



Meeting Minutes - Draft

Board of Directors

Thursday, May 25, 2017

1:00 PM

PEC Headquarters Auditorium

Emergency Special Meeting

This Emergency Special Board Meeting was called to address the resignation and employment of PEC's Chief Executive Officer. The urgent matters addressed did not allow for non-emergency posting of notice for which immediate action is necessary. Members wishing to monitor the Open Session of this Special Board meeting were able to do so in the PEC Headquarters Auditorium. The Open Session was audio recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

This meeting was called to order at 1:05 pm on May 25, 2017 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas. Director Amy Akers joined the meeting at 1:09 pm by teleconference.

Present: 6 - Director Cristi Clement, Director Jim Powers, Director James Oakley, Director Paul Graf, Director Amy Akers, and President Emily Pataki

Absent: 1 - Director Kathy Scanlon

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

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

1. [2017-242](#) **Resolution - Good Cause for and Approval of Telephonic Participation in the May 25, 2017 Emergency Special Board Meeting**
Body: NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Board has determined that it is in the best interest of the Cooperative to hold a meeting this day to consider a personnel matter and good cause exists to allow telephonic participation by Directors in the meeting because a quorum may not be reached for the meeting without authorized, telephonic participation by one or more Directors; and

BE IT FURTHER RESOLVED, and that the Board approves telephonic participation by Directors in the meeting; and

BE IT FURTHER RESOLVED that the President of the Board or her designee is authorized to take such actions as needed to implement this resolution.

Consent Item approved.

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

2. [2017-245](#) Member Comments

Attachments: [2015-09-21 Decorum Policy \(reference material\)](#)

President Emily Pataki reminded all present of the Decorum Policy and three minute time limit. The following members spoke on topics including but not limited to:

Chris DeBremaeker - John Hewa's resignation, and allegations of retaliation.

In response to the member inquiry, Outside General Counsel Don Richards instructed the members of the Board not to respond to that specifically at this time, as it was a fact issue which could create legal liability on the Cooperative.

MaryAnn Raesener - concern regarding recent events and future of the Cooperative.

John Watson - protest of Emergency Meeting, actions of Board regarding Director Oakley and John Hewa, request for member input for next Chief Executive Officer, and request for severance agreement to be made public.

Ann Matlock - single member district voting, and request for report on allegations of retaliation.

Tom Mitchell - request for explanation of allegations of retaliation, actions of Board regarding Director Oakley and John Hewa.

Larry Landaker - hiring of John Hewa, and actions of Board regarding Director Oakley and John Hewa.

Marian Hoy - impact on employees, and actions of Board regarding Director Oakley and John Hewa.

Recess to Executive Session at 1:24 pm

President Emily Pataki announced the items to be discussed in Executive Session. At 1:24 pm President Pataki stated that the Board would go into Executive Session.

Executive Session - Legal Matters**3. [2017-246](#) Update on Litigation and Related Legal Matters****4. [2017-247](#) Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services****Executive Session - Safety and Security Matters**

5. [2017-233](#) Safety and Security Matters**Executive Session - Personnel Matters****8. [2017-249](#) Personnel Matters Update****Reconvene to Open Session at 3:20 pm**

Upon reconvening the meeting in Open Session, President Emily Pataki asked for a roll call.

Present: 5 - Director Cristi Clement, Director Jim Powers, Director James Oakley, Director Paul Graf, and President Emily Pataki

Absent: 2 - Director Kathy Scanlon, and Director Amy Akers

Items from Executive Session**[2017-243](#) Resolution - Consideration and Possible Action on Chief Executive Officer Agreement**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Board accepts the resignation of John D. Hewa as Chief Executive Officer of PEC and that the President of the Board is authorized to execute and deliver a Separation Agreement as presented to the Board this day on behalf of PEC with Mr. Hewa; and

BE IT FURTHER RESOLVED, that the President of the Board is authorized to take all necessary actions to implement this resolution.

A motion was made by Director Graf, seconded by Director Powers, that this item be adopted. The motion carried by the following vote:

Yes: 5 - Clement, Powers, Oakley, Graf, and Pataki

Absent: 2 - Scanlon, and Akers

[2017-244](#)**Resolution - Consideration and Possible Action on Appointment to Fulfill Chief Executive Officer Duties**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that Tracy Golden is designated to fulfill the Chief Executive Officer duties for the Cooperative and shall have such authority to act on behalf of the Cooperative in such capacity effective upon adoption of this resolution until such time as an Interim Chief Executive Officer is selected; and

BE IT FURTHER RESOLVED, that the President of the Board is authorized to take all necessary actions to implement this resolution.

Outside General Counsel Don Richard read the following joint statement regarding John Hewa's resignation:

PEC's Board of Directors and John D. Hewa jointly announce today that Mr. Hewa is resigning as PEC's Chief Executive Officer. Mr. Hewa has decided to move back to Virginia with his family and pursue new career opportunities. Mr. Hewa began serving as CEO in July 2013. Mr. Hewa stated, "I'm proud of PEC's accomplishments in the four years that I served the Cooperative. PEC is a remarkable organization with exceptionally talented employees. I wish the best for PEC in meeting its current challenges and the fast growth ahead for the Texas Hill Country. I have previously shared my concerns and hopes for PEC with the Board of Directors, and I'm confident that Board President Emily Pataki and the Board will address each matter appropriately."

The PEC Board of Directors congratulates Mr. Hewa on his many achievements and thanks him for four years of service to the Membership and employees. "We wish John Hewa and his family the very best in his bright future and thank him for his service to the Cooperative." Pataki said.

At its Board of Directors meeting today, the Board designated Tracy Golden, PEC's current Chief Financial Officer, to fulfill the duties of the Chief Executive Officer effective immediately until such time as an interim Chief Executive Officer is selected.

A motion was made by Director Graf, seconded by Director Powers, that this item be adopted. The motion carried by the following vote:

Yes: 5 - Clement, Powers, Oakley, Graf, and Pataki

Absent: 2 - Scanlon, and Akers

Adjournment

There being no further business to come before the Board of Directors, the meeting was adjourned at 3:26 pm.

APPROVED:

Amy Akers, Secretary

Emily Pataki, President