



Meeting Minutes - Draft

Board of Directors

Friday, March 22, 2024

9:00 AM

PEC Headquarters Auditorium

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 live stream 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 March 22, 2024, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas. Director Amy Lea SJ Akers was present via telephone.

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

Safety Briefing

At 9:06 a.m., President Ekrut provided the Safety Briefing.

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. [2024-064](#) **Friday, February 16, 2024 - Regular Meeting Minutes**

Attachments: [2024-02-16 OS Meeting Minutes draft v1](#)

Cooperative Monthly Report

2. [2024-065](#) **Cooperative Update - J Parsley/E Dauterive/R Kruger/N Fulmer/J Urban**

Attachments: [March Cooperative Update FINAL 2024-065](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Eddie Dauterive, Chief Operations Officer (COO), Mr. Randy Kruger, Chief Financial Officer (CFO), Mr. Nathan Fulmer, Vice President, Workforce & Safety, and Mr. JP. Urban, Executive Vice President, External Relations, presented a collaborative report.

Member Comments (3 minute limitation or as otherwise directed by Board)**3. [2024-066](#) Member Comments**

Attachments: [Decorum Policy](#)

There were no members present.

Action Items / Other Items**4. [2024-009](#) Resolution - Approval of Substation Equipment Contract (Breakers, Circuit Switchers, 138kV Switches) - J Treviño**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve a five-year Master Supply Agreement for substation equipment including breakers, circuit switchers, switches and coupling capacitor voltage transformers as discussed; 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: [Substation Equipment Contract - 2024-009 Final](#)

Equipment Contract

Due to the long lead times for receiving substation equipment, including breakers, circuit switchers, switches and coupling capacitor voltage transformers. Engineering is pursuing a five-year Master Supply Agreement for these items given the long lead times for this equipment.

Mr. Eddie Dauterive, Chief Operations Officer (COO), presented the resolution and asked the Board for approval.

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

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

5. [2024-069](#) Resolution - Approval of Construction Contract for Florence Substation - J Treviño

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve an agreement to complete the construction of the Florence Substation 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: [Florence Substation Construction Contract - 2024-069](#)

Construction Contract

As part of PEC's Florence Substation project, PEC will enter into an agreement with a construction contractor to construct the new substation.

Mr. Eddie Dauterive, Chief Operations Officer (COO), presented the resolution and asked the Board for approval.

A motion was made by Director Rister, 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

6. [2024-067](#) **Resolution - Approval to Amend Tariff and Business Rules - Rate Sheets - W Symank/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: [Tariff Language Blackline - Approval to Amend Tariff and Business Rules - Rate Sheets - 2024-067-FINAL](#)
[Tariff Language Redline - Approval to Amend Tariff and Business Rules - Rate Sheets - 2024-067-FINAL](#)
[PPT - Approval to Amend Tariff and Business Rules - Rate Sheets - 2024-067-FINAL](#)

Rate Sheets

As part of the 2024 Rate Plan, which was approved by the Board in October 2023, the use of rate sheets in the Tariff and Business Rules (the "Tariff") was to be evaluated. To improve the current organization of the Tariff and make it easier to navigate, a series of full rate sheets were created, one for each rate available to the membership. Each of these rate sheets includes substantially all rate components and applicable information necessary to understand the respective rate. The recommendation is to adjust the Tariff as to "Rate Schedules" Section 500.2 and "Rate Programs" Section 500.3 by replacing these sections with the following sections:

- 500.2 Residential Rate Schedules
 - 500.2.1 Residential, Farm and Ranch Service, Flat Base Power Charge
 - 500.2.2 Residential, Farm and Ranch Service, Flat Base Power Charge, with Renewable Energy Rider
 - 500.2.3 Residential, Farm and Ranch Service, Flat Base Power Charge, Community Solar Rate
 - 500.2.4 Residential, Farm and Ranch Service, Flat Base Power Charge, Community Solar Rate, with Renewable Energy Rider
 - 500.2.5 Residential, Farm and Ranch Service, Time of Use (TOU) Base Power Charge
 - 500.2.6 Residential, Farm and Ranch Service, Time of Use (TOU) Base Power Charge, with Renewable Energy Rider
 - 500.2.7 Residential, Farm and Ranch Service, Interconnect Rate
 - 500.2.8 Residential, Farm and Ranch Service, Interconnect Rate, with Renewable Energy Rider
- 500.3 Small Power Rate Schedules
 - 500.3.1 Small Power Service, Flat Base Power Charge

- 500.3.2 Small Power Service, Flat Base Power Charge, with Renewable Energy Rider
- 500.3.3 Small Power Service, Flat Base Power Charge, Community Solar Rate
- 500.3.4 Small Power Service, Flat Base Power Charge, Community Solar Rate, with Renewable Energy Rider
- 500.3.5 Small Power Service, Time of Use (TOU) Base Power Charge
- 500.3.6 Small Power Service, Time of Use (TOU) Base Power Charge, with Renewable Energy Rider
- 500.3.7 Small Power Service, Interconnect Rate
- 500.4 Large Power Rate Schedules
 - 500.4.1 Large Power Service
 - 500.4.2 Large Power Service, with Renewable Energy Rider
 - 500.4.3 Large Power Service, Interconnect Wholesale Energy Rate
- 500.5 Industrial Power Service
- 500.6 Transmission Level Service
- 500.7 Rate Programs
 - 500.7.1 Military Base Discount
 - 500.7.2 Economic Development Discount
 - 500.7.3 Cooperative-Owned Electric Vehicle Public Charge Station Rate
 - 500.7.4 Unmetered Device Service
 - 500.7.4.1 Unmetered Lighting Device Service
 - 500.7.4.2 Unmetered Non-Lighting Device Service

Tariff amendment and effective date is shown below:

- Section 500.2, 500.3, 500.4, 500.5, 500.6, 500.7 - Effective upon Board approval.

Mr. Wesley Symank, Rates Manager, presented the resolution and asked the Board for approval.

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

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

7. [2024-068](#) Resolution - Approval to Amend Tariff and Business Rules - Cooperative Owned Lamp Charge - W Symank/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: [Tariff Language Blackline - Approval to Amend Tariff and Business Rules - Cooperative Owned Lamp Charge - 2024-068-FINAL](#)
[Tariff Language Redline - Approval to Amend Tariff and Business Rules - Cooperative Owned Lamp Charge - 2024-068-FINAL](#)
[PPT - Approval to Amend Tariff and Business Rules - Cooperative Owned Lamp Charge - 2024-068-FINAL](#)

Cooperative Owned Lamp Charge

The Cooperative offers Members the ability to have a monthly payment for Cooperative owned outdoor lighting assets. The charge for these lighting assets varies by lamp type and wattage. As part of the 2024 Rate Plan, which was approved by the Board in October of 2023, the Cooperative Owned Lamp Charge in the Tariff and Business Rules (the "Tariff") was to be evaluated, for simplification of tariff language and/or addition of a shielded lighting option. After review, the recommendation is to adjust the Tariff as to the "Cooperative Owned Lamp Charge" Section 500.1.16 by adding two lamp types to allow for an LED shielded option for Members. The new lamp charges are shown below.
 Lamp Type: LED 1-S; Lighting Category: Lighting Type LA, 0 to 50 watts; Charge per Lamp: \$10.22

Lamp Type: LED 2-S; Lighting Category: Lighting Type LB, 51 to 100 watts; Charge per Lamp: \$20.22

Tariff amendment and effective date is shown below:

- Cooperative Owned Lamp Charge, Section 500.1.16
- Effective for all bills issued on or after June 1, 2024

Mr. Wesley Symank, Rates Manager, presented the resolution and asked the Board for approval.

A motion was made by Vice President Graf, 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

8. [2024-071](#) Draft Resolution - Approval and Certification of 2024 Election Ballot - A Hagen

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the 2024 Election Ballots are approved and certified as presented this day, including the Qualified Candidates for Director Election in their respective Director Districts; and

District 1

District 6

District 7

BE IT FURTHER RESOLVED that the Board approves the following Non-Director Election item to be included with the 2024 Election Ballots:

Members' option to voluntarily participate in PEC Power of Change program

Please mark the circle if you wish to participate:

Yes, I want to enroll in the PEC Power of Change and round up my electric bill for all accounts to the nearest whole dollar to support local nonprofit organizations, PEC's educational support program, and PEC's member payment assistance program. Participation is voluntary, and I can withdraw at any time. Learn more at pec.coop/power-of-change.

BE IT FURTHER RESOLVED that the General Counsel, or designee, is directed to take all necessary actions to implement this resolution and prepare the 2024 Election Ballots with the Election Services Provider.

Ms. Aisha Hagen, Associate General Counsel, presented the draft resolution stating that the 2024 Director Election ballots listing the candidates running for districts 1, 6, and 7 will be presented to the Board for approval next month.

9. [2024-072](#) **Draft Resolution - Approval of 2024 Annual Membership Meeting Agenda - A Hagen**

Body: **BE IT RESOLVED BY THE BOARD** that the Board approves the agenda for the 2024 Annual Membership Meeting as submitted to and discussed by the Board at its regular meeting for April 2024, with such changes as were discussed and approved by the Board;

BE IT FURTHER RESOLVED BY THE BOARD that the Chief Executive Officer, or designee, is hereby authorized to publish the approved agenda to all members, and the President of the Board is authorized and directed to conduct the order of business at the Annual Membership Meeting in accordance with the approved agenda.

Attachments: [Annual Membership Meeting Agenda](#)

Ms. Aisha Hagen, Associate General Counsel, discussed the draft resolution and the draft 2024 Annual Membership Meeting Agenda. Ms. Hagen said the Board previously established the 2024 Annual Membership Meeting to be held at 9:00 a.m. on June 21, 2024, at the PEC Johnson City Headquarters. Ms. Hagen will present a resolution for Board approval next month.

10. [2024-073](#) **2024 Election Timeline Update - A Hagen (Written Report in Materials)**

Attachments: [2024 Election Timeline - Final BOD Approved 121523 - 2024-073](#)

Ms. Aisha Hagen, Associate General Counsel, said the Nomination Petition Application materials are due at or before 5 p.m. on March 25, 2024, in Johnson City, Texas at PEC's Headquarters. Due to the occurrence of the total solar eclipse on April 8, 2024, the date of the candidate orientation and photographs changed to April 10, 2024.

11. [2024-090](#) **Outage Mapping Enhancements - T Raffety/R Verette**

Attachments: [Outage Mapping Enhancements 2024-090 Final](#)

Ms. Ruth Verette, Creative Service Manager, and Mr. Taggart Raffety, Senior Project Manager, presented the improved outage management enhancements.

12. [2024-087](#) Community Relations Update - C Tinsley Porter

Attachments: [Community Relations Update 2024-087 Final](#)

Ms. Caroline Tinsley Porter, Director, External Relations, presented the 2024 member appreciation events.

13. [2024-091](#) Solar Eclipse Planning - V Maldonado/C Tinsley Porter

Attachments: [PPT - Solar Eclipse Planning 2024-091 Final](#)

Ms. Caroline Tinsley Porter, Director, External Relations, presented a solar eclipse planning update.

Proposed Future Items / Meetings (subject to final posting)**14. [2024-074](#) List of Board Approved Future Meetings**

Attachments: [2024 Board Meeting Calendar](#)

President Mark Ekrut stated that the Board approved meeting dates were included in the meeting materials.

15. [2024-075](#) Board Planning Calendar (Written Report in Materials)

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

President Mark Ekrut stated that the planning calendars were included in the meeting materials.

Recess to Executive Session

President Mark Ekrut announced the items to be discussed in Executive Session and at 10:08 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters**16. [2024-076](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services****17. [2024-077](#) Litigation and Related Legal Matters - A Hagen**

[2024-078](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Hagen

Executive Session - Contract and Competitive Matters

[2024-089](#) Resolution - Approval to Amend 2023 Capital Improvement Plan (CIP) Budget for Category Level Distribution Projects - J Smith

[2024-093](#) Resolution - Approval of Technology Service Contract - L Mueller

21. [2024-092](#) Draft Resolution - Approval of Power Supply Contractual Resources - D Thompson/A Hagen

22. [2024-079](#) Markets Report - D Thompson/R Kruger

23. [2024-080](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey

Executive Session - Real Estate Matters

24. [2024-081](#) Real Estate Semiannual Update - E Dauterive

25. [2024-082](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos

26. [2024-083](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

Executive Session - Safety and Security Matters

27. [2024-084](#) Safety and Security Matters

Executive Session - Personnel Matters

28. [2024-085](#) Personnel Matters

29. [2024-086](#) Chief Executive Officer Corporate Initiatives and Action Items Quarterly Update - J Parsley

Reconvene to Open Session

At 2:08 p.m., the Board reconvened to the Open Session meeting. Director Amy Lea SJ Akers was present via telephone. Director Travis Cox was not present.

Present: 6 - Director Milton Rister, Director Emily Pataki, President Mark Ekzut, Director James Oakley, Vice President Paul Graf, and Director Amy Akers

Absent: 1 - Secretary/Treasurer Travis Cox

Items from Executive Session

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

18. [2024-078](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Hagen

Body: NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative is authorized to settle certain litigation in Hays County District Court that involves the Cooperative on the

terms discussed this day in Executive Session, and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer, or designees, are hereby authorized to make such determinations as necessary with respect to the matter and execute, acknowledge and deliver any such documents, and otherwise take any actions as needed to implement this resolution.

Information

In January 2019, the Board authorized Pedernales Electric Cooperative, Inc. (the "Cooperative") to use its eminent domain powers to acquire property for the Hwy 32 to Wimberley Transmission Line Rebuild and Upgrades project (PEC Board Resolution 2019-021). In February 2019, PEC made an offer for the acquisition of the property; the offer was not accepted by the landowner and the matter went to condemnation. In September 2019 the Hays County Special Commissioners heard arguments on value and awarded amounts higher than PEC's offer. In October 2019 PEC filed an objection to the Special Commissioners award. The Cooperative may consider settlement of these litigation matters on the terms discussed this day in Executive Session and permit the Chief Executive Officer or designees to negotiate any other terms as may be necessary.

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

Yes: 6 - Rister, Pataki, Ekrut, Oakley, Graf, and Akers

Absent: 1 - Cox

19. [2024-089](#) Resolution - Approval to Amend 2023 Capital Improvement Plan (CIP) Budget for Category Level Distribution Projects - J Smith

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative adopt the Amended 2023 Capital Improvement Plan (CIP) Budgets as presented this day; and

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

Budget Amendment

The Budget Policy requires amendments for certain levels of variances. Capital spend in category 600 (Distribution Miscellaneous Equipment) requires a budget amendment of \$2M due to additional costs related to replacement and new installations of distribution equipment during 2023.

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

Yes: 6 - Rister, Pataki, Ekrut, Oakley, Graf, and Akers

Absent: 1 - Cox

20. [2024-093](#) Resolution - Approval of Technology Service Contract - L Mueller

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board

approves the contract with the vendor as described in Executive Session in the amount and for the term described therein; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer, or designee, take all such actions as needed to implement this resolution.

Contract

The Cooperative previously entered into a Master Services Agreement from February 2023 through May 2024 for technology and consultant services. Because the total funds that may be expended for those services may now exceed \$3M, the contract requires Board approval for the contract and such amounts. The term will also be extended through December 2027.

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

Yes: 6 - Rister, Pataki, Ekrut, Oakley, Graf, and Akers

Absent: 1 - Cox

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:11 p.m.

Approved:

Travis Cox, Secretary

Mark Ekrut, President