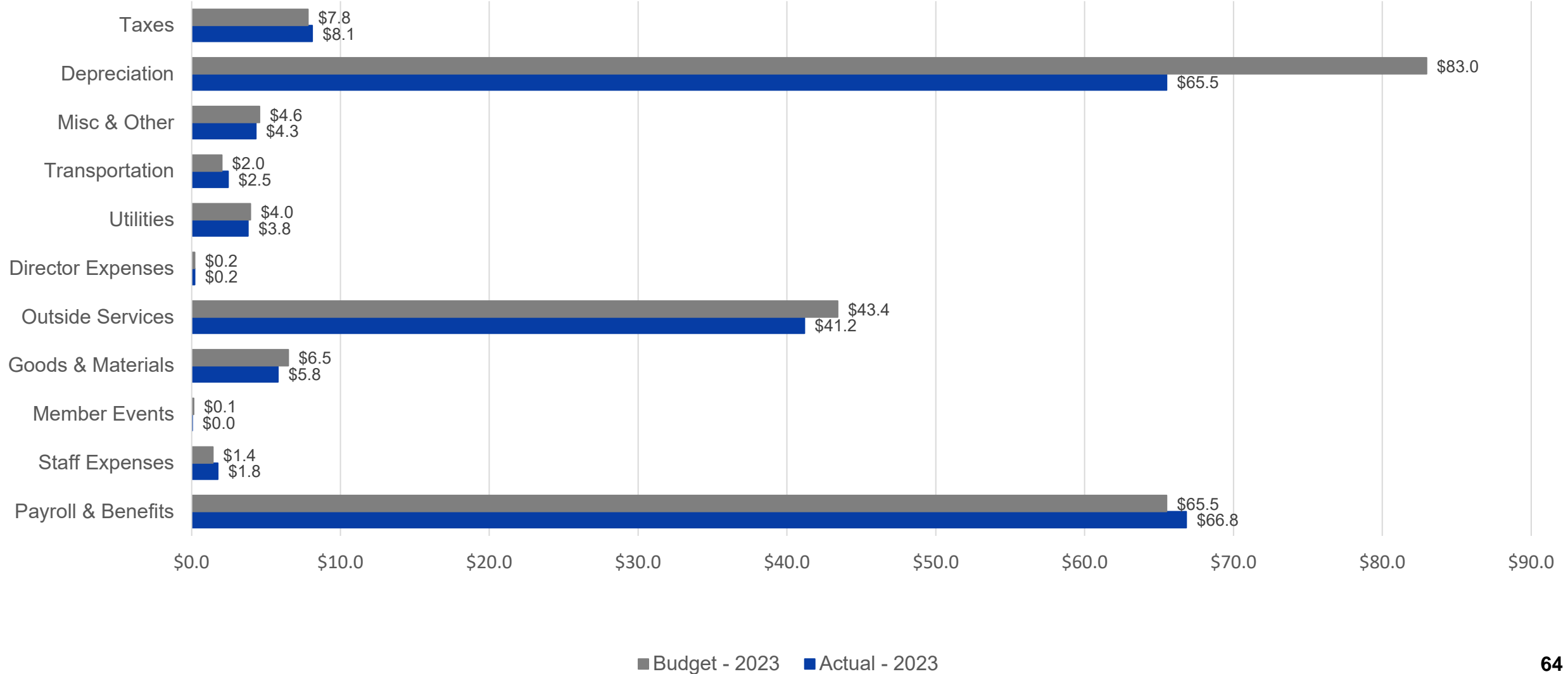
3. Financial Report

Financial Performance

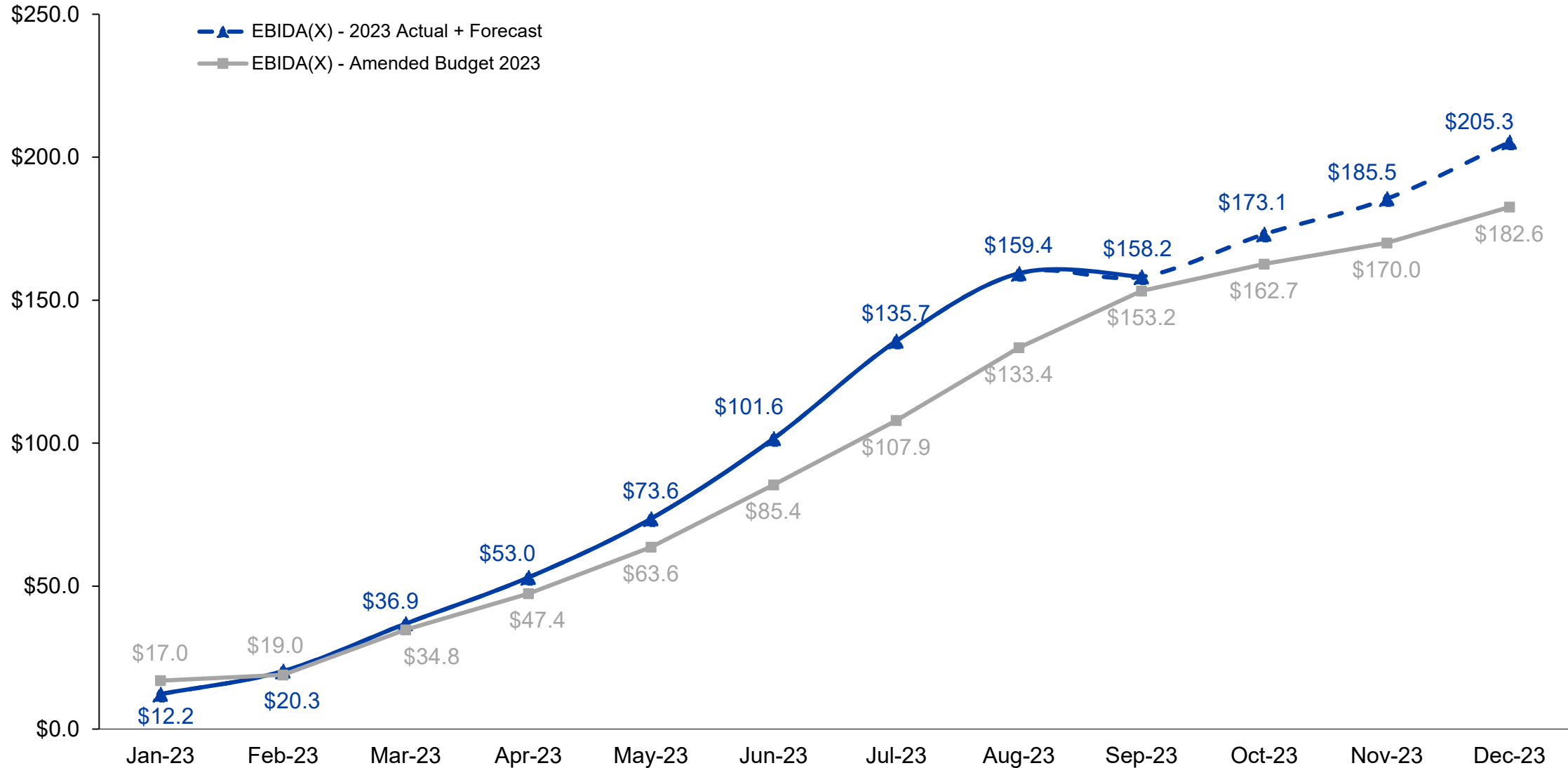
| | MTD | | | YTD | | | Annual | 2022 to 2023 % Change |
|-------------------------------------|----------------|---------------|---------------|----------------|----------------|----------------|------------------|--------------------------|
| | Actual | Budget | Prior Year | Actual | Budget | Prior Year | Budget | |
| Gross Margins | \$ 36,837,256 | \$ 31,721,137 | \$ 30,836,129 | \$ 284,765,498 | \$ 270,801,614 | \$ 266,862,686 | \$ 352,088,225 | 6.71% |
| Operating Expenses Ex. Depreciation | 14,219,881 | 14,618,197 | 14,533,408 | 134,534,388 | 135,588,271 | 112,168,980 | 178,635,500 | 19.94% |
| Depreciation | 7,083,887 | 8,395,338 | 8,266,127 | 65,503,310 | 82,972,166 | 79,028,562 | 108,552,698 | |
| Interest Expense | 3,649,121 | 3,750,274 | 3,840,407 | 32,809,062 | 33,775,524 | 33,797,417 | 45,173,483 | |
| Other Income | (1,237,587) | (1,260,047) | (1,285,987) | (4,473,801) | (2,195,974) | (5,932,114) | (5,371,928) | |
| Net Margins | \$ 13,121,954 | \$ 6,217,375 | \$ 5,482,174 | \$ 56,392,539 | \$ 20,661,627 | \$ 47,799,841 | \$ 25,098,473 | |
| EBIDA | \$ 23,854,962 | \$ 18,362,987 | \$ 17,588,708 | \$ 154,704,911 | \$ 137,409,317 | \$ 160,625,820 | \$ 178,824,653 | -3.69% |
| Over (Under) Collected Revenues | (25,051,487) | 1,461,634 | 2,397,822 | 3,474,371 | 15,829,155 | 30,257,440 | 3,749,120 | |
| EBIDA(X) | \$ (1,196,525) | \$ 19,824,621 | \$ 19,986,530 | \$ 158,179,282 | \$ 153,238,472 | \$ 190,883,260 | \$ 182,573,772 | |
| Total Long-Term Debt | | | | | | | \$ 1,114,322,192 | |
| Debt Service | | | | | | | 65,690,519 | |
| Debt Service Coverage Ratio | | | | | | | 2.96 | |
| Equity as Percent of Assets | | | | | | | 39.6% | |
| Net Plant in Service | | | | | | | \$ 1,985,228,388 | |
| Capital Improvement Spend | | | | | | | \$ 209,863,100 | |
| Energy Sales kWh | 811,147,684 | 691,263,853 | 684,551,115 | 6,037,298,159 | 5,819,337,004 | 5,993,458,659 | 7,500,307,799 | 0.73% |
| Energy Purchases kWh | 857,079,891 | 739,093,575 | 713,015,956 | 6,447,796,449 | 6,222,447,866 | 6,345,288,516 | 8,019,713,349 | 1.62% |
| Active Accounts | | | | 399,454 | 402,313 | 382,457 | 407,506 | 4.44% |

Cost of Service (in millions)

YTD Actuals vs Amended Budget through September 2023



EBIDA(X) Year to Date (in millions)



CIP Spend

| Construction Category & Description | | YTD Actuals | YTD Budget | Variance (Over)/Under Budget | Annual Budget |
|---|--|-----------------------|-----------------------|------------------------------------|-----------------------|
| <u>Distribution</u> | | | | | |
| 100 | New Lines (Line Extensions for new primary, secondary and service lines) | \$ 12,092,597 | \$ - | \$ (12,092,597) | \$ - |
| 200 | Tie Lines (new construction between existing lines) | 4,391,339 | 7,447,433 | 3,056,094 | 9,608,071 |
| 300 | Conversions or Line Changes | 16,254,503 | 20,580,719 | 4,326,217 | 27,514,015 |
| 600 | Miscellaneous Distribution Equipment | 41,127,967 | 45,662,391 | 4,534,424 | 58,775,582 |
| 700 | Other Distribution Items | 231,043 | 390,000 | 158,957 | 520,000 |
| Distribution Total | | \$ 74,097,449 | \$ 74,080,543 | \$ (16,906) | \$ 96,417,668 |
| <u>Substation</u> | | | | | |
| 400 | New Substations, Switching Stations and Meter Points | \$ 11,951,426 | \$ 17,575,695 | \$ 5,624,269 | \$ 20,798,652 |
| 500 | Substations, Switching Stations and Meter Point changes | 25,107,476 | 21,886,342 | (3,221,135) | 24,856,760 |
| Substation Total | | \$ 37,058,902 | \$ 39,462,036 | \$ 2,403,134 | \$ 45,655,412 |
| <u>Transmission</u> | | | | | |
| 800 | New Transmission Lines | \$ 685,988 | \$ 1,507,229 | \$ 821,241 | \$ 2,030,593 |
| 1000 | Line and Station Changes | 7,404,016 | 8,757,039 | 1,353,023 | 19,698,276 |
| Transmission Total | | \$ 8,090,004 | \$ 10,264,268 | \$ 2,174,264 | \$ 21,728,869 |
| <u>General Plant</u> | | | | | |
| 2000 | Facilities | \$ 7,297,355 | \$ 23,129,151 | \$ 15,831,796 | \$ 29,346,563 |
| 3000 | Information Technology | 1,954,770 | 6,262,239 | 4,307,469 | 7,776,588 |
| 4000 | Tools & Equipment | 165,134 | 349,248 | 184,114 | 438,000 |
| 5000 | Vehicles | 2,536,156 | 6,375,000 | 3,838,844 | 8,500,000 |
| Total General Plant | | \$ 11,953,415 | \$ 36,115,638 | \$ 24,162,224 | \$ 46,061,151 |
| Accrued WIP | | \$ 5,554,711 | \$ - | \$ (5,554,711) | \$ - |
| Total Capital Improvement Plan Spend | | \$ 136,754,480 | \$ 159,922,485 | \$ 23,168,005 | \$ 209,863,100 |

3. Financial Report

Multi-Year CIP Spend

| Construction Category & Project (\$ in thousands) | Prior Years | | YTD | | Project | | Project | | Remaining | |
|---|-------------|-----------------|-----------|-----------------|--------------|-----------------|-----------|------------------|-----------|------------------|
| | Spend | | Actuals | | Actuals Post | | Budget | | Budget | |
| | | | | | Approval | | | | | |
| <u>Distribution</u> | | | | | | | | | | |
| JC make-ready - voltage conversion | \$ | 5,440.1 | \$ | 4,399.0 | \$ | 9,839.1 | \$ | 12,546.0 | \$ | 2,706.9 |
| Fairland Make-ready Voltage Conversion | | 1,230.1 | | 1,849.2 | | 3,079.3 | | 7,500.0 | | 4,420.7 |
| Convert Burnet to 24.9KV | | 2,191.4 | | 1,187.6 | | 3,379.0 | | 5,000.0 | | 1,621.0 |
| Cranes Mill Conversion | | 766.6 | | 2,353.0 | | 3,119.5 | | 3,800.0 | | 680.5 |
| Distribution Total | \$ | 9,628.1 | \$ | 9,788.9 | \$ | 19,417.0 | \$ | 28,846.0 | \$ | 9,429.0 |
| <u>Substation</u> | | | | | | | | | | |
| Junction - Upgrade T1 to 22.4 MVA | \$ | 1,069.8 | \$ | 5,787.7 | \$ | 6,857.5 | \$ | 6,994.3 | \$ | 136.8 |
| Hero Way Construct new 46.7 MVA Subst | | 822.2 | | 7,390.2 | | 8,212.4 | | 8,323.4 | | 111.0 |
| Florence Construct new 46.7 MVA Sub | | - | | 119.5 | | 119.5 | | 7,179.7 | | 7,060.2 |
| Yarrington Construct new 46.7 MVA Subst | | - | | 1,522.7 | | 1,522.7 | | 8,075.9 | | 6,553.2 |
| RR12-LaCima Construct 46.7 MVA Sub | | - | | 28.3 | | 28.3 | | 7,337.6 | | 7,309.3 |
| New Site 2147 - Construct 46.7 MVA Sub | | - | | - | | - | | 8,641.2 | | 8,641.2 |
| Dripping Springs Upg T1 & T2 to 46.7 MVA | | - | | 28.5 | | 28.5 | | 5,257.1 | | 5,228.6 |
| Seward Junction Install 46.7 MVA Trf | | 327.8 | | 4,210.0 | | 4,537.8 | | 3,289.5 | | (1,248.3) |
| Lehigh Install 46.7 MVA Trf | | 438.3 | | 4,159.7 | | 4,597.9 | | 3,686.2 | | (911.8) |
| Pipeline Install 46.7 MVA Trf | | - | | 18.9 | | 18.9 | | 3,778.3 | | 3,759.4 |
| Lago Vista Install 46.7 MVA Trf | | - | | 149.7 | | 149.7 | | 8,858.7 | | 8,708.9 |
| SCADA RTU's | | 624.5 | | 5,287.5 | | 5,912.0 | | 4,326.3 | | (1,585.7) |
| Substation Total | \$ | 3,282.6 | \$ | 28,702.7 | \$ | 31,985.3 | \$ | 75,748.2 | \$ | 43,762.9 |
| <u>Transmission</u> | | | | | | | | | | |
| T323 PF-MF Overhaul | \$ | 1,181.4 | \$ | 930.5 | \$ | 2,111.8 | \$ | 10,976.6 | \$ | 8,864.8 |
| T327 LA-NL Overhaul | | 676.2 | | 3,924.9 | | 4,601.0 | | 11,005.2 | | 6,404.1 |
| T324 ML-HT – Single Circuit | | 248.5 | | - | | 248.5 | | 3,329.2 | | 3,080.7 |
| T380 BD-TV Overhaul | | - | | 295.9 | | 295.9 | | 5,777.7 | | 5,481.8 |
| MF-TP (T315) Storm Hardening | | 6,533.2 | | 1,536.2 | | 8,069.3 | | 8,525.5 | | 456.2 |
| North Hays County Wimberley Transmission | | 135.0 | | 46.0 | | 181.0 | | 70,054.7 | | 69,873.7 |
| T623 TP-CV Storm Hardening | | 223.4 | | 71.5 | | 294.8 | | 11,289.1 | | 10,994.3 |
| T333 LV to NL Overhaul | | 388.8 | | 30.3 | | 419.0 | | 11,730.5 | | 11,311.5 |
| EMS Hardware Software | | 2,656.0 | | 618.8 | | 3,274.8 | | 3,441.7 | | 166.9 |
| Transmission Total | \$ | 12,042.4 | \$ | 7,453.8 | \$ | 19,496.2 | \$ | 136,130.1 | \$ | 116,633.9 |
| <u>General Plant</u> | | | | | | | | | | |
| Transmission Control Center | \$ | 28,326.2 | \$ | 3,122.2 | \$ | 31,448.4 | \$ | 32,500.0 | \$ | 1,051.6 |
| Spring Branch - Warehouse and Shop Build | | - | | - | | - | | 11,837.0 | | 11,837.0 |
| Marble Falls Additional Property Fence & Improvements | | 42.4 | | 21.5 | | 63.9 | | 5,025.4 | | 4,961.5 |
| Junction/Warehouse Yard Expansion | | 80.3 | | - | | 80.3 | | 13,801.0 | | 13,720.7 |
| JC District Operations | | - | | 1,719.0 | | 1,719.0 | | 8,861.1 | | 7,142.1 |
| Safety Tech Training Cntr Improvements | | 282.7 | | - | | 282.7 | | 5,483.4 | | 5,200.7 |
| Total General Plant | \$ | 28,731.7 | \$ | 4,862.7 | \$ | 33,594.4 | \$ | 77,507.9 | \$ | 43,913.3 |



pec.coop



File #: 2023-299, **Version:** 1

Member Comments

Submitted By: Don Ballard

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: N/A

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

Members are also able to watch this meeting by livestream from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

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

Members may also 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.
- Please direct board meeting email messages to: PECBoard@peci.com [<mailto:PECBoard@peci.com>](mailto:PECBoard@peci.com).

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

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

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

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

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

Decorum Meetings Policy, Purpose:

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



DECORUM POLICY

Effective Date: October 16, 2020

1. PURPOSE

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

2. SCOPE

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

3. POLICY AND IMPLEMENTATION

- 3.1. PEC Business Meetings or Functions. Participants in any business meeting or function shall maintain an environment free of abusive, slanderous, or bullying behavior. To protect the security and safety of persons attending such meetings, all Participants shall respect an individual's physical space and refrain from any form of physical intimidation or abuse. Any behavior demonstrating or threatening violence, attack, or physical abuse is not tolerated.
 - 3.1.1. Meeting Participants may not display placards, bumper stickers, signs, or other campaigning, or political advocacy materials within the premises of a meeting or function, other than those materials displayed on the individual Participants' body or clothing. Campaigning and electioneering for PEC elections is governed by the Cooperative's Election Policy and Procedures.
 - 3.1.2. Meeting Participants shall refrain from disruptive or distracting behavior. Personal or character attacks, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive or distracting behavior.
- 3.2. Board Meetings. PEC Board meetings are conducted in accordance with the [Board Meetings Policy](#) and the current edition of Robert's Rules of Order Newly Revised, as practicable, and "Procedure for Small Boards" (for example, Robert's Rules of Order Newly Revised § 49 (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)).
 - 3.2.1. All Participants wishing to address the Board during the designated portion of a Board meeting shall sign a registry identifying themselves prior to speaking, and shall open their remarks by stating their name and whether they are a Cooperative Member. Time allotted by the Board for each speaker cannot be shared or allotted with other speakers. The allotted time shall include and commence from the



beginning of the speaker's remarks and include any time that passes during questioning or colloquy between the speaker and the Board. Additional time may be granted to a person by the Board President, or upon a majority vote of the Board.

- 3.2.2.** When any Member or Participant wishes to provide written or demonstrative materials to the Board or others, such Member or Participant must, prior to the meeting's start, provide the information to the Board Secretary or their designee for distribution.
- 3.2.3.** Participants shall refrain from disruptive or distracting behavior. Personal or character attacks, speaking out of turn, approaching or standing at the Board meeting dais without the permission of the Presiding Officer, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive behavior.

4. DEFINITIONS

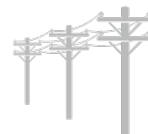
- 4.1. Participants** – Collectively includes Cooperative Board Directors, employees, Members, or any other attendees at PEC business meetings or functions.

5. PROCEDURE RESPONSIBILITIES

- 5.1.** PEC Business Meetings or Functions. Directors and Employees shall maintain order and preserve the decorum of any business meeting or function conducted on or off the Cooperative premises.
- 5.2.** Board Meetings. The Presiding Officer shall maintain order and preserve the decorum of Board meetings as provided in this Policy. Each Board Director shall cooperate with the Presiding Officer in preserving order and decorum, and no Participant shall, by conversation or otherwise, delay or interrupt the proceedings of the Board, nor disturb any person while speaking.

6. POLICY ENFORCEMENT

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

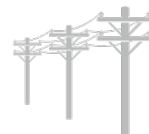


7. REFERENCES AND RELATED DOCUMENTS

Board Meetings Policy

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

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





File #: 2023-268, **Version:** 1

Resolution - Approval of Construction Contract for Yarrington Substation - J Treviño

Submitted By: Jose Treviño

Department: Engineering

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

Recommendation to approve the construction contract for the Yarrington Substation. The new substation is needed to off load adjacent existing substations and feeders in the area and to improve reliability and contingency options.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative approve an agreement to construct the Yarrington Substation as described herein; and

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



File #: 2023-301, **Version:** 1

Resolution - Approval of Election Policy and Procedures Amendments Related to 2023 Annual Director Post-Election Analysis - M Butler/D Ballard

Submitted By: Michael Butler

Department: Legal Services

Financial Impact and Cost/Benefit Considerations:

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

Additionally, pursuant to its Policy on Policies, the Board routinely reviews all policies as part of its policy management.

The Board may now review and consider amendments to the Election Policy & Procedures. The purpose of the Election Policy is to ensure that PEC Elections are conducted in a fashion that maximizes and exemplifies Democratic Member Control.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that pursuant to the Election Policy and Procedures and its regular review of Board policies, the Board has reviewed and adopts the Election Policy and Procedures presented to and discussed by the Board this day, with any amendments, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the General Counsel, or designee, is authorized to take all such action as may be necessary to implement this resolution.



ELECTION POLICY AND PROCEDURES

Effective Date: TBD

POLICY AT A GLANCE

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

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Election Policy

1. PURPOSE

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

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

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

2. SCOPE

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

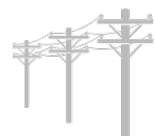
The Board recognizes that consistent, credible PEC Elections are essential to maintaining Member confidence in PEC, and the key vehicle by which Members hold Directors accountable and influence the direction of the Cooperative, both through election of Directors (“Director Election”) and elections on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

3. POLICY AND IMPLEMENTATION

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

4. PROCEDURE RESPONSIBILITIES

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



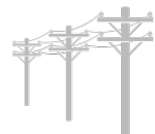
5. POLICY ENFORCEMENT

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

6. REFERENCES AND RELATED DOCUMENTS

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

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



Election Procedures

1 INTRODUCTION

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

2 ROLES AND RESPONSIBILITIES

2.1 Board of Directors

The Board of Directors will:

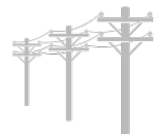
- Exercise oversight of PEC Elections in a fashion that maximizes and exemplifies Democratic Member Control
- Ensure full compliance with the PEC governing documents and the law
- Designate the PEC Election Service Provider (as defined in the PEC Bylaws)
- Determine the location, date, and time of each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

2.2 General Counsel

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

The General Counsel will:

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



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

2.3 **Qualifications and Elections Committee**

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

2.4 **Governance Team**

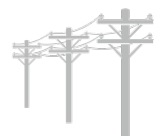
The Governance Team, including the Board Reporting Secretary, under the direction of the General Counsel, will:

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

2.5 **Election Service Provider**

The Election Service Provider appointed by the Cooperative will:

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



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

3.1 Establishing Annual Meeting Date, Time, and Location

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

3.2 Timeline

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

3.3 Coordination Meeting

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

4 SELECTION OF ELECTION SERVICE PROVIDER

4.1 Annual Decision

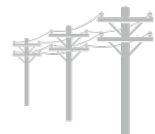
At or before the August Regular Board meeting each year, the General Counsel will recommend to the Board whether to extend the contract for the services of the Election Service Provider then retained by the Cooperative under the Bylaws and the Board will make a determination whether to extend the contract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

4.2 Competitive Procurement

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

4.3 Criteria

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



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

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

5 RECORD DATE(S)

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

5.1 Petition signatures

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

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

5.2 Casting Ballot

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

6 PREPARATION AND APPROVAL OF BALLOT

6.1 Non-Director Elections

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



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

6.2 Director Elections

6.2.1 Nominations

6.2.1.1 Ballot Materials and Application

6.2.1.1.1 Posting and Availability

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

6.2.1.1.2 Waiver

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

6.2.1.1.3 Affirmation of Eligibility and Adherence to Election Rules

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

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

6.2.1.1.4 Candidate Application – Use of Legal Name

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



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

6.2.1.1.5 Biographical and Platform Materials

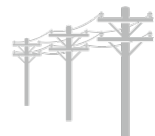
Candidate Applicants must provide biographical material in electronic format that can be opened by Microsoft Word to the Governance Team (as designee of the Board Secretary), as part of the application. Biographical materials are limited to 800 words, in the following required format: single spacing,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

6.2.1.1.6 Candidate Questionnaire

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

6.2.1.2 Petition Process and Signature

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



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

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

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

6.2.1.3 Confidentiality

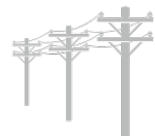
PEC employees performing duties under these procedures shall, to the fullest extent practicable, keep confidential the name of any Member who has made inquiry about seeking nomination, or has identified him or herself as a Candidate Applicant or potential Candidate Applicant, unless such Member has consented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

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

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

6.2.1.3.1 Confidentiality – Nomination Petitions

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



6.2.1.3.2 Confidentiality – Candidate Election Material

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

6.2.1.3.3 Directors access to Candidate Information

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

6.2.1.4 Deadline for Candidate Application

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

6.2.1.5 Signature Verification

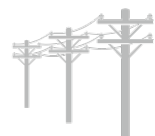
The PEC Member Relations Department will verify the signatures on petitions by Candidate Applicants. A signature will be accepted as an eligible petition signature when the signer is identified in PEC account records as a Member with Voting Residence within the district for which election is being sought.

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

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

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

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



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

6.2.1.6 Qualifications And Elections Committee

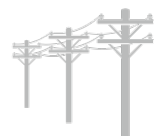
At least a week before the Regular Board meeting 4 months prior to an election, each Director may submit to the Governance Team the name of a person or persons residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee, as described in the Bylaws.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

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

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

6.2.1.7 Verification of Bylaw Qualifications

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



("Background Verifier") to assist the Qualifications and Elections Committee in verification of the following eligibility requirements as described below:

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

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

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

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

- c) Be a United States citizen;

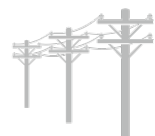
Background Verifier will attempt to locate voter registration information for a Candidate Applicant, which will provide proof of citizenship. If no voter registration is found, a Candidate Applicant will be asked to provide a birth certificate, passport or other proof of United States citizenship.

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

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

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

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



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

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

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

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

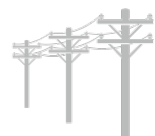
Background Verifier will research the factors listed above and complete a standardized report to the General Counsel, identifying the indicators supporting or contradicting the Candidate Applicant's primary residence within the district where election is sought. The PEC Member Relations Department will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

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

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

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

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



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

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

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

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

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

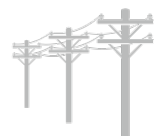
- j) Not be or have been convicted of a misdemeanor involving moral turpitude or a felony pursuant to state or federal laws;

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

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

This qualification will be self-evident.

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



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

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

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

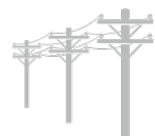
- n) Be willing to devote such time and effort to his or her duties as a Director as may be necessary to oversee the Cooperative's business and affairs including: except as otherwise provided by the Board of Directors for good cause, beginning with election to the Board of Directors, attend at least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

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

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

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

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



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

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

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

6.2.1.8 Notification to Candidate Applicants of Proposed Findings Regarding Qualifications

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

6.2.1.9 Recommendation of Candidate Slate

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

6.2.1.10 Approval and Certification of Ballot

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



7 VOTING AND PROCESSES DURING ELECTION PERIOD

7.1 Candidate Orientation and Photos

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

7.2 Withdrawal from Election

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

7.3 Communications Plan

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



7.4 Preparation and Distribution of Ballots

7.4.1 Printed Ballots

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

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

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

7.4.1.1 Voting and Receipt of Ballots

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

7.4.2 Website

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

7.4.3 Emails

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

7.5 Candidate Photographs

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



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

7.6 Questions by Candidates About the Election Process

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

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

7.7 Membership List Availability

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

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



7.8 Campaigning on PEC Premises

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

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

7.8.1 PEC Employee Campaigning

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

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

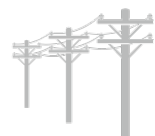
7.9 Use of PEC Brand

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

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

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

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



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

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

7.10.1 Candidates' Access to Voting History

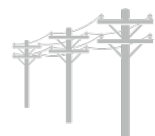
After a Candidate has been duly qualified and approved to be listed on the Ballot, the Candidate may request and be provided a Voter History List that contains only the names and mailing addresses of Members who voted in any, or each, director district election for the three (3) elections involving the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

7.10.2 Interim Voting Totals

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

7.11 Quality Control

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



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

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

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

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

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

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

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

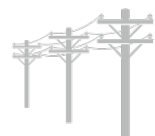
8 MEMBER MEETING AND TABULATION OF VOTES

8.1 One Member-One Vote

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

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

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



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

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

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

8.3 Proxies Prohibited

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

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

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

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

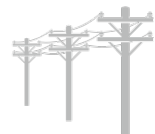
Paper votes will be scanned electronically by the Election Service Provider into a data record as they are received, with questionable and zero-vote Ballots pulled, hand counted and entered into the data. Online votes will have been recorded in a data record as they were cast, with multiple levels of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

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

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

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

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



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

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

8.5 Process if Member Disputes Having Cast Vote

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

8.6 Determination of Outcome/Winner

8.6.1 Non-Director Election

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

8.6.2 Director Election

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

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

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

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

8.8 Release, Announcement and Certification of Election Results

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



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

8.9 Post-Election Director Acknowledgments

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

8.10 Election Contests

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

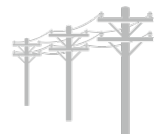
9 ACTIONS AFTER ANNUAL MEETING

9.1 District-by-District Results

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

9.2 Post-Election Analysis

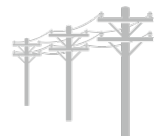
Within two months after the Annual Meeting at which Election Results are announced, the General Counsel will conduct a review of all facets of the PEC Elections, and will present to the Board any recommended modification to PEC Bylaws or Election Policy or Procedures.



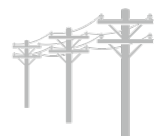
APPENDIX A

Election Timeline - Sample

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



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



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

Legend:

BOD – Board of Directors

ESP – Election Services Provider

GM – Governance Manager

GT – Governance Team

GC – General Counsel

IT – Information Technology

QEC – Qualifications and Elections Committee



APPENDIX B

Election Service Provider Technical and Security Qualifications

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

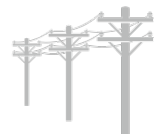
1. Policies and Procedures

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

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

2. Confidentiality of Data

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



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

3. Network/Security

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

4. Physical security

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

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

5. Connectivity

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

6. Power

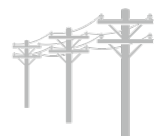
Data storage and server facilities must have power redundancy (e.g., uninterruptible power supplies, power conditioning units, and high capacity generators) to help maintain an effortless environment.

7. Data Backups

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

8. Vulnerability Testing

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



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

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

hereby affirm the following:

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

Executed by:

(Member Signature)

(If any, Joint Member Signature)

Date: _____

Date: _____

STATE OF TEXAS
COUNTY OF _____

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

(SEAL)

Notary Public (Signature)

Printed Name: _____

My Commission Expires: _____

STATE OF TEXAS
COUNTY OF _____

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

(SEAL)

Notary Public (Signature)

Printed Name: _____

My Commission Expires: _____



Appendix D

PEC CORPORATE STATISTICS (SAMPLE)

Key statistics about your electric cooperative

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

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

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

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

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

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

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

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

¹ Pre-audit figures, subject to change





ELECTION POLICY AND PROCEDURES

Effective Date: TBD

POLICY AT A GLANCE

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

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Election Policy

1. PURPOSE

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

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

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

2. SCOPE

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

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

3. POLICY AND IMPLEMENTATION

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

4. PROCEDURE RESPONSIBILITIES

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

5. POLICY ENFORCEMENT

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

6. REFERENCES AND RELATED DOCUMENTS

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

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

Election Procedures

1 INTRODUCTION

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

2 ROLES AND RESPONSIBILITIES

2.1 Board of Directors

The Board of Directors will:

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

2.2 General Counsel

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

The General Counsel will:

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

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

2.3 **Qualifications and Elections Committee**

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

2.4 **Governance Team**

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

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

2.5 **Election Service Provider**

The Election Service Provider appointed by the Cooperative will:

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

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

3.1 Establishing Annual Meeting Date, Time, and Location

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

3.2 Timeline

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

3.3 Coordination Meeting

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

4 SELECTION OF ELECTION SERVICE PROVIDER

4.1 Annual Decision

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

4.2 Competitive Procurement

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

4.3 Criteria

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

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

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

5 RECORD DATE(S)

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

5.1 Petition signatures

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

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

5.2 Casting Ballot

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

6 PREPARATION AND APPROVAL OF BALLOT

6.1 Non-Director Elections

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

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

6.2 Director Elections

6.2.1 Nominations

6.2.1.1 Ballot Materials and Application

6.2.1.1.1 Posting and Availability

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

6.2.1.1.2 Waiver

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

6.2.1.1.3 Affirmation of Eligibility and Adherence to Election Rules

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

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

6.2.1.1.4 Candidate Application – Use of Legal Name

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

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

6.2.1.1.5 Biographical and Platform Materials

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

6.2.1.1.6 Candidate Questionnaire

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

6.2.1.2 Petition Process and Signature

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

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

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

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

6.2.1.3 Confidentiality

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

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

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

6.2.1.3.1 Confidentiality – Nomination Petitions

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

6.2.1.3.2 Confidentiality – Candidate Election Material

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

6.2.1.3.3 Directors access to Candidate Information

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

6.2.1.4 Deadline for Candidate Application

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

6.2.1.5 Signature Verification

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

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

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

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

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

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

6.2.1.6 Qualifications And Elections Committee

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

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

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

6.2.1.7 Verification of Bylaw Qualifications

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

of the following eligibility requirements as described below:

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

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

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

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

- c) Be a United States citizen;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This qualification will be self-evident.

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

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

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

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

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

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

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

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

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

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

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

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

6.2.1.8 Notification to Candidate Applicants of Proposed Findings Regarding Qualifications

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

6.2.1.9 Recommendation of Candidate Slate

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

6.2.1.10 Approval and Certification of Ballot

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

7 VOTING AND PROCESSES DURING ELECTION PERIOD

7.1 Candidate Orientation and Photos

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

7.2 Withdrawal from Election

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

7.3 Communications Plan

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

7.4 Preparation and Distribution of Ballots

7.4.1 Printed Ballots

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

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

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

7.4.1.1 Voting and Receipt of Ballots

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

7.4.2 Website

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

7.4.3 Emails

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

7.5 Candidate Photographs

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

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

7.6 Questions by Candidates About the Election Process

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

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

7.7 Membership List Availability

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

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

7.8 Campaigning on PEC Premises

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

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

7.8.1 PEC Employee Campaigning

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

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

7.9 Use of PEC Brand

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

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

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

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

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

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

7.10.1 Candidates' Access to Voting History

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

7.10.2 Interim Voting Totals

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

7.11 Quality Control

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

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

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

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

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

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

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

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

8 MEMBER MEETING AND TABULATION OF VOTES

8.1 One Member-One Vote

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

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

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

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

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

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

8.3 Proxies Prohibited

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

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

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

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

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

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

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

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

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

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

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

8.5 Process if Member Disputes Having Cast Vote

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

8.6 Determination of Outcome/Winner

8.6.1 Non-Director Election

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

8.6.2 Director Election

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

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

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

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

8.8 Release, Announcement and Certification of Election Results

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

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

8.9 Post-Election Director Acknowledgments

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

8.10 Election Contests

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

9 ACTIONS AFTER ANNUAL MEETING

9.1 District-by-District Results

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

9.2 Post-Election Analysis

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

APPENDIX A

Election Timeline - Sample

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

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

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

Legend:

BOD – Board of Directors

ESP – Election Services Provider

GM – Governance Manager

GT – Governance Team

GC – General Counsel

IT – Information Technology

QEC – Qualifications and Elections Committee

APPENDIX B

Election Service Provider Technical and Security Qualifications

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

1. Policies and Procedures

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

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

2. Confidentiality of Data

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

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

3. Network/Security

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

4. Physical security

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

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

5. Connectivity

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

6. Power

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

7. Data Backups

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

8. Vulnerability Testing

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

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

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

hereby affirm the following:

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

Executed by:

 (Member Signature)

 (If any, Joint Member Signature)

Date: _____

Date: _____

STATE OF TEXAS

COUNTY OF _____

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

(SEAL)

 Notary Public (Signature)

Printed Name: _____

My Commission Expires: _____

STATE OF TEXAS

COUNTY OF _____

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

(SEAL)

 Notary Public (Signature)

Printed Name: _____

My Commission Expires: _____

Appendix D

PEC CORPORATE STATISTICS (SAMPLE)

Key statistics about your electric cooperative

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

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

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

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

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

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

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

| | |
|---|----------------------------------|
| Capital credits distributed in 2021 | \$5.7 million |
| Fitch bond rating (affirmed January 2022) | AA- |
| 2021 total assets | \$2.0 billion¹ |
| 2021 percent growth in meters | 5.4% |
| Board meetings held in 2021 | 17 |
| Members voting in 2021 PEC Board Election | 16,933 |
| Percentage of members participating in 2021 online voting who were "very satisfied" or "satisfied" with the online voting process | 96.2% |
| 2021 community and member support | \$470,410 |

¹ Pre-audit figures, subject to change



File #: 2023-302, Version: 1

Resolution - Approval to Establish 2024 Annual Membership Meeting Date and Location - D Ballard

Submitted By: Don Ballard

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: This action will have no impact to 2024 budgeted funds for planning the Annual Meeting.

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

Following the 2020 Annual Meeting, the Board of Directors expressed interest in continuing to have the Annual Meeting in Johnson City, Texas on the third Friday in June. Staff recommends hosting the 2024 Annual Meeting at the Cooperative's E. Babe Smith Headquarters prior to the regularly scheduled June 21, 2024 Board meeting.

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

BE IT RESOLVED BY THE BOARD OF DIRECTORS that the 2024 Annual Meeting of the Pedernales Electric Cooperative, Inc. ("PEC") be held within the PEC service territory at the Cooperative's E. Babe Smith Headquarters in Johnson City, Texas, on Friday, June 21, 2024, at 9:00 a.m.; and

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



File #: 2023-303, **Version:** 1

Resolution - Approval of 2024 Rate Plan - D Thompson/W Symank

Submitted By: David Thompson/Wes Symank

Department: Markets

Financial Impact and Cost/Benefit Considerations:

Pursuant to the Cooperative's Rate Policy, the Rate Plan will be presented to the Board annually and will be consistent and in alignment with the annual budget cycle. The Rates Committee presents the 2024 Rate Plan ("Plan") for Board consideration and approval. The Plan presents a roadmap to meet the Cooperative's rate objectives in alignment with the Cooperative's mission to provide safe, reliable, and low-cost energy for our members. All recommendations from the 2024 Rate Plan that affect the Cooperative's Tariff and Business Rules will be brought before the Board of Directors as amendments to the Tariff and Business Rules for consideration.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative approves the 2024 Rate Plan that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

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



2024 Rate Plan

David L. Thompson | VP of Markets

Wesley Symank | Rates Manager

2024 Rate Plan

Section

Slide

| | |
|---|---|
| Rate Policy Cycle, Committee Members and Timeline | 3 |
|---|---|

| | |
|--------------------------|---|
| 2024 Annual Rate Updates | 6 |
|--------------------------|---|

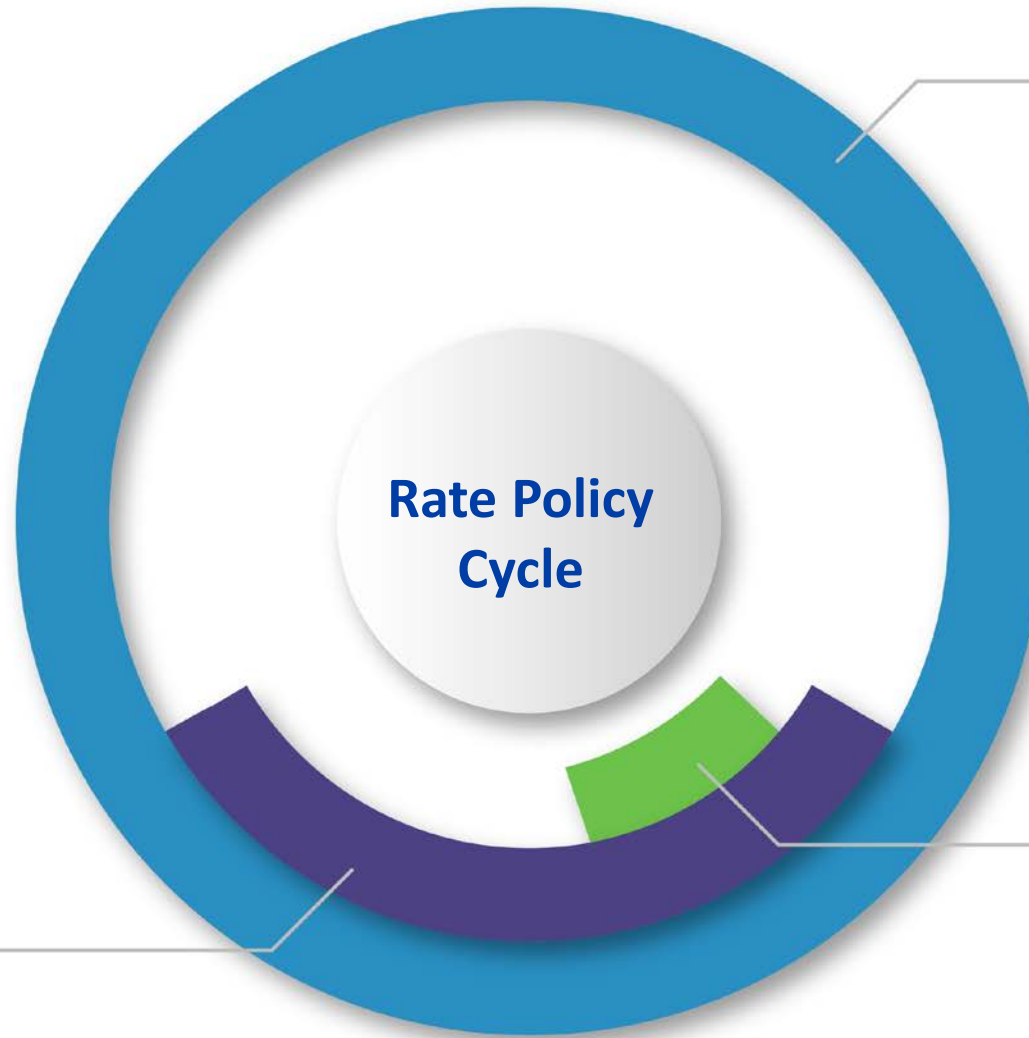
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|------------------|----|
| Evaluation Items | 14 |
|------------------|----|

Rate Policy Cycle

EVERY YEAR

Rate Plan

- Presented to both the Rates Committee and the Board of Directors
- Recommendations for upcoming year



EVERY 3 YEARS

Cost of Service Study

- All rates, fees and allowances reviewed

EVERY QUARTER

Board of Directors Report

- Implementation of the Rate Plan
- Reserve balances
- Revenue recovery
- Rate competitiveness

Rate Policy Cycle

2023 Cost of Service Study Update

The Rate Policy requires a Cost-of-Service Study once every three-years, the results of which inform subsequent rate plans. PEC commenced its COSS in January 2023.

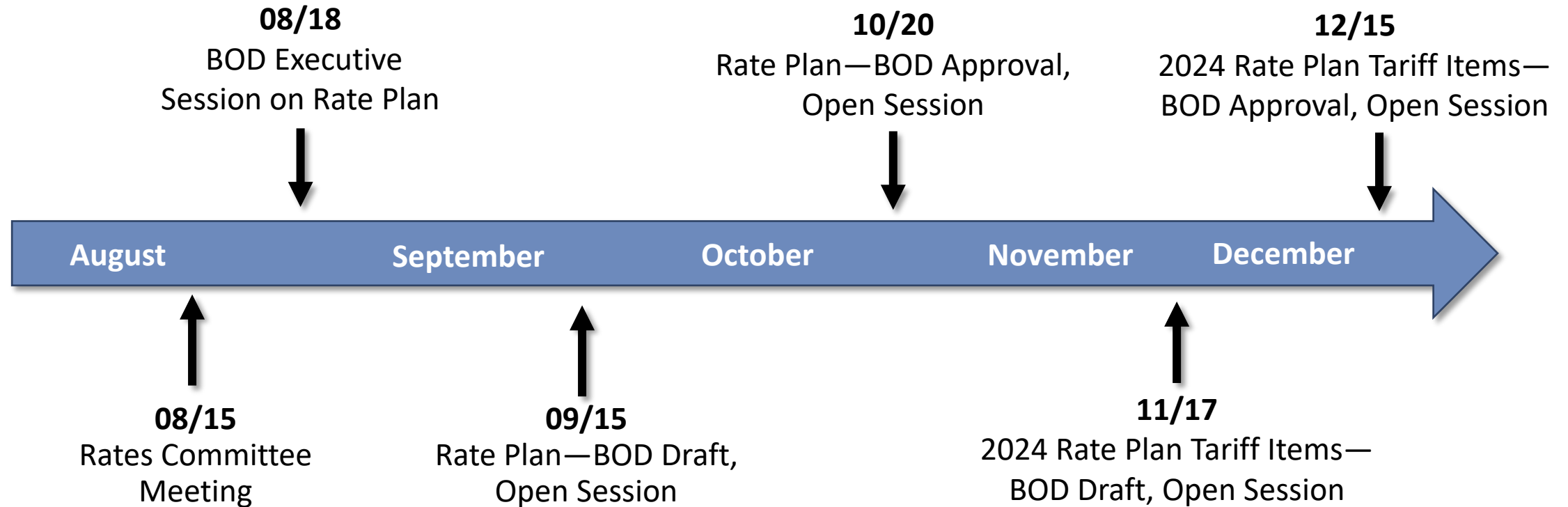


Consultant Deliverables

- COSS model and all supporting backup
- COSS internal report including all findings and recommendations
- COSS public report including all data and findings suitable for public consumption
- Construction assembly workbook
- Updated fee workbook

2024 Rate Plan Timeline

Rate Plan contents and timeline are detailed in section 4.3 of the Rate Policy to align with the annual budget cycle.



2024 Annual Rate Updates

Items that are reviewed each year to ensure proper cost recovery. If any changes are required to the Tariff and Business Rules, recommendations will be brought to the Board of Directors for consideration in November and for approval in December.

2024 Annual Rate Updates

1. Sustainable Power Credit Rate

Background

- All Members with distributed generation (DG) less than 50 kW receive the Sustainable Power Credit for all surplus generation delivered to PEC's distribution system.
- Every year the Sustainable Power Credit Rate is updated, and a recommendation may be made for an incremental adjustment.
- The Sustainable Power Credit is calculated from the 3-year average avoided cost of the following:
 - Energy Cost
 - Ancillary Service Cost
 - Transmission Cost
 - Other if applicable (none currently)
- Every year we will update the rate by including the most recent 3 years.

2024 Annual Rate Updates

1. Sustainable Power Credit Rate

(Recommendation continued)

Implementation Details

Send notice of rate change on bills by 1st week of January 2024

Effective Date

March 1, 2024

Financial Impact

- Impact to the Cooperative will be revenue neutral
- Impact to a specific member will depend on usage pattern
- Members should see an increase in payments of \$0.00955 per kWh of energy

Current number of members (As of August 11, 2023):

- Residential – 10,392 members, 10,606 accounts
- Small Power – 55 members, 76 accounts

2024 Annual Rate Updates

2. Industrial Rate Distribution Cost Recovery

Background

- Each year, we review the distribution rate for the Industrial Rate class to ensure full cost recovery of dedicated distribution and substation assets, and corresponding O&M.
- The Industrial Rate class is served from dedicated substations and distribution equipment.
- All other aspects of the Industrial Rate are direct pass-through monthly.

2024 Annual Rate Updates

2. Industrial Rate Distribution Cost Recovery

Rate Analysis

Prior year billing revenue exceeded requirements by an amount roughly equivalent to the increase in revenue required for the current year.

Recommendation

No change to the demand charge of \$0.49/kW

Financial Impact

Impact to the Cooperative will be revenue neutral.

2024 Annual Rate Updates

3. Renewable Energy Rider Charge

Background

- Rate was introduced in 2016 to give members the option to purchase 100% of their energy from a renewable source.
- Since inception, the rate has remained at \$0.43 per MWh (1,000 kWh)

Recommendation

- Current Renewable Energy Rider Charge recovers the cost to administer this rate offering
- No change to the Renewable Energy Rider Charge

2024 Annual Rate Updates

4. Power Cost Recovery

- This item is being addressed outside of the Rate Plan cycle this year

2024 Annual Rate Updates

5. Service Availability Charge (SAC) and Distribution Charge

Recommendation

- No recommendations at this time.
- The cost of service study will inform if there is any need for changes to the Service Availability Charges and Distribution Charges for all service levels.

Evaluation Items

These items will cause some costs and usage of staff time to be incurred and may be brought as potential changes for Board consideration at a future date.

2024 Evaluation Items

Cooperative Owned Lamp Charge

Background

- In March 2014, PEC's current rate structure, including the phase-out of all non-LED lighting was made effective by Board resolution.
- In November 2020, PEC Board approved the execution of a Lighting Services Agreement with a third-party vendor to facilitate all aspects of the Cooperative Owned Area Lighting except for all contact with the member including billing.

Recommendation

- Reviewing tariff language and current and future installations to establish if the language can be simplified and the lighting categories can be reduced
- Adding of a shielded lighting option and cost will be needed

Current Pricing Table

| Lamp Type: | Lighting Category: | Count: |
|------------|--------------------|--------|
| LED 1 | 0-50 Watts | 19,917 |
| LED 2 | 51-100 Watts | 1,660 |
| HP 1* | 0-50 Watts | 3,526 |
| HP 2* | 51-100 Watts | 987 |
| MH* | 0-50 Watts | 145 |
| MV* | 51-100 Watts | 1,719 |

** These lamps are no longer available for new installations.*

2024 Evaluation Items

Rate sheets to make the tariff more intuitive and easier to navigate

Background

Member Services' experience with customers indicates that the current organization of the tariff could be improved so that all relevant rate information for a given rate class is contained within a single page of the tariff.

The Rate section of the Tariff is setup with many references to charges making it so that to fully see what the charges are under a specific rate, between 3-7 other sections must be referenced.

Recommendation

Create full rate sheets, for each rate available to the membership, that includes all rate components and applicable information

2024 Evaluation Items

Current Layout Example

500.2 RATE SCHEDULES

500.2.1 RESIDENTIAL, FARM AND RANCH SERVICE

500.2.1.1 RESIDENTIAL, FARM AND RANCH SERVICE

APPLICABILITY

This schedule applies to Members receiving distribution service in locations built to serve as and are currently serving as an Individual Private Dwelling or Multi-Family Dwelling and their facilities, or facilities used for small-scale agricultural purposes such as water wells. If the location is being used for commercial purposes, PEC may change the member's rate to the appropriate non-residential service rate.

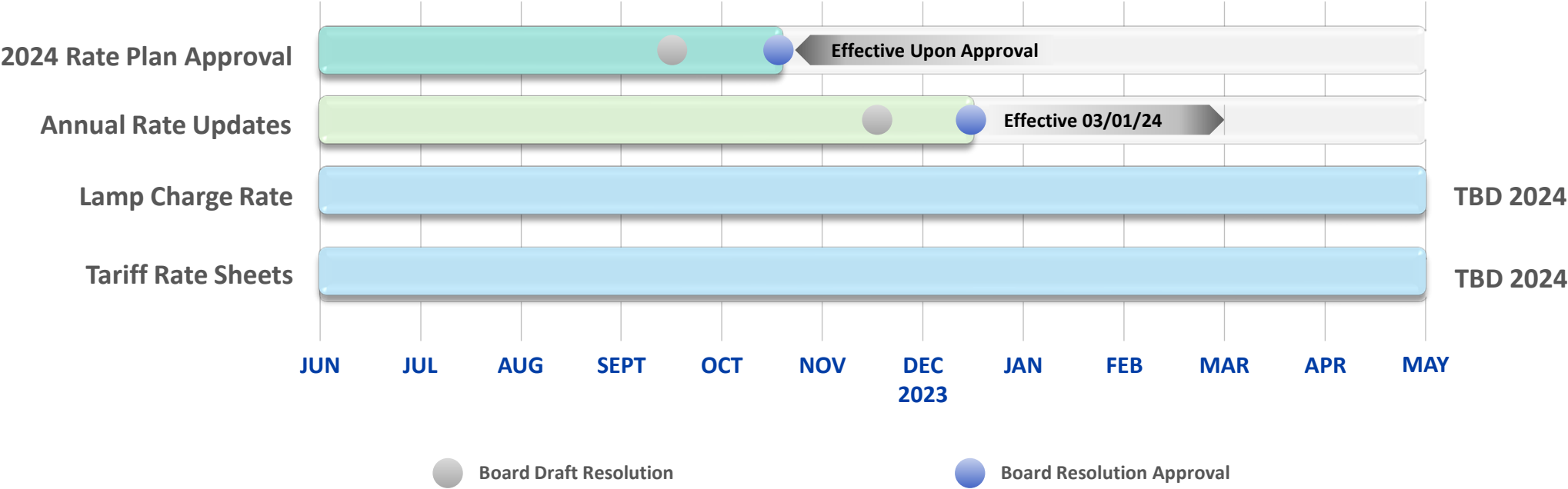
MONTHLY RATE

The following charges will apply:

| Charges: | Amount: | Unit: | Billing Determinant: |
|----------------------------------|-----------------------|-------|----------------------|
| Service Availability Charge | \$ 22.50 | meter | month |
| Delivery Charge | \$ 0.028405 | kWh | Delivered Energy |
| Base Power Charge | Per Section 500.1.7.1 | kWh | Delivered Energy |
| TCOS Pass Through Charge | Per Section 500.1.8.1 | kWh | Delivered Energy |
| Temporary Winter Storm Surcharge | Per Section 500.1.20 | kWh | Delivered Energy |

The monthly bill will be the sum of the above charges plus any applicable fees, taxes, discounts, credits, or adjustments.

Target Timeline for Rate Plan Items



PEC Helpful Links and Rate Contact Information

PEC Document Center -

- Includes Rate Policy, Cost of Service Studies, recent rate related Board items
 - <https://www.pec.coop/about-us/your-cooperative/document-center/>

PEC Rate Inquiry email addresses -

- All Rate related questions - Rateinquiry@peci.com



pec.coop



File #: 2023-306, **Version:** 1

Resolution - Consideration of Public Utility Regulatory Policies Act (PURPA) Amendments - D Thompson

Submitted By: David Thompson

Department: Markets

Financial Impact and Cost/Benefit Considerations: None

The PEC Board of Directors has exclusive jurisdiction to set all terms of access, conditions, and rates applicable to the services provided by the Cooperative other than as provided by Texas state law. The federal Public Utility Regulatory Policies Act of 1978 (PURPA) as amended in 2005, 2007, and 2021 also dictates that nonregulated electric utilities, which includes PEC, consider and determine whether to implement ratemaking standards as described in PURPA (16 USC Section 2621) including:

- (1) Cost of service;
- (2) Declining block rates;
- (3) Time-of-day rates;
- (4) Seasonal rates;
- (5) Interruptible rates;
- (6) Load management techniques;
- (7) Integrated resource planning;
- (8) Investment in conservation and demand management;
- (9) Energy efficiency investment in power generation and supply;
- (10) Consideration of effects of wholesale power purchases on utility cost of capital; effects of leveraged capital structures on the reliability of wholesale power suppliers; and assurance of adequate fuel supplies.

2005 amendments:

- (11) Net metering;
- (12) Fuel sources;
- (13) Fossil fuel generation efficiency;
- (14) Time-based metering and communications;
- (15) Interconnection

2007 amendments:

- (16) Integrated resource planning
- (17) Rate design modifications to promote energy efficiency investments;
- (18) Consideration of smart grid investments; and
- (19) Smart grid information.

2021 amendments:

- (20) Demand-response practices; and
- (21) Electric vehicle charging programs.

The 2021 amendments are required to be considered by **November 15, 2023** (16 USC 2622). Consideration of such 2021 amendments began by **November 15, 2022** (16 USC 2622).

PEC adopted various Board resolutions in 2007, 2008, and 2009 as to requirements found within Section 2621 of PURPA.

In July 2007, the Board considered certain PURPA standards and determined PEC would not adopt PURPA standards pertaining to the following: 1) Net Metering Standard, 2) Fuel Sources Standard, 3) Fossil Fuel Generation Technology Standard, 4) Time-Based Metering and Communications Standard, and 5) the Interconnection Standard.

In October 2008, the Board required a public hearing to consider and determine whether to implement additional ratemaking standards addressing energy efficiency, integrated resource planning, rate design modifications to promote energy efficiency investments, consideration of smart grid investments, and access to smart grid information.

In March 2009, the Board adopted modified PURPA standards as to: 1) integrating energy efficiency resources into resource planning and making cost-effective energy efficiency a priority resource; 2) modifying rate designs to promote energy efficiency investments; 3) assessing investments in smart grid technologies before investing in non-advanced technologies; and 4) making smart grid information available to members.

In October 2019, the Cooperative formally declared its positions on the following PURPA standards during the Cooperative's Rate Policy review:

- (1) Cost of service;
- (2) Declining block rates;
- (3) Time-of-day rates;
- (4) Seasonal rates;
- (5) Interruptible rates;
- (6) Load management techniques;
- (7) Integrated resource planning;
- (8) Investment in conservation and demand management;
- (9) Energy efficiency investment in power generation and supply; and
- (10) Consideration of effects of wholesale power purchases on utility cost of capital; effects of leveraged capital structures on the reliability of wholesale power suppliers and assurance of adequate fuel supplies.

In summary, the Cooperative previously considered and adopted resolutions in 2007, 2009, and 2019 as to PURPA Standards 16 USC Section 2621(d)(1), (d)(2), (d)(3), (d)(4), (d)(5), (d)(6), (d)(7), (d)(8), (d)(9), (d)(10), (d)(11), (d)(12), (d)(13), (d)(14), (d)(15), (d)(16), (d)(17), (d)(18) and (d)(19).

With respect to the 2021 PURPA amendments that are required to be considered by the Board, the two amendments are addressed as follows:

1. 16 USC Section 2621(d)(20) - Demand-response practices

(A) In general

Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

(B) Rate recovery

(i) In general

Each State regulatory authority shall consider establishing rate mechanisms allowing an electric utility with respect to which the State regulatory authority has ratemaking authority to timely recover the costs of promoting demand-response and demand flexibility practices in accordance with [16 USC Section 2621(d)(20)(A)].

(ii) Nonregulated electric utilities

A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with [16 USC Section 2621(d)(20)(A)].

- The Cooperative has considered and determined it is appropriate to continue with already implemented programs that promote **demand response practices** in the standard established in PURPA (16 USC Section 2621(d)(20)). The PEC Board previously established several programs that are in alignment with the Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery. Examples include the implemented Time of Use Rates in February 2018, and the adopted demand-based rates for transmission costs for the Large Power Rate Class in 2021. Additionally, the Cooperative adopted solely demand-based rates for distribution costs for the Large Power Rate Class in 2021. The Cooperative also promotes demand response through its Power Rush Hour program that started in 2011 as "Beat the Peak" and was rebranded to "Power Rush Hour" in 2017.

2. 16 USC Section 2621(d)(21) - Electric vehicle charging programs

Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that-

(A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;

(B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;

(C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and

(D)appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

As stated previously, PEC's obligation to consider this standard arises from 16 USC 2621(a) which requires ". . . each nonregulated electric utility [to] consider each standard established by subsection (d) and make a determination concerning whether or not it is appropriate to implement such standard to carry out the purposes of this chapter."

16 USC 2621(d)(21), however, directs each "State" to consider this standard pertaining to electric vehicle charging programs rather than "nonregulated electric utilities." PEC has considered section (d)(21) and determined that because this standard is addressed to the State, and not nonregulated electric utilities, it is not appropriate for PEC to implement 16 USC 2621(d)(21)

With respect to the consideration of these PURPA amendments, the Cooperative posted notice with respect to its Board meetings in which this topic was to be discussed. The Cooperative provides members the opportunity to express their views in person at open meetings held each month. Furthermore, members are encouraged to submit comments on all rate related matters to staff or the Board of Directors. This does not preclude PEC from adopting programs in the future that are beneficial to the membership.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative acknowledges that it has considered all components of PURPA, as amended (including, 16 USC Sections 2621(d)(20) and (d)(21);

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, after provision of notice and consideration at an open meeting, consistent with the requirements of 16 USC Section 2621, 2622, and 2631, the Cooperative has considered and determined it is appropriate to implement or not implement the following PURPA standards:

- The Cooperative has considered and determined it is appropriate to continue with already implemented programs that promote **demand response practices** in the standard established in PURPA (16 U.S.C. § 2621(d)(20)) as it is in alignment with the Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate not to implement the **electric vehicle charging programs** standard established in PURPA 16 USC § 2621(d)(21) as the State is directed to consider measures to promote greater electrification of the transportation sector.

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, the Cooperative reserves the right to re-consider the adoption and implementation of any of these federal standards if it deems it beneficial and in alignment with the Cooperative's objectives, its Rate Policy or any other Board-approved Policy; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the CEO, or designee, is authorized to take all such other actions necessary to implement this resolution.



Consideration of Public Utility Regulatory Policies Act (PURPA) Amendments

David L. Thompson | VP of Markets

Wesley Symank | Rates Manager

Overview

- The PEC Board of Directors has exclusive jurisdiction to set all terms of access, conditions, and rates applicable to the services provided by the Cooperative other than as provided by Texas state law
- The federal Public Utility Regulatory Policies Act of 1978 (PURPA) as amended in 2005, 2007, and 2021 requires that nonregulated entities, which includes PEC, consider and determine whether to implement ratemaking standards adopted in PURPA (16 USC 2621)
- The Cooperative previously considered and adopted resolutions in 2007, 2009, and 2019 after considering the ratemaking standards in PURPA 16 USC Section 2621 and its amendments
- PURPA was amended in 2021 and added two new standards for consideration
- Under PURPA, PEC is required to consider these two standards by **November 15, 2023** (16 USC 2622)
- Additionally, PURPA requires PEC to allow members to intervene and participate in any proceeding (16 USC 2631)

2021 PURPA Amendment Consideration

Section 2621(d)(20)—Demand Response

16 U.S. Code §2621(d)

(20) Demand-response practices

(A) In general

Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

(B) Rate recovery

(i) In general

Each State regulatory authority shall consider establishing rate mechanisms allowing an electric utility with respect to which the State regulatory authority has ratemaking authority to timely recover the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

(ii) Nonregulated electric utilities

A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

2021 PURPA Amendment Consideration

PEC draft position on PURPA Amendment - (20) Demand-response practices

- The Cooperative has considered and determined it is appropriate to continue with already implemented programs that promote **demand response practices** in the standard established in PURPA (16 USC 2621 (d)(20))
- The PEC Board considered and established several programs that are in alignment with the Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
 - Examples include the implemented
 - Time of Use Rates in February 2018
 - Demand-based rates for transmission costs for the Large Power Rate Class in 2021
 - Demand-based rates for distribution costs for the Large Power Rate Class in 2021
 - Voluntary demand response program Power Rush Hour that started in 2011 as Beat the Peak and was rebranded to Power Rush Hour in 2017
- This does not preclude PEC from adopting demand response programs in the future that are beneficial to the membership

2021 PURPA Amendment Consideration

Section 2621(d)(20)—Electric Vehicle Charging Programs

16 U.S. Code §2621(d)

(21) Electric Vehicle Charging Programs

Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that—

(A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;

(B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;

(C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and

(D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

2021 PURPA Amendment Consideration

PEC draft position on PURPA Amendment - (21) Electric Vehicle Charging Programs

- PEC's obligation to consider this standard arises from 16 USC 2621(a) which requires “. . . each nonregulated electric utility [to] consider each standard established by subsection (d) and make a determination concerning whether or not it is appropriate to implement such standard to carry out the purposes of this chapter.”
- 16 USC 2621(d)(21), however, directs each “State” to consider this standard which pertains to electric vehicle charging programs. “Nonregulated electric utilities” are not addressed in this section.
- PEC has considered section (d)(21) and determined that because this standard is addressed to the State, and not nonregulated electric utilities, it is not appropriate for PEC to implement 16 USC 2621(d)(21)

Public Notice for Member Comments

- PURPA requires PEC to allow members to intervene and participate in any proceeding (16 USC 2631)
- PEC has accomplished this notice through posting its consideration of the new PURPA provisions in its agenda and accepting member comments during the open session of its Board Meeting

Resources

Rate Questions or Comments for PEC – RateInquiry@peci.com

16 USC 2621: Consideration and determination respecting certain ratemaking standards

- [https://uscode.house.gov/view.xhtml?req=\(title:16%20section:2621%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:16%20section:2621%20edition:prelim))

16 USC 2622: Obligations to consider and determine

- [https://uscode.house.gov/view.xhtml?req=\(title:16%20section:2622%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:16%20section:2622%20edition:prelim))

16 USC 2631: Intervention in proceedings

- [https://uscode.house.gov/view.xhtml?req=\(title:16%20section:2631%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:16%20section:2631%20edition:prelim))



PEDERNALES ELECTRIC COOPERATIVE



File #: 2023-307, **Version:** 1

Resolution - Approval of Vegetation Management Master Services Contracts - E Dauterive

Submitted By: Virgil Maldonado

Department: Operations

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

The Cooperative requires services for vegetation management for capital projects and transmission and distribution line maintenance and has requested qualifications from vendors for these services for the period January 1, 2024 to December 31, 2029. The Cooperative anticipates reviewing the performance of the vendors each year and may request qualifications from additional vendors and may add or may remove vendors for these services. The amounts approved over this period will be included annually in the Capital and Operating Budgets - CIP Budget Category Distribution (generally FERC accounts 107/108) and FERC Accounts Distribution Operations Expense (DOE) and Distribution Maintenance Expense (DME) (generally accounts 583 through 588, and 593 through 598).

BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board approves contracting for vegetation management services with terms through December 31, 2029, and in amounts approved in the annual Capital and Operating Budgets in the categories and accounts referenced, as discussed this day;

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to execute and deliver contracts from time to time for vegetation management services on behalf of the Cooperative as described herein; and

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



File #: 2023-308, **Version:** 1

Resolution - Approval of 2022 IRS Form 990 - S Houghton

Submitted By: Kat Jones on behalf of Sharon Houghton

Department: Chief Financial Officer

Financial Impact and Cost/Benefit Considerations: As discussed in executive session this day.

The Audit Committee presents to the Board for approval the Form 990 for the Cooperative for calendar year 2022 ("Form 990") to be filed with the Internal Revenue Service and made publicly available.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Form 990, as submitted to the Board this day, is approved, with such changes, if any, as were discussed and approved by the Board;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Financial Officer, or designee, is hereby authorized and directed to file the Form 990 with the Internal Revenue Service as the official filing of the Cooperative and make it publicly available once filed.



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Signature Report

**Executive Session - Contract and Competitive Matters:
2023-290**

File Number: 2023-290

**Resolution - Recommend Approval by Board of Directors of 2022 IRS Form 990 - B
Miller, Bolinger, Segars, Gilbert & Moss, LLP (BSGM) - K Jones**

BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Audit Committee recommends for Board approval the IRS Form 990 as submitted and discussed by the Audit Committee; and

BE IT FURTHER RESOLVED BY THE AUDIT COMMITTEE that the Chief Financial Officer, or designee, is authorized to take other actions as necessary to implement this resolution, including presenting to the Board for approval.

At a meeting of the Audit Committee on 9/20/2023, a motion was made by Emily Pataki, seconded by Travis Cox, that this Executive Session - Contract and Competitive Matters be approved. The motion passed.

Yes: 3 Chairperson Oakley, Director Pataki, and Director Cox



File #: 2023-300, **Version:** 1

Resolution - Review and Approval of Equity Management Plan Policy - K Jones

Submitted By: Kat Jones

Department: Finance

Financial Impact and Cost/Benefit Considerations:

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 Equity Management Plan Policy.

The purpose of the Equity Management Plan Policy is to document the intent of the Board of Directors to continue maintaining a financially healthy Cooperative through equity stabilization.

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

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



EQUITY MANAGEMENT PLAN POLICY

Effective Date: TBD


POLICY AT A GLANCE

PEC is committed to maintaining a financially healthy Cooperative through equity stabilization.

EQUITY MANAGEMENT AT PEC


Total Equity Ratio

Total Equity
Ratio




=

Total
Equity



/

Total
Assets





1. PURPOSE

The purpose of the Equity Management Plan Policy ("Policy") is to ~~address~~document the intent of the Board of Directors ("Board") to continue maintaining a financially healthy Cooperative through equity stabilization. The Board uses a number of measures to determine the financial health of Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative") but for purposes of this Policy, the Board emphasizes the ratio of Total Equity as a percentage of Total Assets.

2. SCOPE

This Policy applies to the Board and all PEC employees.

3. POLICY AND IMPLEMENTATION

3.1. The Board will assign the Chief Financial Officer the responsibility of reporting on the Cooperative's performance relative to the Target Equity Range.

3.2. At least annually, Management will report, to the Board, on the financial position of the Cooperative and will outline any actions which are deemed necessary to maintain the Target Equity Range.

3.1.3.3. At least annually, the Board will review the projections for operating and capital expenditures, along with the projections for equity and debt balances, with respect to the Target Equity Range.

3.2.3.4. If an updated projection is not available, the Board-approved budget will suffice to assess the Cooperative's financial health relative to the Target Equity Range.

~~3.3. The Board assigns the Chief Financial Officer the responsibility of reporting on the Cooperative's performance relative to the Target Equity Range.~~

~~3.4. At least annually, Management will report an assessment of the financial position of the Cooperative and will outline any actions which are deemed necessary to maintain the Target Equity Range.~~

4. DEFINITIONS

~~4.1. Total Assets – Total Assets used for purposes of implementing the Equity Management Plan Policy represent t~~Ihe same asset accounts that make up the "Total Assets" of the Cooperative as reported on the most recent audited financial statements.

~~4.2. Total Equity – Total Equity used for purposes of implementing the Equity Management Plan Policy are comprised of t~~Ihe same equity accounts used for determining "Total Equities" on the most recent audited financial statements.

~~4.3. Target Equity Range – Target Equity Range is defined as achieving a~~A ratio of Total Equity to Total Assets in the range of 32% - 45%.

5. POLICY ENFORCEMENT

The Board is responsible for enforcing this Policy. Violation of this Policy may result in disciplinary action, up to and including, termination.



6. REFERENCES AND RELATED DOCUMENTS

[Capital Credits Policy](#)

[Budget Policy](#)

| | |
|---------------------|--|
| Date adopted: | January 1, 2015 |
| Last reviewed: | September 13, 2019 TBD |
| Review frequency: | Every Three Years |
| Amendment dates: | September 13, 2019 , TBD |
| Effective date: | September 13, 2019 TBD |
| Approver: | Board of Directors |
| Applies to: | Board of Directors and all PEC Employees |
| 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. |





EQUITY MANAGEMENT PLAN POLICY

Effective Date: TBD


POLICY AT A GLANCE

PEC is committed to maintaining a financially healthy Cooperative through equity stabilization.

EQUITY MANAGEMENT AT PEC


Total Equity Ratio

Total Equity
Ratio




=

Total
Equity



/

Total
Assets





1. PURPOSE

The purpose of the Equity Management Plan Policy ("Policy") is to document the intent of the Board of Directors ("Board") to continue maintaining a financially healthy Cooperative through equity stabilization. The Board uses a number of measures to determine the financial health of Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative") but for purposes of this Policy, the Board emphasizes the ratio of Total Equity as a percentage of Total Assets.

2. SCOPE

This Policy applies to the Board and all PEC employees.

3. POLICY AND IMPLEMENTATION

- 3.1. The Board will assign the Chief Financial Officer the responsibility of reporting on the Cooperative's performance relative to the Target Equity Range.
- 3.2. At least annually, Management will report, to the Board, on the financial position of the Cooperative and will outline any actions which are deemed necessary to maintain the Target Equity Range.
- 3.3. At least annually, the Board will review the projections for operating and capital expenditures, along with the projections for equity and debt balances, with respect to the Target Equity Range.
- 3.4. If an updated projection is not available, the Board-approved budget will suffice to assess the Cooperative's financial health relative to the Target Equity Range.

4. DEFINITIONS

- 4.1. **Total Assets** – The same asset accounts that make up the "Total Assets" of the Cooperative as reported on the most recent audited financial statements.
- 4.2. **Total Equity** – The same equity accounts used for determining "Total Equities" on the most recent audited financial statements.
- 4.3. **Target Equity Range** – A ratio of Total Equity to Total Assets in the range of 32% - 45%.

5. POLICY ENFORCEMENT

The Board is responsible for enforcing this Policy. Violation of this Policy may result in disciplinary action, up to and including, termination.

6. REFERENCES AND RELATED DOCUMENTS

[Capital Credits Policy](#)

[Budget Policy](#)



| | |
|---------------------|--|
| Date adopted: | January 1, 2015 |
| Last reviewed: | TBD |
| Review frequency: | Every Three Years |
| Amendment dates: | TBD |
| Effective date: | TBD |
| Approver: | Board of Directors |
| Applies to: | Board of Directors and all PEC Employees |
| 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. |





File #: 2023-309, **Version:** 1

Plan Administration Committee (PAC) Report
Bernie Dawson, PAC Chairman, Drew McCorkle, CAPTRUST Advisors

Submitted By: Bernie Dawson
Department: Workforce and Safety Operations
Financial Impact and Cost/Benefit Considerations: N/A

Pursuant to Board resolutions (December 2015 and May 2020) delegating fiduciary authority and approving the Composition and Roles in the *Responsibilities of and Guidelines for Appointment of Members of the Pedernales Electric Cooperative, Inc. Plan Administration Committee* ("PAC"), the PAC "report[s] annually to the Board on its work for the Board's overall monitoring of the operation of the PAC" and employee benefit plans.

The PAC administers the fiduciary administrative and investment decisions for PEC plans, including implementation, strategies and objectives of the PEC plans' investments, providers and operations.

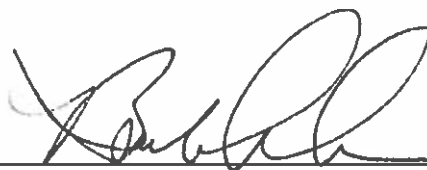
Pedernales Electric Cooperative
Employees' 401(k) Savings Plan
Employees' Defined Benefit Retirement Plan
Activity Report
of
PEC Plan Administration Committee
to
Board of Directors
October 20, 2023

The PEC Plan Administration Committee ("Committee") was appointed by the Board of Directors of Pedernales Electric Cooperative to be the fiduciary committee for the Pedernales Electric Cooperative Employees' 401(k) Savings Plan ("401(k) Plan") and the Pedernales Electric Cooperative Employees' Defined Benefit Retirement Plan ("Pension Plan") (collectively "Plans"). This report is provided periodically to inform the Board of Directors, at a high level, of the fiduciary activities of the Committee.

The Committee actively carried out its responsibilities during the 12-month period from July 1, 2022 to June 30, 2023 (Reporting Period), taking the following actions, among others:

1. The Committee met 5 times—quarterly—during the Reporting Period, in addition to three additional meetings.
2. Bernie Dawson continued to be the Committee chairperson during the Reporting Period.
3. At each regular quarterly meeting, the Committee's independent investment advisor, and investment co-fiduciary, provided detailed reporting on the investments offered in the Plans. This reporting included a review of the following elements, among others: (a) any matters affecting the Plans' investment firms, (b) any matters affecting the investment managers and their staff, (c) any variance from the investment manager's stated investment style, (d) performance of the investments relative to peers and an appropriate benchmark, (e) risk and (f) costs.
4. The Committee met in special session on two occasions to consider whether to change CAPTRUST's role to being a discretionary investment advisor to the 401(k) Plan and Pension Plan, and decided to make those changes, which will provide cost savings for both Plans.
5. The Committee met in special session to receive presentations from and evaluate liability driven investment managers for the Pension Plan

6. Working with its independent investment advisor, the Committee considered less expensive alternate share classes of the investments offered in the 401(k) Plan.
7. The Committee conducted a periodic review of its Statement of Responsibilities.
8. The Committee received a report on the results of the most recent financial statement audits of the Plans, which are filed with the annual Forms 5500.
9. The Committee received reporting from the Plan recordkeeper on plan administration operations and participant behavior and communications.
10. The Committee received reporting from PECO's internal information technology specialists evaluating the information received from the 401(k) Plan recordkeeper on its cybersecurity program.
11. The Committee received a briefing on the fiduciary insurance coverage in place with respect to the Plans.
12. At each meeting the Committee received an update on legal and regulatory developments that affect ERISA, the law covering the Committee and the Plans.
13. Minutes were kept of each meeting along with all materials reviewed at the meeting.



Bernie Dawson, Committee Chair

8/15/2023

Date signed



Legislation Details (With Text)

File #: 2020-121 **Version:** 1 **Name:**
Type: Action Item/Other Items **Status:** Passed
File created: 3/17/2020 **In control:** Board of Directors
On agenda: 5/15/2020 **Final action:** 5/15/2020
Title: Resolution - Approval of Board Delegation of Authority, Composition, and Role of PEC Plan Administration Committee - W Burns

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2020-05-15 PAC - Board that Appoints Fiduciary Committee

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------------|----------|--------|
| 5/15/2020 | 1 | Board of Directors | approved | Pass |

Resolution - Approval of Board Delegation of Authority, Composition, and Role of PEC Plan Administration Committee - W Burns

Submitted By: Lisa Scarborough on behalf of W Burns

Department: Human Resources

Financial Impact and Cost/Benefit Considerations: No additional costs anticipated.

Effective January 1, 1964, Pedernales Electric Cooperative, Inc. ("Plan Sponsor"), established, for the exclusive benefit of its employees and their beneficiaries, the Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan, a defined benefit pension plan intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code ("DB Plan");

Effective January 1, 1968, Plan Sponsor established, for the exclusive benefit of its employees and their beneficiaries, the Pedernales Electric Cooperative, Inc. Employees Defined Contribution Savings Plan, a profit-sharing plan intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code, and now known as the Pedernales Electric Cooperative, Inc. Employees' 401(k) Savings Plan ("401(k) Plan");

Under the terms of the DB Plan and of the 401(k) Plan, the Plan Sponsor has the authority to appoint a person or committee to serve in the capacity of Plan Administrator. The Plan Sponsor's Board of Directors ("Board") previously appointed a Management Committee to serve in this role, which has since been renamed the Pedernales Electric Cooperative, Inc. Plan Administration Committee ("Committee"). In addition, the Board has previously allocated certain administrative and investment responsibilities to the Committee, determined an appointment process for Committee members, and appointed persons to serve as members of the Committee. The Committee has seven employees as members. Five members of the Committee are currently regular members. The position of a Human Resources Manager and a Finance Manager are the only permanent members of the Committee.

The Plan Sponsor now wishes to revise, restate, and ratify in part the delegations of responsibility previously made to the Committee and the process for appointment of new Committee members, as described in greater detail below.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the

Plan Sponsor hereby adopts the “*Responsibilities of and Guidelines for Appointment of Members of the Pedernales Electric Cooperative, Inc. Plan Administration Committee*” set forth at Exhibit A (the “Guidelines”), effective as of the date hereof, as an amendment and restatement of any and all prior resolutions and documents and governing operation and administration of the Pedernales Electric Cooperative, Inc. Plan Administration Committee (the “Committee”); and

BE IT FURTHER RESOLVED that the Plan Sponsor will continue to retain responsibility for carrying out any “settlor” functions with respect to adoption, amendment, and/or termination of the Plans.

EXHIBIT A

Responsibilities of and Guidelines for Appointment of Members of the Pedernales Electric Cooperative, Inc. Plan Administration Committee

The Pedernales Electric Cooperative, Inc. Plan Administration Committee (“PAC”) carries out certain administrative duties with respect to the Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan and the Pedernales Electric Cooperative, Inc. Employees’ 401(k) Savings Plan (each, a “Plan,” and collectively, the “Plans”), on behalf of the Cooperative as sponsor of the Plans, in accordance with applicable Plan terms. The Board of Directors of the Cooperative (“Board”) has expressly delegated authority to the PAC to make only “fiduciary” administrative and investment decisions for the Plans, in accordance with the structure outlined below.

1. The PAC will administer implementation, strategies and objectives of the Plan’s investments, providers, and operations.
2. The PAC will report annually to the Board on its work for the Board’s overall monitoring of the operation of the PAC and the Plans.

Appointment Guidelines

As the terms of members of the PAC expire, it is necessary to appoint new members to carry out such duties and oversee administration of the Plans, under the appointment structure previously established by the Board. Under that structure, the PAC is intended to have seven employees as members. Five members of the Committee are regular members. The position of Human Resources Manager and Finance Manager are the only permanent members of the Committee. Each regular member will serve on the PAC for a term of three years. Regular members may serve 2 consecutive terms before reappointment. Permanent members of the PAC are not subject to a maximum term limit. Currently, each regular member's term expires on December 31st of the applicable expiration year, unless the member resigns, is removed by the Board, or terminates employment prior to such date. Any person appointed to the PAC shall signify acceptance of such duties by filing a written acceptance with the Cooperative.

By October 1st of each year, the Chair of the PAC will notify all members of the Executive Team when a position is available or requires a replacement. Each Executive Team member may then select a candidate from within their departments to be submitted for consideration. The candidates should be a member of management (manager, director) or other FLSA-exempt employee, in good standing with the Cooperative, who have some experience, background, or strong interest in an area that relates to retirement plan administration. Each candidate will be confirmed to have no disciplinary actions and submitted to the CEO for their consideration, selection and recommendation to the Board for action at the December board meeting.

In the event that a current member of the PAC resigns or is removed from the PAC or terminates employment with PEC prior to the date that the member’s term would otherwise expire, then the above procedure will be followed as soon as administratively feasible following such resignation, removal, or termination of employment.



File #: 2023-311, **Version:** 1

List of Board Approved Future Meetings

Submitted By: Don Ballard

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").

2023 Board Meeting Calendar

- January 20, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- February 17, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- March 24, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- April 21, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- May 19, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- June 16, 2023 Regular Meeting immediately following the conclusion of the 2023 Annual Membership Meeting on Friday at the PEC Headquarters
- July 21, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- August 18, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- September 15, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- October 20, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- November 17, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- December 15, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters



File #: 2023-312, **Version:** 1

Board Planning Calendar (Written Report in Materials)

Submitted By: Don Ballard

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 ensure compliance and governance matters. The annual calendar also includes ad hoc items.

3-Month Outlook Planning Calendar - November 2023 through January 2024

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|------------|-------|---|-------------------------------------|------------------------------|--------------------------|------------------------|
| NOV | | | | | | |
| 1 | 11 | Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings | Board President | November Regular BOD Meeting | Compliance | Reoccurring |
| 2 | 11 | Approval Resolution – Approval of 2024 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate | Chief Financial Officer | November Regular BOD Meeting | Compliance | Reoccurring |
| 3 | 11 | Approval Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - Lampasas County | Chief Financial Officer | November Regular BOD Meeting | Compliance | Ad-hoc |
| 4 | 11 | Approval Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas | VP, Compliance & Regulatory | November Regular BOD Meeting | Strategic | Ad-hoc |
| 5 | 11 | Approval Resolution - Approval to Amend the 2023 Capital Improvement Plan (CIP) for individually approved Capital Projects | Chief Financial Officer | November Regular BOD Meeting | Strategic | Ad-hoc |
| 6 | 11 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | November Regular BOD Meeting | Strategic | Reoccurring |
| 7 | 11 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | November Regular BOD Meeting | Strategic | Reoccurring |
| 8 | 11 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | November Regular BOD Meeting | Strategic | Reoccurring |
| 9 | 11 | Draft Resolution – Approval of 2024 Election Communications Plan | External Relations | November Regular BOD Meeting | Compliance | Reoccurring |
| 10 | 11 | Draft Resolution – Approval of 2024 Election Timeline | General Counsel | November Regular BOD Meeting | Compliance | Reoccurring |
| 11 | 11 | Draft Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2024 | Chief Financial Officer | November Regular BOD Meeting | Compliance | Reoccurring |
| 12 | 11 | Draft Resolution - Approval to Amend Tariff and Business Rules - Annual Interconnect Rate Update | VP, Markets | November Regular BOD Meeting | Strategic | Reoccurring |
| 13 | 11 | Draft Resolution - Review and Approval of Capital Credits Policy | Chief Financial Officer | November Regular BOD Meeting | Compliance | Reoccurring |
| 14 | 11 | Ethics and Compliance Update | Ethics & Compliance Officer | November Regular BOD Meeting | Compliance | Biannual |
| 15 | 11 | Markets Monthly Report | VP, Markets | November Regular BOD Meeting | Strategic | Reoccurring |
| 16 | 11 | Personnel Matters | VP, Workforce & Safety Operations | November Regular BOD Meeting | Strategic | Reoccurring |
| 17 | 11 | Recognition of Veterans Day | Board President | November Regular BOD Meeting | Compliance | Reoccurring |
| 18 | 11 | Safety/Security | VP, Workforce & Safety Operations | November Regular BOD Meeting | Strategic | Reoccurring |
| 19 | 11 | Winter Preparedness Report | Chief Operations Officer | November Regular BOD Meeting | Strategic | Reoccurring |
| DEC | | | | | | |
| 20 | 12 | Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings | Board President | December Regular BOD Meeting | Compliance | Reoccurring |
| 21 | 12 | Approval Resolution – Approval of 2024 Election Communications Plan | Chief Executive Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 22 | 12 | Approval Resolution – Approval of 2024 Election Timeline | General Counsel | December Regular BOD Meeting | Compliance | Reoccurring |
| 23 | 12 | Approval Resolution – Approval of Appointment of Members to PEC Plan Administration Committee (PAC) | VP, Workforce & Safety Operations | December Regular BOD Meeting | Strategic | Reoccurring |
| 24 | 12 | Approval Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2024 | Chief Financial Officer | December Regular BOD Meeting | Compliance | Reoccurring |
| 25 | 12 | Approval Resolution – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 26 | 12 | Approval Resolution - Approval to Amend Tariff and Business Rules - Annual Interconnect Rate Update | VP, Markets | December Regular BOD Meeting | Strategic | Reoccurring |
| 27 | 12 | Approval Resolution - Review and Approval of Capital Credits Policy | Chief Financial Officer | December Regular BOD Meeting | Compliance | Reoccurring |
| 28 | 12 | Approval Resolution - Review and Approval of 2023 CEO Bonus Evaluation | Board Vice President | December Regular BOD Meeting | Strategic | Reoccurring |
| 29 | 12 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 30 | 12 | Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update | Board of Directors | December Regular BOD Meeting | Compliance | Quarterly |
| 31 | 12 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | December Regular BOD Meeting | Strategic | Reoccurring |
| 32 | 12 | Draft Resolution – Approval of 2024 Key Performance Indicators Plan Methodology | Chief Operations Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 33 | 12 | Draft Resolution - Approval of Construction Contract Transmission Lago Vista to Nameless | Engineering | December Regular BOD Meeting | Strategic | Ad-hoc |
| 34 | 12 | Draft Resolution - Approval of Construction Contract Transmission Trading Post to Cedar Valley | Engineering | December Regular BOD Meeting | Strategic | Ad-hoc |
| 35 | 12 | Draft Resolution – Approval of Directive for Delegates Regarding Upcoming Regional & National Meetings | External Relations | December Regular BOD Meeting | Strategic | Reoccurring |
| 36 | 12 | Markets Monthly Report | VP, Markets | December Regular BOD Meeting | Strategic | Reoccurring |
| 37 | 12 | Personnel Matters | VP, Workforce & Safety Operations | December Regular BOD Meeting | Strategic | Reoccurring |
| 38 | 12 | Report on NRCEA 2023 Compendium of Proposed Resolutions | External Relations | December Regular BOD Meeting | Strategic | Reoccurring |
| 39 | 12 | Review of 2024 CEO Action Items | Chief Executive Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 40 | 12 | Safety/Security | VP, Workforce & Safety Operations | December Regular BOD Meeting | Strategic | Reoccurring |

3-Month Outlook Planning Calendar - November 2023 through January 2024

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|------------|-------|---|-----------------------------------|-----------------------------|---|------------------------|
| JAN | | | | | | |
| 41 | 1 | 2024 Election Timeline Update | General Counsel | January Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 42 | 1 | Approval Resolution – Approval of 2024 Key Performance Indicators Plan Methodology | Chief Operations Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 43 | 1 | Approval Resolution – Approval of 2024 NRECA Annual Membership Dues | Chief Executive Officer | January Regular BOD Meeting | Compliance | Reoccurring |
| 44 | 1 | Approval Resolution – Approval of TEC Annual Membership Dues | Chief Executive Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 45 | 1 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 46 | 1 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 47 | 1 | Cooperative Update | Chief Executive Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 48 | 1 | Draft Resolution – Approval of 2024 NRECA Annual Meeting Voting Delegates, 2024 CFC District Voting Delegates, and 2024 NRTC Voting Delegates | Board President | January Regular BOD Meeting | Strategic | Reoccurring |
| 49 | 1 | Draft Resolution – Approval for Directing the General Counsel to Prepare 2024 Proposed Non-Director Election Ballot Item(s) | General Counsel | January Regular BOD Meeting | Strategic | Reoccurring |
| 50 | 1 | Draft Resolution – Approval of Appointments to 2024 Qualifications and Elections Committee | General Counsel | January Regular BOD Meeting | Compliance | Reoccurring |
| 51 | 1 | Markets Monthly Report | VP, Markets | January Regular BOD Meeting | Strategic | Reoccurring |
| 52 | 1 | Personnel Matters | VP, Workforce & Safety Operations | January Regular BOD Meeting | Strategic | Reoccurring |
| 53 | 1 | Safety/Security | VP, Workforce & Safety Operations | January Regular BOD Meeting | Strategic | Reoccurring |

PEC Annual Planning Calendar

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|--------|-------|---|-------------------------------------|-------------------------------|---|------------------------|
| 1 | 1 | 2024 Election Timeline Update | General Counsel | January Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 2 | 1 | Approval Resolution – Approval of 2024 Key Performance Indicators Plan Methodology | Chief Operations Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 3 | 1 | Approval Resolution – Approval of 2024 NRECA Annual Membership Dues | Chief Executive Officer | January Regular BOD Meeting | Compliance | Reoccurring |
| 4 | 1 | Approval Resolution – Approval of TEC Annual Membership Dues | Chief Executive Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 5 | 1 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 6 | 1 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 7 | 1 | Cooperative Update | Chief Executive Officer | January Regular BOD Meeting | Strategic | Reoccurring |
| 8 | 1 | Draft Resolution – Approval of 2024 NRECA Annual Meeting Voting Delegates, 2024 CFC District Voting Delegates, and 2024 NRTC Voting Delegates | Board President | January Regular BOD Meeting | Strategic | Reoccurring |
| 9 | 1 | Draft Resolution – Approval for Directing the General Counsel to Prepare 2024 Proposed Non-Director Election Ballot Item(s) | General Counsel | January Regular BOD Meeting | Strategic | Reoccurring |
| 10 | 1 | Draft Resolution – Approval of Appointments to 2024 Qualifications and Elections Committee | General Counsel | January Regular BOD Meeting | Compliance | Reoccurring |
| 11 | 1 | Markets Monthly Report | VP, Markets | January Regular BOD Meeting | Strategic | Reoccurring |
| 12 | 1 | Personnel Matters | VP, Workforce & Safety Operations | January Regular BOD Meeting | Strategic | Reoccurring |
| 13 | 1 | Safety/Security | VP, Workforce & Safety Operations | January Regular BOD Meeting | Strategic | Reoccurring |
| 14 | 2 | 2024 Election Timeline Update | General Counsel | February Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 15 | 2 | Approval Resolution – Approval for Directing the General Counsel to Prepare 2024 Proposed Non-Director Election Ballot Item(s) | General Counsel | February Regular BOD Meeting | Strategic | Reoccurring |
| 16 | 2 | Approval Resolution – Approval of Appointments to 2024 Qualifications and Elections Committee (QEC) | General Counsel | February Regular BOD Meeting | Compliance | Reoccurring |
| 17 | 2 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | February Regular BOD Meeting | Strategic | Reoccurring |
| 18 | 2 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | February Regular BOD Meeting | Strategic | Reoccurring |
| 19 | 2 | Cooperative Update | Chief Executive Officer | February Regular BOD Meeting | Strategic | Reoccurring |
| 20 | 2 | Cyber Security Semiannual Update | Compliance & Regulatory | February Regular BOD Meeting | Strategic | Biannual |
| 21 | 2 | Key Performance Indicator (KPI) of 2023 Period 2 Results | Chief Operations Officer | February Regular BOD Meeting | Strategic | Reoccurring |
| 22 | 2 | Markets Monthly Report | VP, Markets | February Regular BOD Meeting | Strategic | Reoccurring |
| 23 | 2 | Personnel Matters | VP, Workforce & Safety Operations | February Regular BOD Meeting | Strategic | Reoccurring |
| 24 | 2 | Real Estate Update | Chief Operations Officer | February Regular BOD Meeting | Strategic | Bi-Annual |
| 25 | 2 | Safety/Security | VP, Workforce & Safety Operations | February Regular BOD Meeting | Strategic | Reoccurring |
| 26 | 3 | 2024 Election Timeline Update | General Counsel | March Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 27 | 3 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | March Regular BOD Meeting | Strategic | Reoccurring |
| 28 | 3 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | March Regular BOD Meeting | Strategic | Reoccurring |
| 29 | 3 | Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update | Board of Directors | March Regular BOD Meeting | Compliance | Quarterly |
| 30 | 3 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | March Regular BOD Meeting | Strategic | Reoccurring |
| 31 | 3 | Draft Resolution – Approval and Certification of 2024 Election Ballot | General Counsel | March Regular BOD Meeting | Compliance | Reoccurring |
| 32 | 3 | Draft Resolution - Approval of 2024 Annual Membership Meeting Agenda | General Counsel | March Regular BOD Meeting | Compliance | Reoccurring |
| 33 | 3 | Draft Resolution – Approval of 2024 Cooperative Response Center (CRC) Voting Delegates | VP, External Relations | March Regular BOD Meeting | Compliance | Reoccurring |
| 34 | 3 | Markets Monthly Report | VP, Markets | March Regular BOD Meeting | Strategic | Reoccurring |
| 35 | 3 | Personnel Matters | VP, Workforce & Safety Operations | March Regular BOD Meeting | Strategic | Reoccurring |
| 36 | 3 | Safety/Security | VP, Workforce & Safety Operations | March Regular BOD Meeting | Strategic | Reoccurring |
| 37 | 4 | 2023 Financial Audit | Audit Committee | April Audit Committee Meeting | Compliance | Reoccurring |

PEC Annual Planning Calendar

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|--------|-------|--|-------------------------------------|--------------------------------|---|------------------------|
| 38 | 4 | 2024 Election Timeline Update | General Counsel | April Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 39 | 4 | Approval Resolution – Approval and Certification of 2024 Election Ballot | General Counsel | April Regular BOD Meeting | Compliance | Reoccurring |
| 40 | 4 | Approval Resolution – Approval of 2023 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) | Chief Financial Officer | April Regular BOD Meeting | Compliance | Reoccurring |
| 41 | 4 | Approval Resolution – Approval of 2024 Annual Membership Meeting Agenda | General Counsel | April Regular BOD Meeting | Strategic | Reoccurring |
| 42 | 4 | Approval Resolution – Approval of 2024 Cooperative Response Center (CRC) Voting Delegates | VP, External Relations | April Regular BOD Meeting | Compliance | Reoccurring |
| 43 | 4 | Approval Resolution – Approval of Director Candidates for 2024 Pedernales Electric Cooperative Board of Director's Election Ballot | General Counsel | April Regular BOD Meeting | Compliance | Reoccurring |
| 44 | 4 | Approval Resolution - Review and Approval of Defined Benefit Plan Funding Policy Amendments | Chief Financial Officer | April Regular BOD Meeting | Compliance | Reoccurring |
| 45 | 4 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | April Regular BOD Meeting | Strategic | Reoccurring |
| 46 | 4 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | April Regular BOD Meeting | Strategic | Reoccurring |
| 47 | 4 | Audit Plan Report 2023 | Chief Financial Officer | April Regular BOD Meeting | Strategic | Reoccurring |
| 48 | 4 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | April Regular BOD Meeting | Strategic | Reoccurring |
| 49 | 4 | Markets Monthly Report | VP, Markets | April Regular BOD Meeting | Strategic | Reoccurring |
| 50 | 4 | Personnel Matters | VP, Workforce & Safety Operations | April Regular BOD Meeting | Strategic | Reoccurring |
| 51 | 4 | Presentation of 2022 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) | Audit Committee | April Regular BOD Meeting | Compliance | Reoccurring |
| 52 | 4 | Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates - QEC Rep. | General Counsel | April Regular BOD Meeting | Compliance | Reoccurring |
| 53 | 4 | Report on Property, Liability, and Corporate Insurance Policies | Compliance & Regulatory | April Regular BOD Meeting | Strategic | Annual |
| 54 | 4 | Safety/Security | VP, Workforce & Safety Operations | April Regular BOD Meeting | Strategic | Reoccurring |
| 55 | 4 | Transmission Business Update | Engineering/Compliance & Regulatory | April Regular BOD Meeting | Strategic | Reoccurring |
| 56 | 5 | 2023 Election Timeline Update | General Counsel | April Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 57 | 5 | Approval Resolution - Review and Approval of 2023 CEO Performance Evaluation and Compensation | Board of Directors | May Regular BOD Meeting | Compliance | Reoccurring |
| 58 | 5 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | May Regular BOD Meeting | Strategic | Reoccurring |
| 59 | 5 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | May Regular BOD Meeting | Strategic | Reoccurring |
| 60 | 5 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | May Regular BOD Meeting | Strategic | Reoccurring |
| 61 | 5 | Draft Resolution – Review and Approval of Privacy Policy | Compliance & Regulatory | May Regular BOD Meeting | Compliance | Annual |
| 62 | 5 | Markets Monthly Report | VP, Markets | May Regular BOD Meeting | Strategic | Reoccurring |
| 63 | 5 | Moment of Silence in Commemoration of Memorial Day | Board President | May Regular BOD Meeting | Strategic | Reoccurring |
| 64 | 5 | Personnel Matters | VP, Workforce & Safety Operations | May Regular BOD Meeting | Strategic | Reoccurring |
| 65 | 5 | Safety/Security | VP, Workforce & Safety Operations | May Regular BOD Meeting | Strategic | Reoccurring |
| 66 | 6 | Acknowledgement and Seating of Directors Elected at Annual Membership Meeting | General Counsel | June Regular BOD Meeting | Compliance - Bylaws | Reoccurring |
| 67 | 6 | Approval Resolution - Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting | Board President | June Regular BOD Meeting | Compliance - TEC | Reoccurring |
| 68 | 6 | Approval Resolution – Proposal for Approval of Allocation of 2023 Net Margins to Capital Credits | Chief Financial Officer | June Regular BOD Meeting | Strategic | Reoccurring |
| 69 | 6 | Approval Resolution – Review and Approval of Privacy Policy | Compliance & Regulatory | June Regular BOD Meeting | Compliance | Reoccurring |
| 70 | 6 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | June Regular BOD Meeting | Strategic | Reoccurring |
| 71 | 6 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | June Regular BOD Meeting | Strategic | Reoccurring |
| 72 | 6 | Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update | Board of Directors | June Regular BOD Meeting | Compliance | Quarterly |
| 73 | 6 | Conduct Annual Membership Meeting | Chief Executive Officer | June Annual Membership Meeting | Compliance - Bylaws | Reoccurring |
| 74 | 6 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | June Regular BOD Meeting | Strategic | Reoccurring |

PEC Annual Planning Calendar

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|--------|-------|---|-------------------------------------|--|---|------------------------|
| 75 | 6 | Corporate Initiatives and CEO Action Items Update | Chief Executive Officer | June Regular BOD Meeting | Strategic | Reoccurring |
| 76 | 6 | Draft Resolution - Approval to Renew Contract for Election Services Provider | Legal Services | June Regular BOD Meeting | Compliance | Reoccurring |
| 77 | 6 | Markets Monthly Report | VP, Markets | June Regular BOD Meeting | Strategic | Reoccurring |
| 78 | 6 | Personnel Matters | VP, Workforce & Safety Operations | June Regular BOD Meeting | Strategic | Reoccurring |
| 79 | 6 | Real Estate Plan Update | Chief Operations Officer | June Regular BOD Meeting | Strategic | Ad-hoc |
| 80 | 6 | Receipt of Conflict of Interest Disclosure Form, Director Affirmation, and Directors' Code of Conduct Acknowledgement | General Counsel | June Annual Membership Meeting | Compliance - Code of Conduct, Conflict of Interest Policies | Reoccurring |
| 81 | 6 | Safety/Security | VP, Workforce & Safety Operations | June Regular BOD Meeting | Strategic | Reoccurring |
| 82 | 7 | Annual Review of Conflicts of Interest Certification and Disclosure Forms from Directors | General Counsel | July Regular BOD Meeting | Compliance - Bylaws | Reoccurring |
| 83 | 7 | Approval Resolution – Approval of the Appointment of Audit Committee and Audit Committee Chairperson | General Counsel | July Regular BOD Meeting | Compliance - Bylaws | Reoccurring |
| 84 | 7 | Approval Resolution – Approval of Written Certification of the Election Results | General Counsel | Annual Membership Meeting Minutes and for first Regular or | Compliance - Election Policy and Procedures | Reoccurring |
| 85 | 7 | Approval Resolution – Approval to Appoint CFC Voting Delegates for CFC District Meeting, October 19, 2023 | Board President | July Regular BOD Meeting | Compliance CFC | Reoccurring |
| 86 | 7 | Approval Resolution - Approval to Appoint NRECA Voting Delegates for NRECA Regional Meeting, October 18-20, 2023 | Board President | July Regular BOD Meeting | Compliance NRECA | Reoccurring |
| 87 | 7 | Approval Resolution – Approval to Renew Contract for Election Services Provider | Legal Services | July Regular BOD Meeting | Compliance | Reoccurring |
| 88 | 7 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | July Regular BOD Meeting | Strategic | Reoccurring |
| 89 | 7 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | July Regular BOD Meeting | Strategic | Reoccurring |
| 90 | 7 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | July Regular BOD Meeting | Strategic | Reoccurring |
| 91 | 7 | Distribution System Planning Update | VP, Engineering | July Regular BOD Meeting | Strategic | JUL/SEP |
| 92 | 7 | Draft Resolution – Review and Approval of Board Meetings Policy | General Counsel | July Regular BOD Meeting | Compliance | Reoccurring |
| 93 | 7 | Election - Office of President | General Counsel | July Regular BOD Meeting | Compliance | Reoccurring |
| 94 | 7 | Election - Office of Secretary and Treasurer | General Counsel | July Regular BOD Meeting | Compliance | Reoccurring |
| 95 | 7 | Election - Office of Vice President | General Counsel | July Regular BOD Meeting | Compliance | Reoccurring |
| 96 | 7 | Election Update - Annual Voter Turnout | Legal Services | July Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 97 | 7 | Key Performance Indicator (KPI) Update of 2024 Period 1 Results | Chief Operations Officer | July Regular BOD Meeting | Strategic | Reoccurring |
| 98 | 7 | Markets Monthly Report | VP, Markets | July Regular BOD Meeting | Strategic | Reoccurring |
| 99 | 7 | Personnel Matters | VP, Workforce & Safety Operations | July Regular BOD Meeting | Strategic | Reoccurring |
| 100 | 7 | Safety/Security | VP, Workforce & Safety Operations | July Regular BOD Meeting | Strategic | Reoccurring |
| 101 | 8 | 2023 Property (Real and Personal) Tax Appraisal and Assessment Update | Tax & Regulatory Accounting Manager | August Regular BOD Meeting | Strategic | Reoccurring |
| 102 | 8 | Approval Resolution – Review and Approval of Board Meetings Policy | General Counsel | August Regular BOD Meeting | Compliance | Reoccurring |
| 103 | 8 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | August Regular BOD Meeting | Strategic | Reoccurring |
| 104 | 8 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | August Regular BOD Meeting | Strategic | Reoccurring |
| 105 | 8 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | August Regular BOD Meeting | Strategic | Reoccurring |
| 106 | 8 | Corporate Initiatives and CEO Action Items Update | Chief Executive Officer | August Regular BOD Meeting | Strategic | Reoccurring |
| 107 | 8 | Cyber Security Semiannual Update | Compliance & Regulatory | August Regular BOD Meeting | Strategic | Biannual |
| 108 | 8 | Directors' Conflict of Interest Training and Directors' Code of Conduct Training | Board Counsel | August Regular BOD Meeting | Compliance | Reoccurring |
| 109 | 8 | Draft Resolution - Approval for Renewal of 2024 Medical Insurance Benefits | VP, Workforce & Safety Operations | August Regular BOD Meeting | Compliance | Reoccurring |
| 110 | 8 | Draft Resolution - Approval of Amendments and Restatement of Employees' 401(k) Savings Plan | VP, Workforce & Safety Operations | August Regular BOD Meeting | Compliance | Reoccurring |
| 111 | 8 | Markets Monthly Report | VP, Markets | August Regular BOD Meeting | Strategic | Reoccurring |
| 112 | 8 | Personnel Matters | VP, Workforce & Safety Operations | August Regular BOD Meeting | Strategic | Reoccurring |

PEC Annual Planning Calendar

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|--------|-------|--|-------------------------------------|-----------------------------------|---|------------------------|
| 113 | 8 | Post Member-Election Analysis and Annual Review | General Counsel | August Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 114 | 8 | Safety/Security | VP, Workforce & Safety Operations | August Regular BOD Meeting | Strategic | Reoccurring |
| 115 | 9 | Approval Resolution - Approval for Renewal of 2024 Medical Insurance Benefits | VP, Workforce & Safety Operations | September Regular BOD Meeting | Compliance | Reoccurring |
| 116 | 9 | Approval Resolution - Approval of Amendments and Restatement of Employees' 401(k) Savings Plan | VP, Workforce & Safety Operations | September Regular BOD Meeting | Compliance | Reoccurring |
| 117 | 9 | Approval Resolution – Approval of Directive(s) for Delegates Regarding Upcoming NRECA Regional Meeting | External Relations | September Regular BOD Meeting | Strategic | Reoccurring |
| 118 | 9 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | September Regular BOD Meeting | Strategic | Reoccurring |
| 119 | 9 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | September Regular BOD Meeting | Strategic | Reoccurring |
| 120 | 9 | Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update | Board of Directors | September Regular BOD Meeting | Compliance | Quarterly |
| 121 | 9 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | September Regular BOD Meeting | Strategic | Reoccurring |
| 122 | 9 | Draft Resolution – Approval of 2024 Power Supply Plan and 2024 Power Supply Plan Delegation of Authority | VP, Markets | September Regular BOD Meeting | Compliance | Reoccurring |
| 123 | 9 | Draft Resolution – Approval of 2024 Rate Plan | VP, Markets | September Regular BOD Meeting | Compliance | Reoccurring |
| 124 | 9 | Draft Resolution – Approval of Election Policy and Procedures Amendments Related to 2023 Annual Director Post-Election Analysis | General Counsel | September Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 125 | 9 | Draft Resolution - Approval to Establish 2024 Annual Membership Meeting Date and Location | General Counsel | September Regular BOD Meeting | Strategic | Reoccurring |
| 126 | 9 | Draft Resolution - Review and Approval of Equity Management Plan Policy | Chief Financial Officer | September Regular BOD Meeting | Compliance | Reoccurring |
| 127 | 9 | Markets Monthly Report | VP, Markets | September Regular BOD Meeting | Strategic | Reoccurring |
| 128 | 9 | Personnel Matters | VP, Workforce & Safety Operations | September Regular BOD Meeting | Strategic | Reoccurring |
| 129 | 9 | Safety/Security | VP, Workforce & Safety Operations | September Regular BOD Meeting | Strategic | Reoccurring |
| 130 | 9 | Approval Resolution – Recommend Approval by Board of Directors of 2022 IRS Form 990 - Bollinger, Sears, Gilbert & Moss, LLP | Audit Committee | September Audit Committee Meeting | Compliance | Reoccurring |
| 131 | 9 | Update of the 2023/2024 Internal Audit Scope | Audit Committee | September Audit Committee Meeting | Strategic | Ad-hoc |
| 132 | 10 | Annual Review of 2021-2026 Strategic Plan | Board President | October Regular BOD Meeting | Strategic | Reoccurring |
| 133 | 10 | Approval Resolution - Approval of 2022 IRS Form 990 - Bollinger, Sears, Gilbert & Moss, LLP | Tax & Regulatory Accounting Manager | October Regular BOD Meeting | Compliance | Reoccurring |
| 134 | 10 | Approval Resolution – Approval of 2024 Power Supply Plan and 2024 Power Supply Plan Delegation of Authority | VP, Markets | October Regular BOD Meeting | Compliance | Reoccurring |
| 135 | 10 | Approval Resolution – Approval of 2024 Rate Plan | VP, Markets | October Regular BOD Meeting | Compliance | Reoccurring |
| 136 | 10 | Approval Resolution - Approval of Authorization to Purchase Power Supply for 2023 | VP, Markets | October Regular BOD Meeting | Compliance | Ad-hoc |
| 137 | 10 | Approval Resolution - Approval of Construction Contract for Yarrington Substation | Engineering | October Regular BOD Meeting | Strategic | Ad-hoc |
| 138 | 10 | Approval Resolution – Approval of Election Policy and Procedures Amendments Related to 2023 Annual Director Post-Election Analysis | General Counsel | October Regular BOD Meeting | Compliance - Election Policy and Procedures | Reoccurring |
| 139 | 10 | Approval Resolution - Approval of Vegetation Management Master Services Contracts | Operations | October Regular BOD Meeting | Strategic | Ad-hoc |
| 140 | 10 | Approval Resolution – Approval to Establish 2024 Annual Membership Meeting Date and Location | General Counsel | October Regular BOD Meeting | Compliance | Reoccurring |
| 141 | 10 | Approval Resolution - Consideration of Public Utility Regulatory Policies Act (PURPA) Amendments | VP, Markets | October Regular BOD Meeting | Compliance | Ad-hoc |
| 142 | 10 | Approval Resolution - Review and Approval of Equity Management Plan Policy | Chief Financial Officer | October Regular BOD Meeting | Compliance | Reoccurring |
| 143 | 10 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | October Regular BOD Meeting | Strategic | Reoccurring |
| 144 | 10 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | October Regular BOD Meeting | Strategic | Reoccurring |
| 145 | 10 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | October Regular BOD Meeting | Strategic | Reoccurring |
| 146 | 10 | Draft Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - Lampasas County | Chief Operations Officer | October Regular BOD Meeting | Compliance | Ad-hoc |
| 147 | 10 | Draft Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas | VP, Compliance & Regulatory | October Regular BOD Meeting | Strategic | Ad-hoc |
| 148 | 10 | Draft Resolution – Approval of 2024 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate | Chief Financial Officer | October Regular BOD Meeting | Compliance | Reoccurring |

PEC Annual Planning Calendar

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|--------|-------|---|-----------------------------------|------------------------------|--------------------------|------------------------|
| 149 | 10 | Draft Resolution - Approval to Amend the 2023 Capital Improvement Plan (CIP) for individually approved Capital Projects | Chief Financial Officer | October Regular BOD Meeting | Strategic | Ad-hoc |
| 150 | 10 | Annual Enterprise Risk Management (ERM) Update | VP, Compliance & Regulatory | October Regular BOD Meeting | Strategic | Reoccurring |
| 151 | 10 | Markets Monthly Report | VP, Markets | October Regular BOD Meeting | Strategic | Reoccurring |
| 152 | 10 | Personnel Matters | VP, Workforce & Safety Operations | October Regular BOD Meeting | Strategic | Reoccurring |
| 153 | 10 | Plan Administration Committee (PAC) Report - Bernie Dawson, PAC Chair, Drew McCorkle, CAPTRUST Advisors | VP, Workforce & Safety Operations | October Regular BOD Meeting | Compliance | Reoccurring |
| 154 | 10 | Safety/Security | VP, Workforce & Safety Operations | October Regular BOD Meeting | Strategic | Reoccurring |
| 155 | 10 | Winter Preparedness Report | Chief Operations Officer | October Regular BOD Meeting | Strategic | Reoccurring |
| 156 | 10 | CFC Meeting Districts 8&10 (New Orleans, LA) | General Counsel | Oct 18-20, 2023 | Informational | Reoccurring |
| 157 | 10 | NRECA Regional Meetings 8&10 (New Orleans, LA) | General Counsel | Oct 18-20, 2023 | Informational | Reoccurring |
| 158 | 11 | Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings | Board President | November Regular BOD Meeting | Compliance | Reoccurring |
| 159 | 11 | Approval Resolution – Approval of 2024 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate | Chief Financial Officer | November Regular BOD Meeting | Compliance | Reoccurring |
| 160 | 11 | Approval Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - Lampasas County | Chief Financial Officer | November Regular BOD Meeting | Compliance | Ad-hoc |
| 161 | 11 | Approval Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas | VP, Compliance & Regulatory | November Regular BOD Meeting | Strategic | Ad-hoc |
| 162 | 11 | Approval Resolution - Approval to Amend the 2023 Capital Improvement Plan (CIP) for individually approved Capital Projects | Chief Financial Officer | November Regular BOD Meeting | Strategic | Ad-hoc |
| 163 | 11 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | November Regular BOD Meeting | Strategic | Reoccurring |
| 164 | 11 | Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | November Regular BOD Meeting | Strategic | Reoccurring |
| 165 | 11 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL | November Regular BOD Meeting | Strategic | Reoccurring |
| 166 | 11 | Draft Resolution – Approval of 2024 Election Communications Plan | External Relations | November Regular BOD Meeting | Compliance | Reoccurring |
| 167 | 11 | Draft Resolution – Approval of 2024 Election Timeline | General Counsel | November Regular BOD Meeting | Compliance | Reoccurring |
| 168 | 11 | Draft Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2024 | Chief Financial Officer | November Regular BOD Meeting | Compliance | Reoccurring |
| 169 | 11 | Draft Resolution - Approval to Amend Tariff and Business Rules - Annual Interconnect Rate Update | VP, Markets | November Regular BOD Meeting | Strategic | Reoccurring |
| 170 | 11 | Draft Resolution - Review and Approval of Capital Credits Policy | Chief Financial Officer | November Regular BOD Meeting | Compliance | Reoccurring |
| 171 | 11 | Ethics and Compliance Update | Ethics & Compliance Officer | November Regular BOD Meeting | Compliance | Biannual |
| 172 | 11 | Markets Monthly Report | VP, Markets | November Regular BOD Meeting | Strategic | Reoccurring |
| 173 | 11 | Personnel Matters | VP, Workforce & Safety Operations | November Regular BOD Meeting | Strategic | Reoccurring |
| 174 | 11 | Recognition of Veterans Day | Board President | November Regular BOD Meeting | Compliance | Reoccurring |
| 175 | 11 | Safety/Security | VP, Workforce & Safety Operations | November Regular BOD Meeting | Strategic | Reoccurring |
| 176 | 11 | Winter Preparedness Report | Chief Operations Officer | November Regular BOD Meeting | Strategic | Reoccurring |
| 177 | 12 | Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings | Board President | December Regular BOD Meeting | Compliance | Reoccurring |
| 178 | 12 | Approval Resolution – Approval of 2024 Election Communications Plan | Chief Executive Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 179 | 12 | Approval Resolution – Approval of 2024 Election Timeline | General Counsel | December Regular BOD Meeting | Compliance | Reoccurring |
| 180 | 12 | Approval Resolution – Approval of Appointment of Members to PEC Plan Administration Committee (PAC) | VP, Workforce & Safety Operations | December Regular BOD Meeting | Strategic | Reoccurring |
| 181 | 12 | Approval Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2024 | Chief Financial Officer | December Regular BOD Meeting | Compliance | Reoccurring |
| 182 | 12 | Approval Resolution – Approval of Real Property Acquisitions or Real Property Dispositions | Chief Operations Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 183 | 12 | Approval Resolution - Approval to Amend Tariff and Business Rules - Annual Interconnect Rate Update | VP, Markets | December Regular BOD Meeting | Strategic | Reoccurring |
| 184 | 12 | Approval Resolution - Review and Approval of Capital Credits Policy | Chief Financial Officer | December Regular BOD Meeting | Compliance | Reoccurring |
| 185 | 12 | Approval Resolution - Review and Approval of 2023 CEO Bonus Evaluation | Board Vice President | December Regular BOD Meeting | Strategic | Reoccurring |

PEC Annual Planning Calendar

| Item # | Month | Description | Owner | Due Date | Strategic/ Compliance | Reoccurring/ Ad-hoc |
|--------|-------|--|-------------------------------------|------------------------------|--------------------------|------------------------|
| 186 | 12 | Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions | Chief Operations Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 187 | 12 | Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update | Board of Directors | December Regular BOD Meeting | Compliance | Quarterly |
| 188 | 12 | Cooperative Update | CEO/CFO/COO/EVP, EXTERNAL RELATIONS | December Regular BOD Meeting | Strategic | Reoccurring |
| 189 | 12 | Draft Resolution – Approval of 2024 Key Performance Indicators Plan Methodology | Chief Operations Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 190 | 12 | Draft Resolution - Approval of Construction Contract Transmission Lago Vista to Nameless | Engineering | December Regular BOD Meeting | Strategic | Ad-hoc |
| 191 | 12 | Draft Resolution - Approval of Construction Contract Transmission Trading Post to Cedar Valley | Engineering | December Regular BOD Meeting | Strategic | Ad-hoc |
| 192 | 12 | Draft Resolution – Approval of Directive for Delegates Regarding Upcoming Regional & National Meetings | External Relations | December Regular BOD Meeting | Strategic | Reoccurring |
| 193 | 12 | Markets Monthly Report | VP, Markets | December Regular BOD Meeting | Strategic | Reoccurring |
| 194 | 12 | Personnel Matters | VP, Workforce & Safety Operations | December Regular BOD Meeting | Strategic | Reoccurring |
| 195 | 12 | Report on NRCEA 2023 Compendium of Proposed Resolutions | External Relations | December Regular BOD Meeting | Strategic | Reoccurring |
| 196 | 12 | Review of 2024 CEO Action Items | Chief Executive Officer | December Regular BOD Meeting | Strategic | Reoccurring |
| 197 | 12 | Safety/Security | VP, Workforce & Safety Operations | December Regular BOD Meeting | Strategic | Reoccurring |



File #: 2023-313, **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: Don Ballard

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: If any, as discussed in executive session.



File #: 2023-314, Version: 1

Litigation and Related Legal Matters - D Ballard

Submitted By: Don Ballard

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: N/A



File #: 2023-315, **Version:** 1

Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard

Submitted By: Don Ballard

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: If any, as discussed in executive session.



File #: 2023-316, **Version:** 1

Annual Review of 2021-2026 Strategic Plan - M Ekrut

Submitted By: Mark Ekrut

Department: Board President

Financial Impact and Cost/Benefit Considerations: N/A



File #: 2023-317, Version: 1

Annual Enterprise Risk Management (ERM) Update - K Krueger

Submitted By: Ken Krueger

Department: Compliance & Regulatory

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



File #: 2023-304, **Version:** 1

Resolution - Approval of Authorization to Purchase Power Supply for 2023 - D Thompson

Submitted By: David Thompson

Department: Markets

Financial Impact and Cost/Benefit Considerations:



File #: 2023-305, **Version:** 1

**Resolution - Approval of 2024 Power Supply Plan and 2024 Power Supply Plan Delegation of Authority
- D Thompson**

Submitted By: David Thompson

Department: Markets

Financial Impact and Cost/Benefit Considerations:



File #: 2023-352, **Version:** 1

Draft Resolution - Approval to Amend the 2023 Capital Improvement Plan (CIP) for individually approved Capital Projects - J Smith/K Jones

Submitted By: Janelle Smith/Kat Jones

Department: Chief Financial Officer

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



File #: 2023-318, **Version:** 1

Draft Resolution - Approval of 2024 Operating Budget and 2024 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/K Jones

Submitted By: Janelle Smith/Kat Jones

Department: Chief Financial Officer

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



File #: 2023-350, **Version:** 1

Draft Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - Lampasas County - A Hagen/T Whitehead

Submitted By: Aisha Hagen/Troy Whitehead

Department: Operations

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



File #: 2023-351, **Version:** 1

**Draft Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility
Commission of Texas - C Powell**

Submitted By: Christian Powell

Department: Compliance & Regulatory

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



File #: 2023-310, **Version:** 1

Winter Preparedness Report - E Dauterive

Submitted By: Renee Oelschleger on behalf of Eddie Dauterive
Department: Chief Operations Officer
Financial Impact and Cost/Benefit Considerations:



File #: 2023-320, **Version:** 1

Markets Monthly Report

Submitted By: David Thompson
Department: Markets



File #: 2023-321, Version: 1

Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos

Submitted By: Renee Oelschleger on behalf of Eddie Dauterive

Department: Chief Operations Officer

Financial Impact and Cost/Benefit Considerations: As discussed in executive session.



File #: 2023-322, Version: 1

**Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property
Acquisitions - E Dauterive/C Moos**

Submitted By: Renee Oelschleger on behalf of Eddie Dauterive

Department: Chief Operations Officer

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



File #: 2023-323, **Version:** 1

Safety and Security Matters

Submitted By: Workforce and Safety Operations

Department: Workforce and Safety Operations

Financial Impact and Cost/Benefit Considerations: N/A



File #: 2023-324, **Version:** 1

Personnel Matters

Submitted By: Workforce and Safety Operations

Department: Workforce and Safety Operations

Financial Impact and Cost/Benefit Considerations: N/A