

Legislative Policy

PEDERNALES ELECTRIC COOPERATIVE, INC.

1. Purpose:

1.1. This policy provides guidelines for Pedernales Electric Cooperative, Inc. ("PEC") in its interactions with the Texas Legislature or the U.S. Congress. The Policy provides the authority to advocate or express opinions on behalf of PEC.

2. Scope:

2.1. This Policy applies to the Board of Directors ("Board") and all PEC employees. This Policy addresses the approval of Legislative Positions and advocacy by PEC.

3. Definitions:

3.1. Legislature or Legislative – collectively means the Texas Legislature or the U.S. Congress.

3.2. Positions – are the strategic objectives and goals for use with governmental or Legislative advocacy by PEC. Positions are utilized in Legislative advocacy on behalf of PEC. Positions are adopted by the PEC Board of Directors.

4. Policy Statement and Implementation:

4.1. Legislative Positions

4.1.1. A PEC Position is approved by the Board, or deemed by the Chief Executive Officer ("CEO") to be in accordance with existing Board directions or Positions. Positions may be approved in Board-adopted policies, policy statements, notices, or other documents concerning Legislative matters or trending topics relevant to PEC business matters.

4.1.2. The Board may designate a Board member or any other individual to represent PEC before the Legislature with direction to communicate Positions as appropriate. If no such designation is made, the CEO or their designee(s) may represent PEC Positions, including during Legislative contacts.

4.1.3. Any Board member may convey any Position to the Legislature, or to any state or national association of which PEC is a member.

4.1.4. This Policy does not limit and is not intended to affect the Constitutional rights of Board Directors or PEC employees, as individuals, to express their individual opinions, provided they make an express statement that they, as an individual, are not speaking for PEC. If a member of the Board or PEC staff includes language in communications substantially as follows, that person will be deemed to have made it clearly expressed that they are not speaking for PEC: "The views expressed are my own personal views and do not necessarily represent the official position or policy of PEC or its Board of Directors".

4.1.5. Certain quickly developing or unforeseen situations may require action by or a response from PEC before approval of a Position by the Board. In such cases, the CEO (or designee) is authorized to communicate or advocate a PEC stance, view or opinion. The CEO must present the

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matter and the stance, view, or opinion to the Board at the earliest possible date. When possible, such presentation to the Board should occur before the communication of the stance is taken.

- 4.1.6. When circumstances do not permit formulation of a Position, any response to the Legislature must state that it does not necessarily reflect the official Position of PEC's Board or any PEC Board action, and that the response is subject to review and approval of the Board.
- 4.1.7. Formal testimony on behalf of PEC will be presented only with approval by and at the direction of the Board unless it is related to a PEC Position. PEC employees or representatives may convey factual information to any branch of the government, the Legislature or their representatives on behalf of the PEC. Any such communications shall be reported to the CEO.
- 4.1.8. If a state or national association of which PEC is a member proposes to adopt a stance on issues before the Legislature, PEC's participation in those venues shall be consistent with Positions adopted under this Policy.

5. Procedure Responsibilities:

5.1. Board of Directors

- 5.1.1. It is the responsibility of the Board to routinely and timely take Positions on legislation of interest to PEC and members.
- 5.1.2. It is the responsibility of each Board Director, upon receiving information or communications in their capacity as a Director related to issues in the Legislature, to apprise the CEO and other Board Directors in a timely fashion so that the Board can consider and formulate responses on those matters.
- 5.1.3. It is the responsibility of the Board and the CEO to assure that the delegations to the Chief Executive Officer provided for in this Policy are implemented and enforced.

5.2. Chief Executive Officer

- 5.2.1. It is the duty of the CEO or designee to keep the Board current and fully informed on Legislative matters, and on any inquiries or concerns expressed by lawmakers about PEC activities and policies. This duty does not extend to apprising the Board of contacts related to routine business issues, such as requests for assistance by a lawmaker or the lawmaker's staff concerning outages, or on behalf of a member that has contacted the lawmaker concerning that member's PEC account.
- 5.2.2. The CEO or designee will present a legislative briefing immediately prior to each regular state legislative session, and will keep the Board regularly informed at all times of legislative proposals or activities that may affect PEC. The CEO may propose Positions. Updates should identify Legislative issues affecting PEC so that the Board can consider Positions on those issues.

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5.2.3. Unless otherwise authorized by the Board, the CEO or designee has responsibility for presenting Board-approved Positions to the Legislature, or to any state or national association of which PEC is a member.

6. Enforcement:

6.1. The Board and the CEO shall enforce this Policy. Violations of this Policy may result in Director discipline, and disciplinary or corrective action, up to and including termination.

7. Superseding Effect:

7.1. This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.

8. References and Related Documents:

8.1. Authority and Responsibilities Policy

8.2. External and Internal Communications Policy

Policy Title:	Legislative Policy
Review Frequency:	Every four years
Last Reviewed:	March 18, 2013
Date Adopted:	August 16, 2010
Effective Date:	xx/xx/2018
Amendment Dates:	March 18, 2013; XX,XX, 2018
Approver:	Board of Directors
Applies to:	Board of Directors, All PEC Employees
Administrator:	CEO
Superseding Effect	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.