



# 2019 Year in Review

Julie C. Parsley, Chief Executive Officer

December 13, 2019

Board Meeting | Open Session

The background of the slide is a high-angle aerial photograph of a modern suburban residential area. The neighborhood is characterized by a grid of streets, single-family homes with varying roof colors, and larger apartment complexes with multiple units. There are also several green spaces, including parks with playgrounds and open fields. The overall image has a slightly blue-tinted, overexposed look.

# Managing Record Growth



# Managing Record Growth

Record-breaking growth across the cooperative:

- **328,360** active accounts\*
- **1,228** average monthly account net growth\*
- **28,000** new member applications processed\*
- Anticipating ~**15,000** new accounts and ~**13,500** new net meters by EOY
- July set new records for net meter growth in nearly every district
- October set a record for new line extensions at **1,664**

\*As of Nov. 30, 2019



# A Focus on Member Satisfaction



Dripping Springs open house, January 2019

- TSE Services' most recent overall satisfaction rating of **9.08** is the **highest** score on record, going back to 2011
- **J.D. Power** ranked PEC among the **top 10** of all cooperatives for customer satisfaction in its 2019 syndicated survey
- Completed major security upgrades at **4 district offices**
  - New kiosks were installed at Bertram, Oak Hill, Dripping Springs and Cedar Park
- Introduced **new virtual hold callback** technology

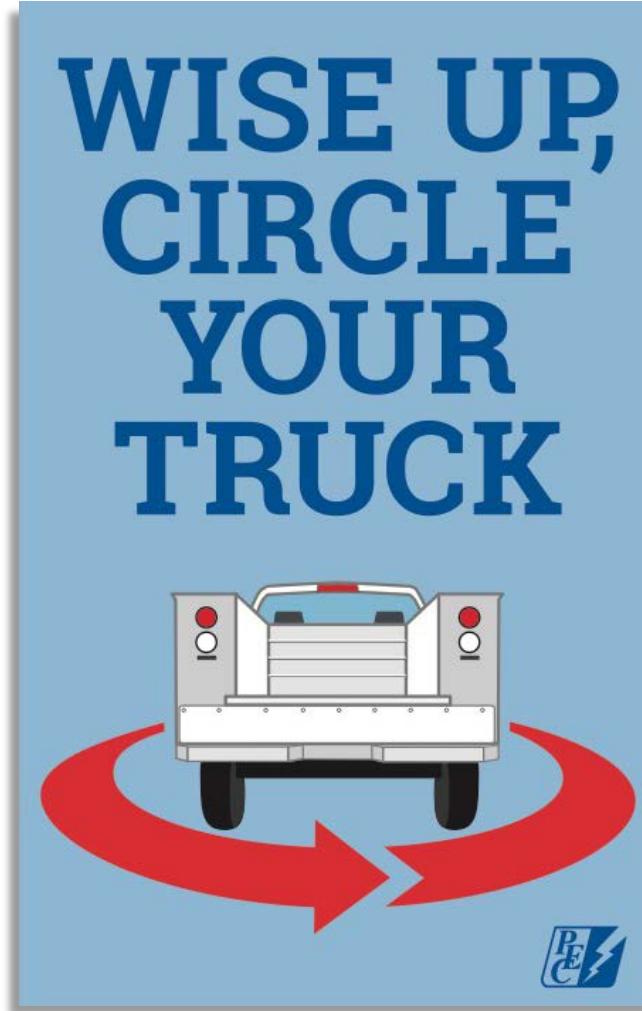


A large white aerial lift truck with "Altec" branding is positioned on a utility pole. Two workers in safety gear are working on the pole. The background shows a utility truck and power lines against a blue sky with clouds.

# Raising the Bar on Safety



# Raising the Bar on Safety



- Realigned safety function with district operations
- **Surpassed 1.4 million hours** – and counting – without a lost-time safety incident; first time in recent history of the co-op
- **Launched “Wise Up” safety campaign** encouraging employees to circle their truck and slow down
- Strategic campaign aimed at **preventable backing accidents**
- Hosted 2019 SWESE Conference in April



A photograph of two men in a warehouse setting. One man, wearing a blue shirt, is holding a large, cylindrical industrial component and looking at it. The other man, wearing a dark jacket with a logo, is looking down at the same component. They are standing in front of a large shelving unit filled with boxes and equipment. In the background, there are signs for 'COOPER Cooper Power Systems' and 'HOMAC'. The overall image has a blue tint.

# Maintaining Stability

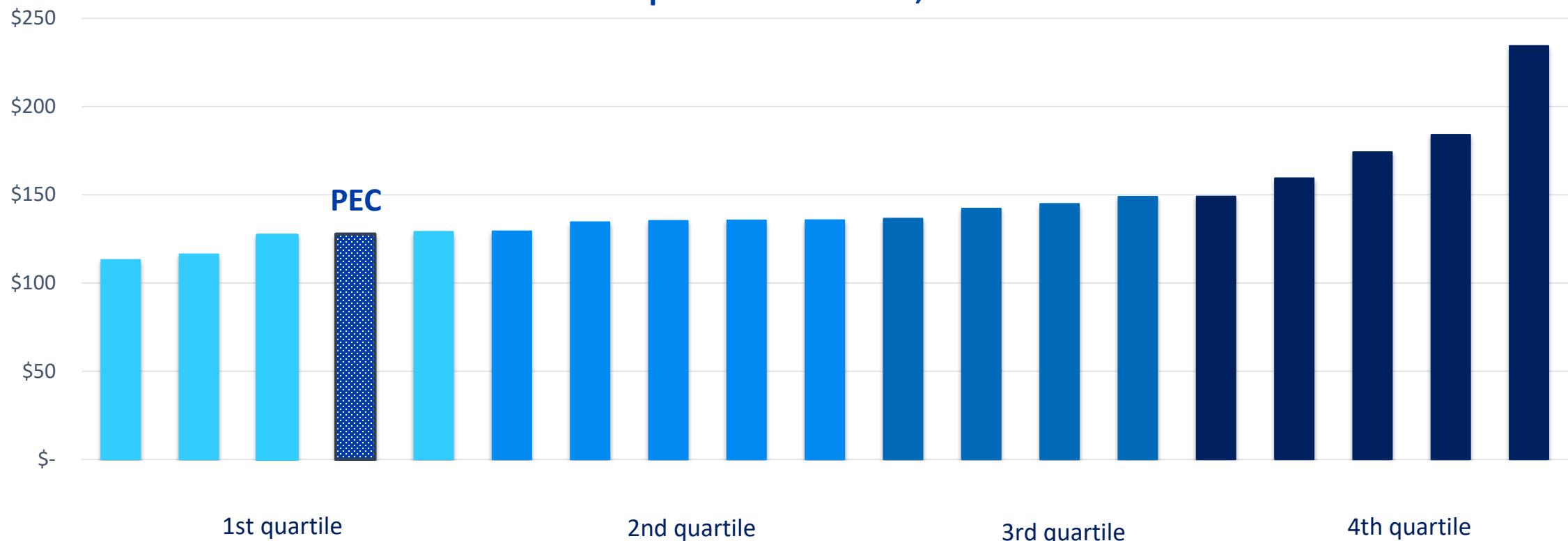
# Maintaining Financial Stability

- Returned **\$12.3 million** in capital credits
- Secured favorable, competitive power supply contracts for a portion of our energy portfolio; **realizing millions in savings**
- Revised commercial line extension policy, realigning using cost-causation principles, and **potentially saving members \$8M+**
- Reviewed and revised substantive financial policies to better align processes and improve cash flow



# Providing Affordable Power

## Residential Cost Comparison for 1,250 kWh Oct.-Nov. 2019





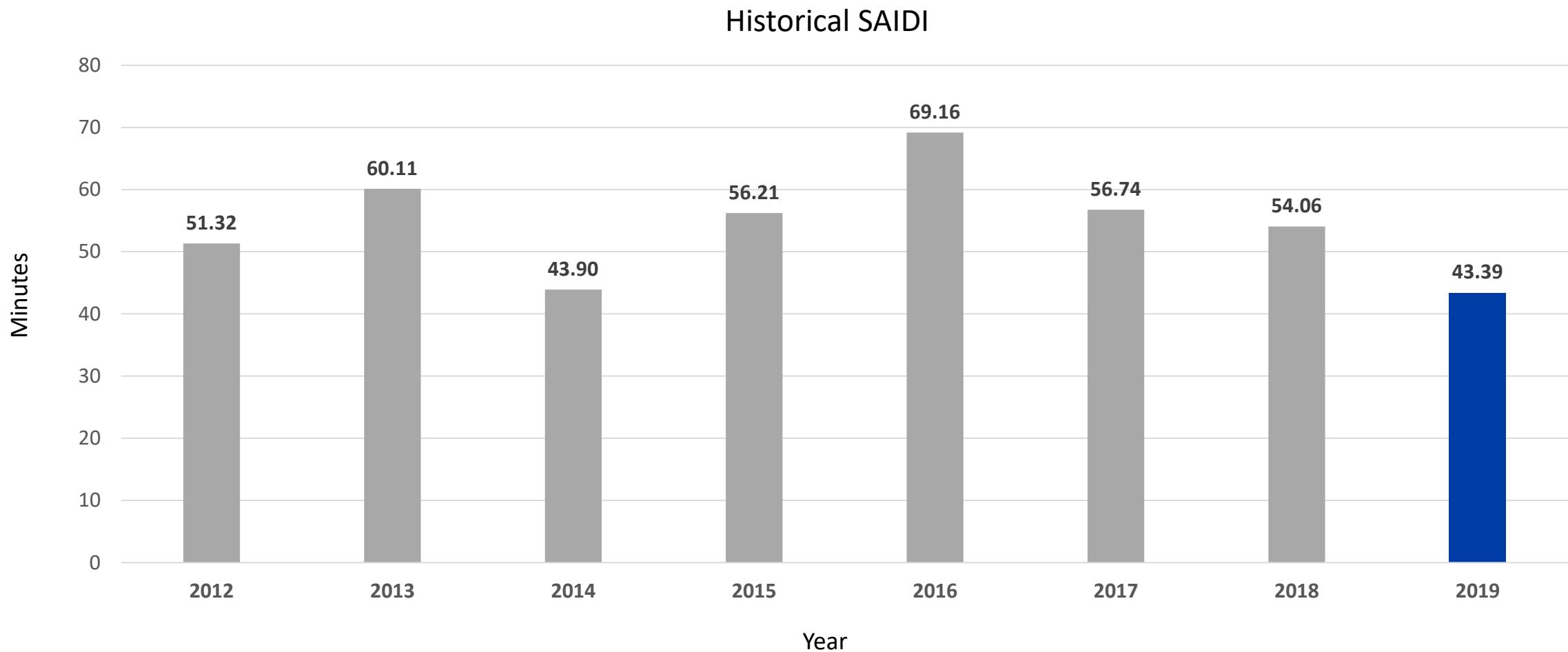
Bee Creek conversion, June 2019

# Maintaining Reliability

- SAIDI is currently at **51 minutes** over past 12 months
- Installed and upgraded **5** distribution substations
- Completed **2** voltage conversions and more than **860** substation inspections
- More than **480** miles of distribution line inspected by our UAS program
- Successful peak demand response during one of the hottest summers



# Maintaining Reliability



A group of people, mostly women, are gathered in a gymnasium. They are wearing blue jerseys with the word "PANTHERS" and numbers like 71, 99, and 52. In the center, a large check is being held up. The check is made out to "Liberty Hill ISD" for the amount of "\$1,000.00" and is "Pay to the Order of". The check is dated "Oct. 2018" and is for "For Supporting Local Youth".

# Giving Back To Our Communities

Liberty Hill ISD  
Pay to the Order of  
Cooperative Inc.

Liberty Hill ISD \$1,000.00

One Thousand and no/100

Dollars

For Supporting Local Youth

PEC Inc.



# Giving Back To Our Communities

- **\$30,000 awarded to 6 nonprofits**; fully funded by Power of Change contributions
- United Charities gave more than **\$250,000 to 222 nonprofits**
- Continued to support PEC Youth with our educational foundation contributions, annual Youth Tour trip, and scholarships
- Many Hands Program donated more than **240 work hours** *(as of Oct. 2019)*
- **925 volunteer hours** by PEC employees
  - LCRA Steps Forward, Read Across America, Johnson City Lights Spectacular, Burnet County Veterans Day, Central Texas Food Bank





# Enhancing the Employee Experience



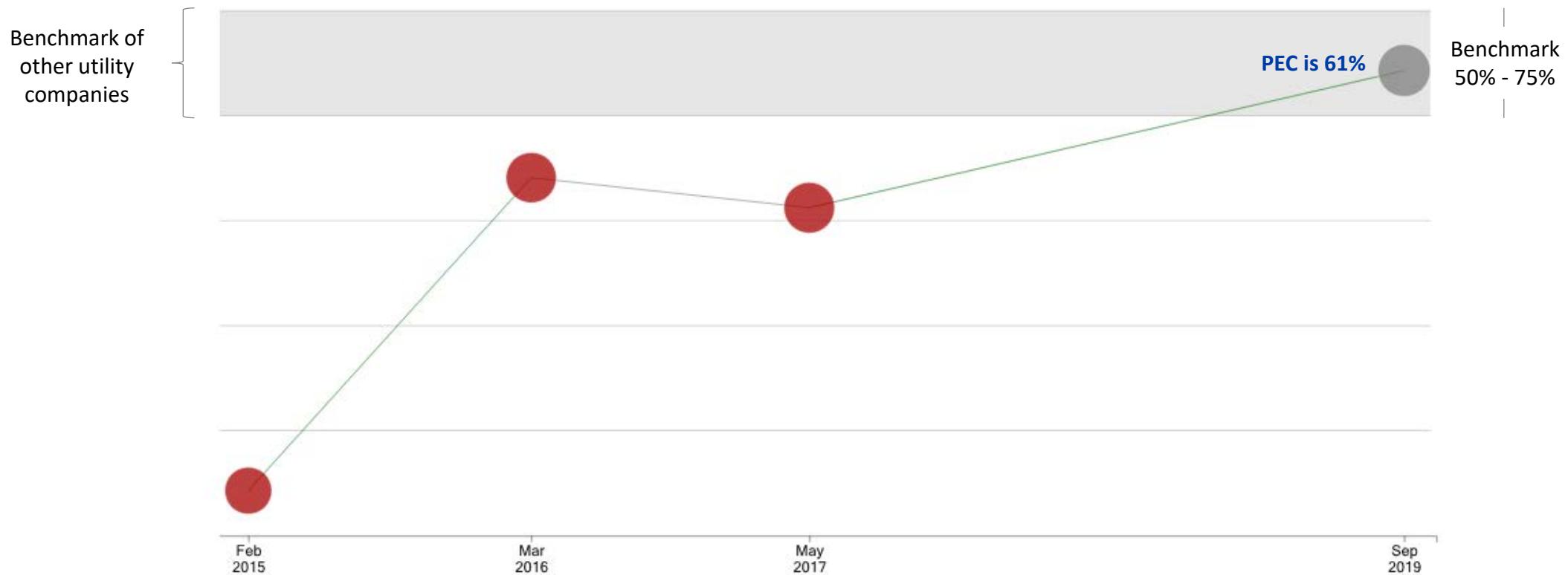
# Enhancing the Employee Experience

- Elevated compliance and ethics throughout cooperative:
  - Launched Code of Conduct; Employee Handbook coming soon
  - Created new VP of Compliance and Regulatory role
- Redesign of PEC careers website to launch before end of year
- Currently undergoing compensation study to ensure PEC salaries are competitive with the market
- Updated employee 401(k) savings plan with significant enhancements
- Conducted employee engagement survey; the results show great improvement



# 2019 Engagement Survey Results

Comparison to previous surveys – this chart shows how the scores for PEC have changed over time, and demonstrates a positive increase in employee engagement of 30%, moving PEC – for the first time – into the utility benchmark.

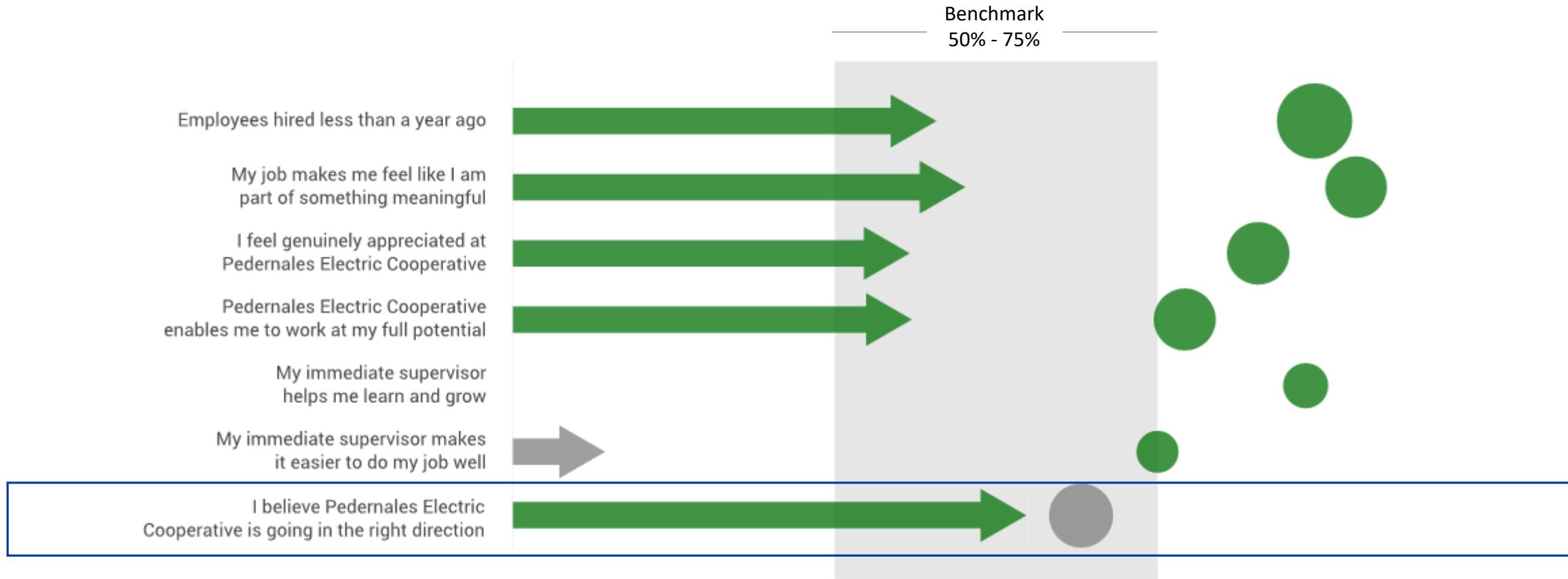


Senior leadership will be meeting with survey consultants in mid-December. Management will meet with their departments after the first of the year to go over their department's results.



# 2019 Engagement Survey Results – Celebrations

These areas stood out as the strengths for PEC to celebrate:



Largest improvement – the survey statement with the most improvement is, "I believe PEC is going in the right direction" **with an increase of 56 percentage points**.

# Accolades for 2019

**Large business of the year**, Buda Chamber of Commerce

**System Achievement Award**, Texas Public Power Association

**Best Annual Report and Graphic Design**, NRECA Spotlight on Excellence Awards

**Best Nonprofit CEO**, Austin Business Journal

**Best-in-Class PTT program**, Osmose Utilities

**Top 100 Cooperatives (No. 87)**, National Co-op Bank

**Hermes Creative Award** for Rural Electric magazine article featuring PEC female lineworker



# Looking Forward to 2020

Northwest Lineman College partnership

Broadband feasibility study completion and fiber strategy

Continue system upgrades for increased reliability and outage response

Expand drone reliability program

Prepare for 2021 legislative session

Further strengthen employee engagement

Expand employee recognition program and incentives



