

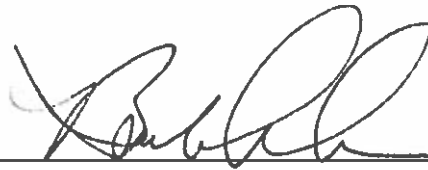
**Pedernales Electric Cooperative
Employees' 401(k) Savings Plan
Employees' Defined Benefit Retirement Plan
Activity Report
of
PEC Plan Administration Committee
to
Board of Directors
October 20, 2023**

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