



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Final

Board of Directors

Friday, January 17, 2025

9:00 AM

PEC Headquarters Auditorium
201 S Ave F, Johnson City, TX 78636

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Open Session of this Regular Meeting was held in the PEC Auditorium and recorded in accordance with Board Meetings Policy. Members may watch the recording from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

This meeting was called to order at 9:05 a.m., on January 17, 2025, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

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

Safety Briefing

President Emily Pataki provided the Safety Briefing.

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

1. [2025-001](#) **Friday, December 20, 2024 - Regular Meeting Minutes**

Attachments: [2024-12-20 OS Meeting Minutes.pdf](#)

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

Cooperative Monthly Report

2. [2025-002](#) **Cooperative Update - J Parsley/A Stover/R Kruger/N Fulmer/J Urban**

Attachments: [January 2025 Cooperative Update FINALv2 2025-002.pdf](#)

Ms. Andrea Stover, General Counsel, Mr. Nathan Fulmer, Chief Operations Officer - Distribution, Mr. Randy Kruger, Chief Financial Officer (CFO), and Mr. JP Urban, Chief Administration Officer, presented a collaborative Cooperative Update.

Member Comments (3-minute limitation or as otherwise directed by Board)**3. [2025-003](#) Member Comments**

Attachments: [Decorum Policy.pdf](#)

Mr. Denton Ragland, President of the Driftwood Historical Conservation Society, was present and complimented PEC on the selection of the tree clearing service provider in the Driftwood area. He requested that PEC please coordinate with him on future projects on the historic property.

Action Items / Other Items**4. [2025-022](#) Resolution - Consideration of 2025 NRECA Annual Membership Dues - J Parsley**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the membership dues to the National Rural Electric Cooperative Association for 2025 in the amount of \$252,985.00 is approved; and the Chief Executive Officer of the Cooperative, or designee, is authorized to pay those dues pursuant to the invoice duly presented to the Cooperative.

Attachments: [NRECA Distribution Membership Dues Invoice.pdf](#)

Mr. J.P. Urban, Chief Administrative Officer, recommended that the Board not take up this resolution at this time.

There was no vote action on this item.

5. [2025-004](#) Resolution - Consideration of TEC 2025 Annual Membership Dues - J Parsley

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that Texas Electric Cooperatives (TEC) membership dues (in the amount of \$208,179.85) and associated dues, including ERCOT and Legal, for 2025 are approved, and the Chief Executive Officer of the Cooperative, or designee, is authorized to pay those dues pursuant to the invoices duly presented to the Cooperative.

Attachments: [TEC 2025 Annual Membership Due Invoice.pdf](#)

Mr. J.P. Urban, Chief Administration Officer, 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 failed by the following vote:

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

6. [2025-005](#) Resolution - Approval of 2025 Key Performance Indicators Plan - E Dauterive

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2025 Key Performance Indicators Plan 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: [2025 KPI Plan Final Revisions Presentation 2025-005 Final](#)
[2025 KPI Plan - 2025-005 - Final](#)

Mr. Eddie Dauterive, Chief Strategy Officer, presented the resolution and asked the Board for approval.

A motion was made by Vice President Cox, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:

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

7. [2025-006](#) **Resolution - Approval of Tariff and Business Rules - Amendments - C Powell/A Stover**

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 and presented this day, with such changes, if any, as were approved by the Board, to become effective March 1, 2025; 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: [Tariff & Business Rules Annual Updates - 2025-006 - Final](#)
[Tariff and Business Rules - Draft for EOY Annual Review - REDLINE as modified per Jan BOD- 2025-006.pdf](#)
[Tariff and Business Rules - Draft for EOY Annual Review - CLEAN as modified per Jan BOD- 2025-006.pdf](#)
[Tariff and Business Rules - Redline for EOY Annual Review - 2025-006](#)
[Tariff and Business Rules - Draft for EOY Annual Review - CLEAN - 2025-006](#)

Mr. Christian Powell, Chief Compliance Officer, presented the resolution and asked the Board for approval. Director Amy SJ Akers suggested an amendment to the tariff. Ms. Akers said that PEC does not have control over franchise fees; municipalities do not need an agreement to enforce franchise fees, they have to pass an ordinance. Mr. Powell stated that he would change the language, accepting the amendment within the motion.

A motion was made by Director Oakley, seconded by Secretary/Treasurer Ekrut, that this item be approved as amended. The motion carried by the following vote:

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

8. [2025-007](#) **Resolution - Approval to Amend Tariff and Business Rules - Base Power Charge, Sustainable Power Credit, Service Availability Charge & Delivery Charge, Single & Three-Phase Rates, Lamp Charges - W Symank/R Kruger**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that it approves the amendments to the Cooperative's 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 Cooperative approves the rescission of the prior resolutions referenced herein with respect to the additions of lighting types to the Cooperative's Tariff and Business Rules and that all actions taken prior to the date herein by the officers and duly authorized agents of the Cooperative in connection with such resolution, be ratified, confirmed, and approved; 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: [2025 Rate Resolutions Final 2025-007.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Base Power Charge 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Base Power Charge 2025-007 FINAL.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Sustainable Power Credit 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Sustainable Power Credit 2025-007 FINAL.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Delivery and Service Availability Charges 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Delivery and Service Availability Charges 2025-007 FINAL.pdf](#)

[Tariff Language Redline - Tariff and Business Rules - Small Power Three Phase 2025-007 FINAL.pdf](#)

[Tariff Language Clean - Tariff and Business Rules - Small Power Three Phase 2025-007 FINAL.pdf](#)

Mr. Randy Kruger, Chief Financial Officer, presented the resolution asking the Board for approval.

A motion was made by Director Oakley, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:

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

9. [2025-009](#) Resolution - Approval of Whitestone T1 and T2 Upgrade Construction Contract - J Greene

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative execute the Whitestone T1 and T2 Substation Construction Contract as described in Executive Session; 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: [Whitestone Substation T1 and T2 Upgrade Construction Contract 2025-009 Final](#)

Mr. Jonathan Greene, Chief Operations Officer, presented the resolution asking the Board for approval.

A motion was made by Vice President Cox, seconded by Secretary/Treasurer

Ekrut, that this item be approved. The motion carried by the following vote:

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

10. [2025-010](#) **Resolution - Approval of Lago Vista T3 Substation Construction Contract Amendment - J Greene**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative is approved to execute a change order to complete the additional project scope for the Lago Vista T3 Substation Construction Contract as described in Executive Session; 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: [Lago Vista T3 Substation Construction Contract Amendment 2025-010 Final](#)

Mr. Jonathan Greene, Chief Operations Officer, presented the resolution asking the Board for approval.

A motion was made by Secretary/Treasurer Ekrut, 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

11. [2025-012](#) **Draft Resolution - Review and Approval of Capital Credits Policy - K Jones**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS that pursuant to its regular review of Board policies, the Board has reviewed and adopts the revised Capital Credits Policy with such changes, if any, as were approved by the Board; and

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

Attachments: [Capital Credits Policy 2025-012-Draft v3.pdf](#)
[Capital Credits Policy - Redline - 2025-012.pdf](#)
[Capital Credits Policy - Clean - 2025-012.pdf](#)

Ms. Kat Jones, Controller, presented the draft resolution and stated that a final resolution will be presented to the Board for approval in February.

12. [2025-013](#) **Draft Resolution - Review and Approval of the Decorum Policy - A Stover**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS that pursuant to its regular review of Board policies, the Board has reviewed and adopts the updated Decorum Policy with such changes, if any, as were approved by the Board; and

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

- Attachments:** [Decorum Policy - 2025-013 - Final](#)
[Decorum Policy - Redline - 2025-013 - Final \(Comparison to Original\)](#)
[Decorum Policy - Clean - 2025-013 - Final](#)

Ms. Andrea Stover, General Counsel, presented the draft resolution and stated that a final resolution will be presented to the Board for approval in February.

13. [2025-014](#) Draft Resolution - Approval for Directing the General Counsel to Prepare 2025 Proposed Non-Director Election Ballot Matter(s) - M Butler

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the General Counsel, or designee, of the Cooperative is directed to prepare proposed ballot wording for consideration by the Board of Directors on the following Non-Director Election matter(s):

- A) _____;
- B) _____;
- C) _____; and

BE IT FURTHER RESOLVED that in accordance with Section 6.1 of the Election Procedures, the ballot wording will be presented in a way to maximize Members' understanding of the Non-Director Election matter, including any Board recommendation or position concerning the matter; and

BE IT FURTHER RESOLVED that the Board votes to [support/oppose] the proposed Non-Director Election matter, and the General Counsel is directed to draft proposed ballot language that reflects the Board's position; and

BE IT FURTHER RESOLVED that this proposed Non-Director Election matter shall not be included on the 2025 election ballot unless and until a majority of the Directors votes to affirmatively place the matter on the 2025 election ballot and approves the ballot wording; and

BE IT FURTHER RESOLVED that the General Counsel or designee, is directed to take all necessary actions to implement this resolution.

- Attachments:** [2025 Non-Director Election Ballot Matters - 2025-014 Final v2](#)

Mr. Michael Butler, Senior Corporate Counsel, presented the draft resolution, stating that pursuant to Section 6.1 of the Election Policy and Procedures, the Board may direct the General Counsel to add non-director election items to the ballot to seek advisory responses from the membership. Mr. Butler stated, at this time, there have been no items proposed to the office of the General Counsel. Since the election begins on May 21, 2025, and pursuant to the election policy, the item should be brought to the General Counsel no later than the fifth month prior to the election. Mr. Butler stated that this item will be removed from following board agendas.

14. [2025-015](#) Draft Resolution - Approval of Appointments to 2025 Qualifications and Elections Committee - M Butler

Body: **WHEREAS** the Bylaws of the Cooperative require the Board to appoint a

Qualifications and Elections Committee (the "Committee") to review and determine the qualifications of applicants who wish to be candidates for election to the Board ("Candidates"), and in accordance with the Cooperative's Election Policy and Procedures.

NOW, THEREFORE, BE IT RESOLVED that the following individuals are appointed to serve on the Qualifications and Elections Committee for the 2025 Election:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____; and

BE IT FURTHER RESOLVED that the following individuals are appointed as alternates to serve on the Qualifications and Elections Committee for the 2025 Election should an appointed member be unable to serve:

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____; and

BE IT FURTHER RESOLVED that the Committee will elect its own officers (Chair and Secretary), and will have access to information gathered from various sources, including the Candidates themselves, public records, and the Cooperative; and

BE IT FURTHER RESOLVED that the Cooperative will provide legal counsel and staff support; and

BE IT FURTHER RESOLVED that the Committee should conduct meetings as often as the Committee determines that they are needed to perform the review of Candidates applications, and these meetings may be conducted by phone or at a place of the Committee's choosing; and

BE IT FURTHER RESOLVED that Committee members are paid \$150 for each telephonic or live meeting lasting more than one hour; the Cooperative will reimburse mileage and reasonable meal expenses incurred by Committee members in the course of their service; and provide indemnification and protection from liability for Committee members serving in that capacity as provided for in the PEC Bylaws; and

BE IT FURTHER RESOLVED that the General Counsel, or designee, is authorized and directed to take all actions necessary to implement this resolution.

Attachments: [2025 QEC Appointment - 2025-015 Final v2](#)

Mr. Michael Butler, Senior Corporate Counsel, presented the draft resolution requesting the Board provide the names of eligible individuals willing to serve on the Qualifications Elections Committee (QEC) by February 14, 2025.

15. [2025-016](#) 2025 Election Timeline Monthly Update - A Stover (Written Report in Materials)

Attachments: [2025 Election Timeline Final Board Approved 122024 2025-016.pdf](#)

Ms. Andrea Stover, General Counsel, stated that the 2025 Election Timeline remains the same.

Proposed Future Items / Meetings (subject to final posting)

16. [2025-017](#) List of Board Approved Future Meetings

Attachments: [2025 Board Meeting Calendar.pdf](#)

President Emily Pataki stated that the Board approved meeting dates were included in the meeting materials.

17. [2025-018](#) Board Planning Calendar (Written Report in Materials)

Attachments: [Annual Board Planning Calendar.pdf](#)
[3-Month Outlook.pdf](#)

President Emily Pataki stated that the planning calendars were included in the meeting materials.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:11 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

18. [2025-019](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services

19. [2025-031](#) 2025 Texas Legislative Matters - J Urban

20. [2025-020](#) Litigation and Related Legal Matters - A Stover

21. [2025-021](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover

Executive Session - Contract and Competitive Matters

22. [2025-008](#) Draft Resolution - Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line - J Greene
23. [2025-023](#) Long-Term Distribution/Substation Capacity/Transmission Planning/Real Estate Update - J Greene/N Fulmer/C Powell
24. [2025-024](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey
25. [2025-025](#) Markets Report - R Strobel/R Kruger

Executive Session - Real Estate Matters

- [2025-011](#) Resolution - Approval of Purchase of Land in Williamson County - C Powell
27. [2025-027](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell

Executive Session - Safety and Security Matters

28. [2025-028](#) Safety and Security Matters

Executive Session - Personnel Matters

29. [2025-029](#) Personnel Matters
30. [2025-030](#) Review of 2025 Corporate Initiatives and CEO Action Items - J Parsley

Reconvene to Open Session

At 1:09 p.m., the Board reconvened to the Open Session meeting.

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

Items from Executive Session

The following agenda items were discussed in Executive Session and set for approval in Open Session.

26. [2025-011](#) Resolution - Approval of Purchase of Land in Williamson County - C Powell
- Body:** NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative is authorized to purchase real property in Williamson County as described in Schedule 1, subject to satisfaction of any terms as discussed by the Board during Executive Session, with certain details of any such purchase to be publicly available upon public filing of instruments memorializing the transfer; and

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

A motion was made by Director Rister, 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

Adjournment

There being no further business to come before the Board of the Directors, the meeting adjourned at 1:10 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President