



# Pedernales Electric Cooperative

PO Box 1  
Johnson City, TX 78636

## Meeting Minutes - Draft

### Board of Directors

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Friday, December 16, 2022

9:00 AM

PEC Headquarters Auditorium

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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 livestream from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

#### Call to Order and Roll Call

Director Paul Graf attended the meeting by telephone.

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

#### 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. [2022-393](#) **Friday, November 18, 2022 - Regular Meeting Minutes**

**Attachments:** [2022-11-18 OS Meeting Minutes](#)

#### Cooperative Monthly Reports

2. [2022-396](#) **Cooperative Update - J Parsley**

**Attachments:** [2022-396 CEO 2022 Year in Review-FINAL](#)

Ms. Julie Parsley, Chief Executive Officer (CEO) provided the 2022 year in review, which included the following matters: unprecedented growth across the service territory; executing plans benefiting our growing membership; a member growth study for future planning with on-going trend updates forecasted through the next 20 years; training the next generation of line workers; implemented a new utilities international platform; automated accounts payable process; Fitch Ratings affirmed PEC's AA- rating and revised outlook to stable; deployed the SMS texting program for members and employees providing emergency notifications and outage reporting; launched new online application; implemented successful paperless and auto-pay campaigns; giving back to

communities, Cooperative awards and successes; and results of Team PEC participation at the International Lineman's Rodeo competition.

3. [2022-397](#) **Cooperative Financial Update - R Kruger**

**Attachments:** [CFO Update -2022-397-Final](#)  
[Financial Statements-2022-397-Final](#)

Mr. Randy Kruger, Chief Financial Officer (CFO), provided the November financial report. Additional details of the financial report may be found in the attached documents. Mr. Kruger discussed gas storage, forward natural gas prices, forward power prices, market heat rates, the impact within Texas relating to the ERCOT utility scale battery capacity additions in 2022, the impact of inflation and commodity costs, and interest rates.

4. [2022-398](#) **Cooperative Operations Update - E Dauterive**

**Attachments:** [Operations Report 2022-398 final](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO), discussed safety and technical training, system growth, reliability, and an Emergency Operations Plan (EOP) winter storm drill, which all departments participated.

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

5. [2022-399](#) **Member Comments**

**Attachments:** [Decorum Policy](#)

There were no members wanting to address the Board.

**Action Items / Other Items**

6. [2022-363](#) **Resolution - Approval of 2023 Rate Plan - N Mack/D Thompson**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative approves the 2023 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 2023 Rate Plan - 2022-363-FINAL](#)

2023 Rate Plan

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 2023 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 2023 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.

Ms. Natalia Mack, Rates Manager, presented the resolution and asked the Board for approval.

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

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

**7. [2022-400](#)**

**Resolution - Approval of Capital Credits Distribution and Payments during Calendar Year 2023 - J Smith**

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

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative distribute and pay out General Capital Credit Retirements and Special Capital Credits Retirements in an amount not to exceed \$6,200,000 on or prior to January 31, 2023 as described herein to its eligible members as credits on electric bills, and to any former members or deceased estates who are entitled to a distribution of at least \$10.00 by check.

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

**Capital Credits Distribution and Payments**

The Cooperative's Capital Credits Policy outlines the process for both General Capital Credits Retirements and Special Capital Credits Retirements including the payment of capital credits to members, former members and deceased members' estates, and permits the discounting of capital credits.

This is an annual review and discussion of the Capital Credits distribution and payment by the Board of Directors. Pursuant to its Policy, the Cooperative will retire capital credits in a manner that permits the Cooperative to comply with all applicable laws, all restrictions imposed by its debt financing covenants, the Cooperative Articles of Incorporation and Bylaws, is fair to the Cooperative's members and former members, and is reasonable to maintain a healthy financial state.

The Policy also requires the Cooperative to implement its retirement strategy with certain principles considering retirements to deceased estates, special retirements, and distributions and payments to the oldest outstanding year(s)

for which allocations have been made and distributions and payments to the most recent year(s) with discounting for which allocations have been made.

The Board may consider General Capital Credits Retirements (distribution and payments) and Special Capital Credits Retirements under the Policy in an amount not to exceed \$6,200,000.

The Retirements (distribution and payment) of capital credits in an aggregate amount not to exceed \$6,200,000 would consist of approximately 18% to the oldest outstanding year(s) with discounting and approximately 79% to the most recent year(s) with discounting as General Capital Credit Retirements; and approximately 3% of such amount towards deceased members' estates through Special Capital Credits Retirements. The Retirements would consist of credits on electric bills for its current members, and to any former members and deceased members' estates who are entitled to at least \$10.00 by check in 2023.

Ms. Janelle Smith, Financial Planning and Analysis Manager, presented the resolution and asked the Board for approval.

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

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

**8. [2022-401](#) Resolution - Approval of Construction Contract for Junction Substation Upgrade - J Treviño**

**Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve an agreement with AEP Texas, Inc.; 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.

**Construction Contract**

As part of PEC's Junction Substation upgrade project and establishing a new point of interconnection, PEC will enter into a facilities development agreement with AEP Texas, Inc.

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

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

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

**9. [2022-402](#) Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Exception - Llano County - A Hagen/C Powell**

**Body: NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative file an appropriate application for a service area exception with the Public Utility Commission of Texas as discussed in Executive Session; and

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

Service Territory Boundary Exception

Pursuant to Chapter 37 of the Texas Utilities Code, the Public Utility Commission of Texas ("PUC") requires a certificate of convenience and necessity ("CCN") for an electric cooperative (and other utilities) to serve the public in its service territory. For an electric cooperative to provide service to a consuming facility outside of its territory, an application for a service area exception must be filed with and approved by the PUC. Applications for service are submitted by prospective members and agreed to by the CCN holder where the service will be provided and by the entity that will be providing service.

Mr. Christian Powell, Vice President, Compliance and Regulatory, presented the resolution and asked the Board for approval.

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

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

**10. [2022-403](#) Resolution - Approval of 2023 Election Timeline - D Ballard**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to Section 3.2 of the Election Procedures of Pedernales Electric Cooperative, Inc., the Election Timeline, in the form presented to the Board, with such changes approved by the Board, is adopted as the 2023 Election Timeline for the election to be held before the 2023 Annual Membership Meeting.

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

**Attachments:** [2023 Election Timeline - 2022-403 - Draft v1a](#)  
[Election Timeline and Comms Plan - 2022-403 2022-404](#)

Election Timeline

Section 3.2 of the Election Procedures provides that the Board will consider, amend (if desired), and approve an Election Timeline at least 5 months prior to each Annual Membership Meeting. The timeline sets out the key dates relative to the election to be held before the Annual Membership Meeting. The Board may now review and approve the 2023 Election Timeline.

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

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

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

**11. [2022-404](#) Resolution - Approval of 2023 Election Communications Plan - R Verette**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to Section 7.3 of the Election Policy and Procedures of Pedernales Electric

Cooperative, Inc., the 2023 Election Communications Plan presented, or as modified by the Board this day, is approved; and

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

**Attachments:** [2023 Elections Comms Plan - 2022-404](#)

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, video presentations of Candidates, 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. PEC Corporate Statistics may be communicated multiple times during the election cycle as approved in the Communications Plan.

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

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

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

**12. [2022-407](#) Resolution - Approval of Appointment of Members to the Plan Administration Committee - N Fulmer/R Smith**

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

DeLisa Evers, Director, Member Relations Support Services, (Operations), New Member; and Bernie Dawson, Quality Assurance, Lead (Information Technology), Existing Member. Each appointee shall commence service on the PAC effective as of the date he submits written acceptance of such appointment to the Chair of the PAC. Each appointee shall serve as a regular member of the PAC for the term of the appointment as outlined by the Board's Delegation of Authority, Composition, and Role of PEC Plan Administration Committee.

**Attachments:** [PAC Statement of Responsibilities - 2022-407 Final](#)

Plan Administration Committee

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 and has previously appointed persons to serve as members of the Pedernales Electric Cooperative, Inc. Plan Administration Committee (“PAC”). The PAC has seven employees as members. The position of a Human Resources Manager and a Finance Manager are the only permanent members of the PAC. Five members of the PAC are regular members and require Board of Directors appointment.

The Board of Directors has approved criteria for service on the PAC. “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.”

The Plan Sponsor also now wishes to appoint one new member to the PAC to replace member who has retired and to re-confirmation of one existing member to the PAC.

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

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

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

**13.     [2022-412](#)     **Resolution - Discussion and Possible Action regarding Member Payments in Business Offices - J Oakley****

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board direct business offices to accept all in-person (with a PEC employee) Member payments while implementing alternative changes to Member payment options, including cash and check payments.

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

**Attachments:** [Member Services Model 2022-412 Final](#)

**Member Payments in Business Offices**

Move to direct business offices to accept all in-person (with a PEC employee) Member payments while implementing alternative changes to Member payment



options, including cash and check payments.

The Board deliberated on the topic of in-person member payments in business offices. Mr. Eddie Dauterive, Chief Operating Officer (COO) provided a summary presentation of the previous service options and member care operations, the challenges of maintaining the existing model, benefits creating a balanced front-office space for multiple functions and service, and the objectives for continuing the transition for digital payments. The Board recessed from 10:37 a.m.-10:50 a.m. to create resolution language.

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

**Yes:** 2 - Cox, and Oakley

**No:** 5 - Rister, Pataki, Ekrut, Graf, and Akers

**14. [2022-408](#) Draft Resolution - Approval to Amend Tariff and Business Rules - Industrial Rate - N Mack | D Thompson**

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

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

**Attachments:** [PPT - Approval to Amend Tariff and Business Rules - Industrial Rate - 2022-408-FINAL](#)  
[Tariff language Redline - Tariff and Business Rules Industrial Rate Update - 2022-408-FINAL](#)  
[Tariff language Clean - Tariff and Business Rules Industrial Rate Update - 2022-408-FINAL](#)

Ms. Natalia Mack, Rates Manager, presented a summary of the draft resolution and said a final resolution will be presented to the Board for approval in January 2023.

**15. [2022-409](#) Draft Resolution - Approval to Amend Tariff and Business Rules - Annual Interconnect Rate Update - N Mack | D Thompson**

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

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



**Attachments:** [PPT - Approval to Amend Tariff and Business Rules - Annual Interconnect Rate Update - 2022-409-FINAL](#)  
[Tariff Language Redline - Tariff and Business Rules - Annual Interconnect Rate Update - 2022-409-FINAL](#)  
[Tariff Language Clean - Tariff and Business Rules - Annual Interconnect Rate Update - 2022-409-FINAL](#)

Ms. Natalia Mack, Rates Manager, presented a summary of the draft resolution and said a final resolution will be presented to the Board for approval in January 2023.

**16.     [2022-410](#)     Draft Resolution - Approval to Amend Tariff and Business Rules - Dual Feed Rider - N Mack | D Thompson**

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

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

**Attachments:** [PPT - Approval to Amend Tariff and Business Rules - Dual Feed Rider - 2022-410-FINAL](#)  
[Tariff language Redline - Tariff and Business Rules Dual Feed Rider - 2022-410-FINAL](#)  
[Tariff language Clean - Tariff and Business Rules Dual Feed Rider - 2022-410-FINAL](#)

Ms. Natalia Mack, Rates Manager, presented a summary of the draft resolution and said a final resolution will be presented to the Board for approval in January 2023.

**17.     [2022-414](#)     Report on NRECA 2022 Compendium of Proposed Resolutions - JP Urban**

**Attachments:** [Report on NRECA 2022 Compendium of Resolutions 2022-414](#)  
[NRECA 2022 Compendium of Proposed Resolutions - 2022-414](#)  
[NRECA Resolutions Process Flowchart - 2022-414](#)

Mr. J.P. Urban, Executive Vice President, External Communications, presented a summary report on the NRECA 2022 Compendium of Proposed Resolutions.

**18.     [2022-415](#)     Draft Resolution - Approval of 2023 Key Performance Indicators Plan Methodology - E Dauterive**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2023 Key Performance Indicator Plan Methodology presented to the Board this day is approved; and

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

**Attachments:** [2023 KPI Plan Revisions Presentation 2022-415 Final3](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) provided a summary presentation of the 2023 Key Performance Indicators (KPIs) Plan Methodology stating the purpose of the KPIs is to provide an objective method for evaluating the degree of success with identified performance targets. He said the PEC KPI plan is designed to align with the objectives of the PEC Strategic Plan. Mr. Dauterive said a final resolution will be presented to the Board for approval in January 2023.

#### **Proposed Future Items / Meetings (subject to final posting)**

**19.     [2022-405](#)     List of Board Approved Future Meetings**

**Attachments:**   [2023 Board Meeting Calendar](#)

President Mark Ekrut said the list of Board approved future meetings is included in the meeting materials.

**20.     [2022-406](#)     Board Planning Calendar (Written Report in Materials)**

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

President Mark Ekrut stated that the proposed Board Meeting Planning Calendar was included in the meeting materials.

#### **Recess to Executive Session**

President Mark Ekrut announced the items to be discussed in Executive Session and at 11:19 a.m., stated the Board would go into Executive Session.

#### **Executive Session - Legal Matters**

**21.     [2022-416](#)     Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

**22.     [2022-417](#)     Litigation and Related Legal Matters - D Ballard**

**23.     [2022-418](#)     Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard**

#### **Executive Session - Contract and Competitive Matters**

**[2022-411](#)     Resolution - Approval of Authorization for Credit Facilities for Issuance of PEC Letters of Credit - R Kruger**

**25.     [2022-428](#)     Draft Resolution - Approval of Construction Contract for Hero Way Substation - J Treviño**

**26.     [2022-429](#)     Draft Resolution - Approval of Construction Contract for Lehigh Substation - J Treviño**

27. [2022-427](#) Discussion of Power Supply Contractual Resources - D Thompson
28. [2022-419](#) Markets Monthly Report - D Thompson
29. [2022-420](#) Transmission Operations and Control Center Update - C Moos/J Warren/J Louis/J Treviño

**Executive Session - Real Estate Matters**

30. [2022-421](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
31. [2022-422](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

**Executive Session - Safety and Security Matters**

32. [2022-423](#) Safety and Security Matters

**Executive Session - Personnel Matters**

33. [2022-424](#) Personnel Matters
- [2022-425](#) Resolution - Review and Approval of 2022 CEO Action Items and Bonus Evaluation - M Rister
35. [2022-426](#) Review of 2023 CEO Action Items - J Parsley

**Reconvene to Open Session**

At 2:20 p.m., the Board reconvened to the open session meeting. Director Paul Graf attended the meeting by telephone.

**Items from Executive Session**

The following agenda items were discussed in executive session and set for approval in open session.

24. [2022-411](#) Resolution - Approval of Authorization for Credit Facilities for Issuance of PEC Letters of Credit - R Kruger
- Body:** WHEREAS, for the continued operations of the Cooperative, the Cooperative requires commitments for one or more letter of credit facilities under which Lenders (as defined below) will issue letters of credit on the Cooperative's behalf to applicable beneficiaries; and

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the Cooperative authorizes the issuance or incurrence of short-term debt in the aggregate principal amount up to \$100,000,000, which debt may be unsecured; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the short-term debt authorized herein may include one or more revolving credit facilities or letter of credit facilities or sub-facilities pursuant to multibank or separate bilateral agreements to be entered into with Bank of America, N.A. (or an affiliate), JPMorgan Chase Bank, N.A. (or an affiliate) and/or other lenders (collectively the "Lenders" and each a "Lender") selected by an Authorized Officer (as defined herein); and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the form, terms and provisions of any direct pay and/or standby letter of credit issued by a Lender to provide credit support for the Cooperative's power purchase program and for any other corporate purpose, and the form, terms and provisions of any related reimbursement or other agreements with one or more Lenders to be executed in connection with commitments to issue or the issuance of such letters of credit, if applicable, are hereby approved; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the Chief Executive Officer and the Chief Financial Officer of the Cooperative or any person designated in writing for such purpose by either of such officers (the "Authorized Officers") are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge, the aforementioned documents, and/or any other agreements that may be required with a credit bank, letter of credit issuer, investor, dealer, agent or depository institution, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to the short-term debt financings for the letter of credit facilities described in this resolution, in each case in such form and containing such terms and conditions as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the Authorized Officers are further authorized to negotiate, execute and deliver renewals, extensions, supplements and/or amendments to any of the aforementioned documents, in each case as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the Authorized Officers are each hereby authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to do any and all acts deemed by such officer in such officer's judgment to be necessary or appropriate in the best interests of the

Cooperative to give effect to the foregoing resolutions; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions be and are hereby ratified, confirmed, and approved.

PEC Letters of Credit

The Cooperative has various existing long-term and short-term debt facilities (secured and unsecured) to finance the operations and expenses of the Cooperative.

To continue to deliver low-cost and reliable energy to its members, the Cooperative has obtained or expects to obtain bank commitments to issue direct pay and/or standby letters of credit in the aggregate amount of up to \$100,000,000 to provide credit support in connection with its power purchase transactions with third parties and to provide credit support for such other corporate purposes of the Cooperative.

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

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

**34. [2022-425](#) Resolution - Review and Approval of 2022 CEO Action Items and Bonus Evaluation - M Rister**

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

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

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

Bonus Evaluation

This Board of Directors considers the CEO's bonus compensation annually. The Board may consider performance, evaluation, and compensation.

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

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

**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:22 p.m.

Approved:

\_\_\_\_\_  
Paul Graf, Secretary

\_\_\_\_\_  
Mark Ekrut, President