



**Meeting Minutes - Draft**

**Audit Committee**

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Monday, April 6, 2020

9:00 AM

PEC Headquarters Auditorium

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**201 South Avenue F, Johnson City, TX 78636**

Open Session of this Audit Committee Meeting is held in the PEC Auditorium and was audio recorded in accordance with Board Meetings Policy.

**Call to Order and Roll Call**

The Audit Committee meeting was called to order at 9:12 a.m. on April 6, 2020 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas 78636.

**Present:** 2 - Milton Rister and Emily Pataki

**Adoption of Agenda**

The agenda was adopted as posted and without objection.

1. [2020-134](#) **Resolution - Approval of Good Cause for Telephonic Participation in the April 6, 2020 Audit Committee Meeting - D Ballard**  
**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the committee has determined that it is in the best interest of the Cooperative to hold a meeting this day to consider an Audit Committee matter and good cause exists to allow telephonic participation by Directors in the meeting because a quorum may not be reached for the meeting without authorized, telephonic participation by one or more Directors; and  
  
**BE IT FURTHER RESOLVED** that the Audit Committee approves telephonic participation by Directors in the meeting; and  
  
**BE IT FURTHER RESOLVED** that the Chief Executive Officer or designee is authorized to take such actions as needed to implement this resolution.  
  
**Resolution 2020-134 was adopted without objection.**

**Minutes Approval**

2. [2020-135](#) **Monday, September 16, 2019 - Audit Committee Meeting Minutes**  
**Attachments:** [2019-09-16 Audit Committee Meeting Minutes - Draft v2](#)  
  
**Resolution 2020-135 was approved by general consent.**

**Member Comments (3 minute limitation or as otherwise directed by Board)****3.      [2020-136](#)      Member Comments**

**Attachments:**   [2015-09-21 Decorum Policy \(reference material\)](#)

There were no members wanting to address the Audit Committee.

**Recess to Executive Session**

Director Emily Pataki announced the items to be discussed in Executive Session and at 9:16 a.m., stated the Board would go into Executive Session.

**Executive Session - Legal Matters****4.      [2020-137](#)      Matters in Which the Committee Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services****Executive Session - Contract and Competitive Matters****5.      [2020-138](#)      Presentation of 2019 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - K Gast, CPA****[2020-139](#)      Resolution - Recommendation of Acceptance of 2019 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - K Gast, CPA****Reconvene to Open Session**

The Audit Committee reconvened to open session at 10:00 a.m.

**Items from Executive Session****6.      [2020-139](#)      Resolution - Recommendation of Acceptance of 2019 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - K Gast, CPA**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board of Directors hereby approves the draft Independent Auditor's Report and Financial Statements for the fiscal year ending December 31, 2019, in the form attached hereto, as the draft Independent Auditor's Report and Financial Statements ("Financial Statements"); and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**

that the Chief Financial Officer or Acting Chief Financial Officer of the Cooperative, or his designee, and the Cooperative's accountants are authorized to publish the Financial Statements as the draft and official Financial Statements of the Cooperative for fiscal year ending December 31, 2019.

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

Yes: 2 - Director Rister and Director Pataki

### Adjourn

There being no further business to come before the Audit Committee, the meeting was adjourned at 10:03 a.m.

Approved:

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Milton Rister, Audit Committee and Board Secretary