



BOARD MEETINGS POLICY

Effective Date: ~~May 17, 2019~~ TBD

POLICY AT A GLANCE

PEC is committed to upholding our Value of **Accountability** by conducting Board meetings and communication with Members in an open and transparent way.

Requirements and Responsibilities

Schedule and Call of Meetings

- Regular Meetings
- Special Meetings
- Committee Meetings
- Director Participation at Meetings

Notice of Meetings

- Posting
- Recess
- Emergency
- Items Not on Agenda
- Procedure of Meetings
- Open Meeting Records
- Exceptions
- Executive Session Procedures



1. PURPOSE

The purpose of this Board Meetings Policy ("Policy") is ~~PEC Board of Directors establishes this Policy to provide for the implementation of the~~ Pedernales Electric Cooperative, Inc. ("PEC" or Cooperative) Articles of Incorporation and Bylaws in the conduct of all Meetings of the Board of Directors ("Board"). This Policy addresses how the Board ensures open and transparent meetings with Members, scheduling and calling Meetings as well as the duties for notice, communication, and record keeping.

2. SCOPE

This Policy applies to the PEC Board ~~of Directors~~ and PEC employees who assist in implementation of Board meetings. This Policy applies to all Board meetings: Regular, Special (called or emergency), or Committees.

3. POLICY AND IMPLEMENTATION

3.1. Open Meetings Requirement

- 3.1.1. A Member has the right to attend every Meeting of the Board, except for Executive Sessions as allowed by this Policy or by law. All meetings shall be held or called with proper notice, and any final action, decision, or vote on a matter shall be made in an Open Meeting.
- 3.1.2. A Member has the right to speak before the Board ~~of Directors~~ at any Regular, Special, or called meeting of the Board and Committees on any PEC matter at a designated time in accordance with the Decorum Policy.

3.2. Procedure Responsibilities

- 3.2.1. The Board of Directors is responsible for implementation and adherence to this Policy. The Board's Recording Secretary, parliamentarian, and other designated employees shall assist the Board in performance of its duties within this Policy.
- 3.2.2. Board Recording Secretary. The Board establishes the position of Recording Secretary as an employee a role(s) in of the Cooperative to prepare Meeting minutes, record actions taken, and otherwise assist the Board with creating and maintaining governing documents and records.

~~3.2.3.3.~~ Schedule and Call of Meetings

- ~~3.2.1.3.3.1.~~ Regular Meetings: The Board ~~of Directors~~ meets in Regular Meetings as provided by state law (Texas Utilities Code § 161.075), the Articles of Incorporation, and the PEC Bylaws. Final action may be taken at any Regular Board Meeting pursuant to this Policy.
- ~~3.2.2.3.3.2.~~ Special Meetings: Special Meetings (including Emergency Meetings) of the Board may be called according to the PEC Bylaws. Special Meetings are called by the President of the Board, or any four (4) Directors. The Director(s) who initiate(s) the call for the meeting, either the President or the four Directors, shall fix the time, place, and agenda for the Special Board Meeting, by providing such instructions in writing to the Board Secretary ~~Treasurer~~, who then shall instruct the Board Recording Secretary, their designee, or appropriate Cooperative staff, to post notice



and take all necessary actions pursuant to this Policy. Final action may be taken at any Special Board meeting pursuant to this Policy.

3.2.3.3.3. **Committee Meetings:** The Board ~~of Directors~~ may establish Committees and the conduct of Committee Meetings according to state law (Texas Utilities Code § 161.077), Article IV, Section 6 of the Cooperative's Bylaws, this Policy and the Board Committee Guidelines.

3.2.4.3.3.4. **Director Participation at Meetings:** Board meetings shall be arranged such that, if technically feasible, participation by Directors may be (1) in person, (2) telephonic, or (3) electronic. In person attendance is desirable, preferred and encouraged. (See also Director Compensation Policy regarding director attendance at meetings.)

3.3.3.4. Notice of Meetings

3.3.1.3.4.1. Posting

The Board of Directors shall give written notice of the date, hour, place, and purpose of all Board Meetings. The notice of a Board Meeting must be posted in a place readily accessible to the Mmembers at all times at the earliest possible convenience, but for at least 72 hours before the scheduled time of the Meeting. The Board ~~of Directors~~ will post the Board Meeting notice physically ~~on a bulletin board in a place convenient to the Members~~ at the Cooperative's headquarters and ~~at each of the district offices, as well as~~ on the Cooperative's web site.

Likewise, Committees shall give notice of the date, hour, place, and purpose of all Committee Meetings by posting such notice on the Cooperative's website at least 72 hours before the scheduled time of the Meeting.

PEC shall provide a copy of any Meeting notice to a ~~m~~Member upon request by the Mmember.

3.3.2.3.4.2. Recess

If the Board ~~of Directors~~ or its Committees recess an Open Meeting to the following regular business day, they are not required to post notice of the continued Meeting if the action is taken in good faith and not to circumvent this Ssection. If an Open Meeting is continued to the following regular business day and, on that following day, the Board ~~of Directors~~ or its Committees continue the Meeting to another day, notice must be given as required by this Ssection of the Meeting continued to that other day.

3.3.3.3.4.3. Emergency

In an emergency or when there is an urgent necessity, the notice of a Meeting or the supplemental notice of a subject added as an item to the agenda for a Meeting for which notice has been posted in accordance with this this Policy~~Section 5~~ is sufficient if it is posted for at least two hours before the 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 sSection. The Board Secretary or the Secretary's designee will post the revised agenda on the Cooperative's web site and physically at the Cooperative's headquarters ~~and at each of the district offices at least two hours before the Meeting convenes.~~



3.3.4.3.4.4. Items Not on Agenda

If, at a Meeting of the Board ~~of Directors~~ or a Committee, a ~~M~~member of the Cooperative or of the Board inquires about a subject for which notice has not been given as required by this Section, the notice provisions of this ~~S~~section do not apply to: (1) a statement of specific factual information given in response to the inquiry; or (2) a recitation of existing policy in response to the inquiry. Any deliberation of, or decision about, the subject of the inquiry shall be limited to a proposal to place the subject on the agenda for a subsequent Meeting.

3.3.5.3.4.5. Procedure of Meetings

3.3.5.1.3.4.5.1. PEC Board ~~of Directors~~' Meetings are conducted in accordance with the PEC's Director's Code of Conduct, Decorum Policy, and the current edition of Robert's Rules of Order Newly Revised, as practicable and not inconsistent with the Articles of Incorporation, the Bylaws, or law. Meetings shall utilize the "Procedure for Small Boards" contained within the current edition of Robert's Rules (for example, Robert's Rules of Order Newly Revised § 49 (14²th ed. Cambridge, Mass.: Public Affairs, on imprint of Perseus Publishing Books, 201420)) whenever it applies to a matter; with the exceptions that (a) any requirement for a second to a motion elsewhere in the rules shall remain in effect, and (b) Directors shall be required to obtain the floor before making motions or speaking.

3.3.5.2.3.4.5.2. The Board may also designate a parliamentarian to advise the presiding officer on matters of procedure. The person serving, from time to time, in the capacity as General Counsel for the Cooperative shall serve as parliamentarian at Board Meetings.

3.3.6.3.4.6. Open Meeting Records

3.3.6.1.3.4.6.1. The Board and its Committees shall prepare and keep minutes or make a recording, or both, of each Open Meeting of the body. The minutes must state the subject of each deliberation; and indicate each vote, order, decision, or other action taken. The minutes or recordings of an Open Meeting shall be available for inspection and copying by ~~M~~members on request to the Board Secretary, or the Secretary's designee. Upon prior request by any Director, the Chief Executive Officer ("CEO") shall provide a recording of any Committee Meeting to that Director. Notwithstanding the Cooperative's Records Management Policy and Retention Schedule, any recording of a Committee Meeting shall be retained for one year after the Committee Meeting.

3.4.6.2. A ~~M~~member in attendance may record all or any part of an Open Meeting by means of a tape recorder, video camera, or other means of audio or visual reproduction. The Board ~~of Directors~~ and its Committees may adoptenforce reasonable rules to maintain order at a Meeting, including rules relating to the location of recording equipment and the manner in which a recording is conducted if applicable. A rule adopted by the Board ~~of Directors~~ may not prevent or unreasonably impair a ~~M~~member from exercising a right granted in this ~~S~~section.

3.4.7. Exceptions to Requirement That Meetings Be Open:



~~3.3.6.2.3.4.7.1.~~ Executive Sessions may be held as allowed by law or the Articles of Incorporation. In Executive Session, the Board ~~of Directors~~ or its Committees may conduct a private consultation with its attorney, invited staff, consultants, or any other person whose presence the Board ~~of Directors~~ deems necessary. In the event of a dispute regarding participation in any Executive Session of any non-director attendee, a majority vote of the Board ~~of Directors~~ shall determine participation eligibility of attendees. Executive Sessions may be held for the following reasons:

~~3.3.6.2.1.~~ Legal Matters:

~~3.3.6.2.2.3.4.7.1.1.~~ The Board ~~of Directors~~ may discuss legal matters or seek the advice of their attorney on legal matters. Legal consultation includes, but is not limited to, advice about anticipated or pending litigation, settlement offers, legislation, or concerns reported under the Cooperative's Ethics and Compliance Reporting Policy, and interpretations of the law.

~~3.3.6.2.3.~~ Real Estate:

~~3.3.6.2.4.3.4.7.1.2.~~ The Board ~~of Directors~~ or its Committees may deliberate the purchase, ~~use,~~ exchange, ~~lease,~~ or ~~value~~ of real property if deliberation in an Open Meeting could have a detrimental effect on the Cooperative.

~~3.3.6.2.5.~~ Contracts:

~~3.3.6.2.6.3.4.7.1.3.~~ The Board ~~of Directors~~ or its Committees may deliberate business and financial issues or terms relating to a contract being negotiated if deliberation in an Open Meeting would have a detrimental effect on the position of the Cooperative.

~~3.3.6.2.7.~~ Personnel:

~~3.3.6.2.8.3.4.7.1.4.~~ The Board ~~of Directors~~ or its Committees may deliberate the Cooperative's personnel issues or ~~to~~ hear a complaint or charge against a Director or Cooperative employee or consultant. However, this subsection does not apply if the Director or employee who is the subject of the deliberation or hearing requests a public hearing.

~~3.3.6.3.~~ Competitive Matters:

~~3.3.6.3.1.3.4.7.1.5.~~ The Board ~~of Directors~~ or its Committees may deliberate "Competitive Matters," meaning commercial information and utility-related matters that the Board, in good faith, determines are related to the Cooperative's competitive activity that would, if disclosed, give an advantage to individuals or entities who have sought or are likely to seek business or the dissolution, takeover or sale of PEC ("Competitors") or would adversely affect PEC's ability to competitively purchase goods and services.

~~3.3.6.4.~~ Safety and Security:

~~3.3.6.4.1.3.4.7.1.6.~~ The Board ~~of Directors~~ or its Committees may conduct an Executive Session to discuss safety and security issues relating to



~~security of physical infrastructure or facilities of~~ the electrical system including, but not limited to, ~~security~~ personnel, ~~security~~ devices, ~~security~~ audits, internal controls, and cyber or other electronic security.

3.3.7.3.4.8. Executive Session Procedures

The procedures for an executive session are detailed in the attached Appendix A, Executive Session Meeting Procedures.

4. DEFINITIONS

- 4.1. Board Meeting** – ~~A means a~~ deliberation between a quorum of the ~~voting Board of Directors~~ or between a quorum of the ~~voting Board of Directors~~ and another person, during which Cooperative business or policy over which the Board ~~of Directors~~ has responsibility is discussed or considered or during which the Board ~~of Directors~~ takes formal action. Board Meetings are either Regular or Special Meetings. The term “Board Meeting” includes attendance at a Committee Meeting by a quorum of the Board. The terms “Board Meeting” and “Committee Meeting” do not include the gathering of a quorum of the Board ~~of Directors~~ or a Committee at a social function, or the attendance by such a quorum at a regional, state, or national convention or workshop, ceremonial event, or press conference, if formal action is not taken and any discussion of PEC business is incidental to the social function, convention, workshop, ceremonial event, or press conference. Notwithstanding the foregoing, a Membership Meeting as defined in the Bylaws shall not be considered a Board Meeting or Committee Meeting. A Board Member’s telephonic attendance at a Meeting shall count towards a quorum.
- 4.2. Committee** – ~~means a~~ portion of ~~M~~members of the Board ~~of Directors~~ or a gathering of ~~M~~members of the Board ~~of Directors~~ that is formally designated and established by the Board as a Committee of the Board ~~of Directors~~.
- 4.3. Committee Meeting** – ~~means a~~ deliberation between a quorum of a Committee or between a quorum of the Committee and another person during which Cooperative business or policy over which the Committee has subject-matter jurisdiction is discussed or considered, or during which the Committee takes a formal vote. A quorum of a Committee shall be a majority of the Committee.
- 4.4. Executive Session** – ~~means a~~ noticed Meeting announced and designated exception according to this Policy and in which Members may not attend.
- 4.5. Meeting** – ~~means a~~ Board Meeting whether Regular, Special (called or emergency) or Committee Meeting.
- 4.6. Open Meeting** – ~~means a~~ noticed Meeting open to attendance by Members of the Cooperative.

~~4.7. PROCEDURE RESPONSIBILITIES~~

- ~~**4.8.1.1.** The Board of Directors is responsible for implementation and adherence to this Policy. The Board’s Recording Secretary, parliamentarian, and other designated employees shall assist the Board in performance of its duties within this Policy.~~



~~4.9.1.1. Board Recording Secretary. The Board establishes the position of Recording Secretary as an employee of the Cooperative to prepare Meeting minutes, record actions taken, and otherwise assist the Board with creating and maintaining governing documents and records.~~

5. POLICY ENFORCEMENT

- 5.1. The Board ~~of Directors~~ is responsible for enforcing and monitoring the implementation of this Policy. Any violations of this Policy are addressed by the Board ~~of Directors~~.
- 5.2. Open Meetings Training. Each Director shall complete a course of training regarding the responsibilities of the Board ~~of Directors~~ and its ~~M~~members under this Policy, not later than the 180th day after the date the Director assumes responsibilities as a ~~M~~member of the Board ~~of Directors~~. The ~~Chief Executive Officer (CEO)~~ and any staff ~~M~~member recommended by the CEO shall also complete the training, no later than the 180th day after their date of hire with the Cooperative. The General Counsel shall ensure that the training is made available. The failure of one or more ~~M~~members of the Board ~~of Directors~~ to complete the training required by this ~~S~~section does not affect the validity of an action taken by the Board ~~of Directors~~ or a vote taken by a Committee.

6. REFERENCES AND RELATED DOCUMENTS

[PEC Articles of Incorporation](#)

[PEC Bylaws](#)

[Texas Utilities Code §§ 161.075; 161.077](#)

[PEC Bylaws Article IV](#)

[Board Committee Guidelines](#)

[Board of Directors Compensation Policy](#)

[Decorum Policy](#)

[Director's Code of Conduct](#)

[Ethics and Compliance Reporting Policy](#)

Robert's Rules of Order Newly Revised § 49 (12th ed. Cambridge, Mass.: [Public Affairs, on imprint of Perseus Publishing Books](#), 2020~~11~~)



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| Date adopted: | August 15, 2016 |
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| Amendment dates: | August 15, 2016; May 17, 2019; <u>TBD</u> |
| Effective date: | May 17, 2019 <u>TBD</u> |
| Approver: | Board of Directors |
| Applies to: | Board of Directors and all participants or employees responsible for administration of PEC Meetings |
| 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. |



APPENDIX A

EXECUTIVE SESSION MEETING PROCEDURES

1. NOTICE OF EXECUTIVE SESSION

- 1.1. Before an Executive Session is held, the Board of Directors or its Committees will first convene in an Open Meeting for which notice has been given as provided by this Section and during which the presiding Director announces that an Executive Session will be held and identifies the subsection(s) under which an Executive Session is held.
- 1.2. A final action, decision, or vote on a matter deliberated in an Executive Session may only be made in an Open Meeting that is held in compliance with the notice provisions of the PEC ~~M~~meeting ~~P~~policy.

2. ~~2.~~ RECORDS OF EXECUTIVE SESSION

- 2.1. The Board Secretary, or the Secretary's designee, will make and keep a written record of the proceedings of each Executive Session of a Board Meeting.
- 2.2. The record will include a statement of the subject matter of each deliberation, and an announcement by the presiding Director at the beginning and the end of the Board Meeting indicating the date and time. Notwithstanding the Cooperative's Records Management Policy and Retention Schedule, the record will be preserved for at least six years after the Board Meeting.
- 2.3. No attendee of Executive Session shall be allowed to make any audio, pictorial, or video recording of any portion of an executive session.
- 2.4. No Director shall be allowed to duplicate, transmit, or distribute any Executive Session materials.
- 2.5. The Board Secretary or the Secretary's Designee will be the Custodian of any materials distributed during Executive Session and shall be responsible for collecting the materials at the end of the session. The Secretary, or the Secretary's Designee, shall ensure that duplicate copies are destroyed and original documents are maintained in accordance with the Cooperative's Record Management Policy.
- 2.6. Upon request, and with advanced scheduling coordinated through staff and with notification provided to all Directors, any Director may inspect onsite at the Cooperative's Headquarters, original documents or electronic records from Executive Session archives but in no case shall a Director be allowed to photograph, video, duplicate, transmit, record, distribute, or otherwise image or reproduce any Executive Session materials. All Executive Session materials shall remain in the control of the Custodian.
- 2.7. In the event that Executive Session materials are provided in advance of Executive Session meetings via email or hardcopy such documentation shall be noted as "confidential" and may not be duplicated, recorded, transmitted, emailed, or otherwise distributed.
- 2.8. Nothing in this policy shall limit the ability of the Board by majority vote to release documents or materials, in part or in whole, previously determined to be confidential.

