PO Box 1, Johnson City, TX 78636

Pedernales Electric Cooperative

Meeting Minutes - Draft

Board of Directors

Friday, June 19, 2026 | **10:00 AM** | **PEC Headquarters Auditorium**

201 S Ave F, Johnson City, TX 78636

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 10:06 a.m., on June 19, 2026, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

Present: 7 - Director Milton Rister, Director Carlos St. James, President Mark Ekrut, Secretary/Treasurer Travis Cox, Director Alice Price, Vice President Paul Graf, and Director Amy Akers

Safety Briefing

Mr. Nathan Fulmer, Chief Operations Officer - Distribution, provided the Safety Briefing.

Cooperative Recognitions

1. 2026-126 **Resolution - Approval of Recognition for Emily Pataki, Director District 2 - T Cox**

Body:

The State of Texas
County of Blanco

WHEREAS, the Members, Employees, and the Board of Directors of Pedernales Electric Cooperative, Inc. of Johnson City, Texas, celebrate the contribution of their esteemed colleague and friend, retiring Director Emily Pataki; and,

WHEREAS, **Emily Pataki** faithfully served as Director from District 2 for Pedernales Electric Cooperative, Inc. beginning in June 2014 and continued as a dedicated servant and voting Board Member through June 2026, being honored by her colleagues with multiple elections as Board President in 2016, 2017, 2020, 2021, 2024, and 2025; and,

WHEREAS, **Emily Pataki** positively shaped the leadership and responsible governance of Pedernales Electric Cooperative, Inc., championing the transition to single-member district voting and overseeing the implementation of director term limits to better serve the democratic principles upon which the Cooperative was founded; and,

WHEREAS, **Emily Pataki** provided steady board-level leadership for over a decade of challenges - including Winter Storm Uri in 2021, the COVID-19 pandemic, and Winter Storm Mara in 2023 - and helped ensure the Cooperative successfully emerged from each event without imposing long-term financial burdens on the Membership; and,

WHEREAS, **Emily Pataki** presided during the construction of PEC's new transmission control center in Leander, a historic milestone that brought transmission operations in-house for the first time, positioning PEC for long-term reliability and financial stability; and,

WHEREAS, **Emily Pataki** presided over the Cooperative's growth from approximately 260,000 to nearly 450,000 accounts serving over one million Texans, all while holding the line on cost-of-service ratemaking to ensure that members pay for what they use and no more; and,

WHEREAS, **Emily Pataki** gave generously of her time, energy, and knowledge to her fellow Members, neighbors, and friends of Pedernales Electric Cooperative, all while balancing her devotion as wife to her husband Teddy and as mother to her five children - Stephen, Mary Ann, George, Jane, and Thomas; and,

WHEREAS, **Emily Pataki's** cooperative experience, principled leadership, and willingness to serve will be sorely missed by the Members, Employees, and Board of Directors of Pedernales Electric Cooperative, Inc.; and,

WHEREAS, the Board of Directors of Pedernales Electric Cooperative, Inc. thought it fit and proper that a Resolution be passed and be affixed to the minutes of the meeting on June 19, 2026, forever recognizing the contributions made by **Emily Pataki**;

NOW, THEREFORE, be it resolved by the Board of Directors of Pedernales Electric Cooperative, Inc. that all Members, Employees, Officers, and Directors of Pedernales Electric Cooperative, Inc. hereby express their gratitude for the invaluable services rendered by **Emily Pataki** to her fellow Members, Directors, and the Employees of Pedernales Electric Cooperative, Inc.; and,

BE IT FURTHER RESOLVED that the original of this resolution be humbly delivered to **Emily Pataki**.

Director Travis Cox presented the resolution and asked the Board for approval.

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

Yes: 7 - Rister, St. James, Ekrut, Cox, Price, Graf, and Akers

Board Organizational Matters

2. 2026-156 **Acknowledgment and Seating of Newly-Elected Directors - A Stover**

Ms. Andrea Stover, General Counsel, said pursuant to Cooperative Bylaws, the reelected and newly elected directors are seated at the first Regular Board

Meeting, directly after the Annual Membership Meeting. Ms. Stover welcomed reelected Director, Mark Ekrut and newly elected Director Carlos St. James.

3. 2026-158 **Resolution - Approval to Postpone the Election of Officers - A Stover**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that additional time is needed to hold an election for Board officers;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS that the election of officers will be postponed until the Board's July 2026 Regular Meeting.

The Board decided to proceed with voting for the Offices of the President, Vice President, and Secretary and Treasurer.

There was no vote on this item.

4. 2026-159 **Election - Office of President**

Ms. Andrea Stover, General Counsel, described the duties of the Office of President and the Board members voted by blind secret ballot. The Board voted Director Mark Ekrut as President.

5. 2026-160 **Election - Office of Vice President**

Ms. Andrea Stover, General Counsel, described the duties of the Office of Vice President and the Board members voted by blind secret ballot. The Board voted Director Paul Graf as Vice President.

6. 2026-161 **Election - Office of Secretary and Treasurer**

Ms. Andrea Stover, General Counsel, described the duties of the Office of Secretary and Treasurer and the Board members voted by blind secret ballot. The Board voted Director Travis Cox as Secretary and Treasurer.

7. 2026-162 **Resolution - Approval of the Appointment of Audit Committee and Audit Committee Chairperson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that Directors Alice Price and Carlos St. James are hereby appointed and affirmed as members of the Audit Committee, effective as of June 19, 2026.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that Director Travis Cox is hereby appointed and affirmed as the Chairperson of the Audit Committee, effective as of June 19, 2026.

The Board selected Director Travis Cox as the Audit Committee Chairperson, and Directors Alice Price and Carlos St. James to serve as Audit Committee Members.

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

Yes: 7 - Rister, St. James, Ekrut, Cox, Price, Graf, and Akers

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

8. 2026-149 **Friday, May 15, 2026 - Regular Meeting Minutes**
Friday, June 6, 2026 - Special Meeting Minutes

Attachments: 2026-05-15 OS Minutes
2026-06-05 Special Meeting OS Minutes

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

Cooperative Monthly Report

9. 2026-163 **Cooperative Update - J Parsley/J Greene/N Fulmer/R Kruger/J Urban**

Attachments: Cooperative Update 2026-163

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Jonathan Greene, Mr. Nathan Fulmer, Chief Operations Officer - Distribution, Mr. Randy Kruger, Chief Financial Officer (CFO), and Mr. JP Urban, Chief Administrative Officer, presented a collaborative Cooperative Update.

Member Comments (3-minute limitation or as otherwise directed by Board)

10. 2026-164 **Member Comments**

Attachments: Decorum Policy

Mr. Satish Babu Chakka was present and commented on infrastructure costs for new development. Ms. Lidia Frayne was present and commented on smart meter billing.

Action Items / Other Items

11. 2026-165 **Resolution - Approval of Agreement Extension for Treasury Software Services - R Kruger**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative is authorized to execute a three (3) year extension to its current treasury software services agreement as discussed in Executive Session and in the confidential term sheet; and

BE IT FURTHER RESOLVED that the Chief Financial Officer, or designee, is authorized to take all such actions as needed to implement this resolution.

President Mark Ekrut said the Board would consider this item after the Executive Session meeting.

12. 2026-167 **Resolution - Proposal for Approval of Allocation of 2025 Net Margins to Capital Credits - J Smith**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that proposed allocation of 2025 PEC Capital Credits to its members is approved; and

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

President Mark Ekrut said the Board would consider this item after the Executive Session meeting.

13. 2026-169 **Resolution - Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting - A Stover**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the following persons are appointed and designated as authorized representatives of the Cooperative to serve as a voting delegate and alternate delegate to act at meetings of the Texas Electric Cooperatives ("TEC") as directed by the Board, including the 86th TEC Annual Meeting, August 2-5, 2026, and any future TEC Membership Meetings occurring through August 5, 2027, or until successors are appointed: Paul Graf, Voting Delegate; and Carlos St. James, Alternate Voting Delegate.

President Mark Ekrut asked the Board to consider the voting delegate and alternate voting delegate for the annual meeting of the Texas Electric Cooperative (TEC). The Board selected Director Paul Graf as Voting Delegate and Director Carlos St. James as Alternate Voting Delegate.

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

Yes: 7 - Rister, St. James, Ekrut, Cox, Price, Graf, and Akers

Proposed Future Items / Meetings (subject to final posting)

14. 2026-170 **List of Board Approved Future Meetings**

Attachments: 2026 Board Meeting Calendar

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

15. 2026-171 **Board Planning Calendar (Written Report in Materials)**

Attachments: Annual Planning Calendar

3-Month Outlook

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 10:59 a.m., stated the Board would go into Executive Session.

Executive Session - Legal and Governance Matters

16. 2026-172 **Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

17. 2026-173 **Litigation and Related Legal Matters - A Stover**

18. 2026-174 **Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover**

19. 2026-175 **Directors’ Conflict of Interest Training and Directors’ Code of Conduct Training - R Fischer**

20. 2026-176 **Discussion of Board Relations and Governance Issues**

Executive Session - Contract and Competitive Matters

21. 2026-177 **Resolution(s) - Approval of Contract Renewals or Extensions - A Stover**

2026-165 **Resolution - Approval of Agreement Extension for Treasury Software Services - R Kruger**

2026-167 **Resolution - Proposal for Approval of Allocation of 2025 Net Margins to Capital Credits - J Smith**

24. 2026-186 **Draft Resolution - Approval of Budget Process Updates - J Smith/K Jones**

25. 2026-187 **CFO Quarterly Update - R Kruger**

26. 2026-178 **Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey**

27. 2026-179 **Markets Report - R Kruger/R Strobel**

Executive Session - Real Estate Matters

28. 2026-180 **Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - A Stover**

29. 2026-181 **Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - A Stover**

Executive Session - Safety and Security Matters

30. 2026-182 **Safety and Security Matters**

Executive Session - Personnel Matters

31. 2026-183 **Personnel Matters**

Reconvene to Open Session

At 2:01 p.m., the Board reconvened to the Open Session meeting.

Items from Executive Session

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

22. 2026-165 **Resolution - Approval of Agreement Extension for Treasury Software Services - R Kruger**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative is authorized to execute a three (3) year extension to its current treasury software services agreement as discussed in Executive Session and in the confidential term sheet; and

BE IT FURTHER RESOLVED that the Chief Financial Officer, or designee, is authorized to take all such actions as needed to implement this resolution.

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, St. James, Ekrut, Cox, Price, Graf, and Akers

23. 2026-167 **Resolution - Proposal for Approval of Allocation of 2025 Net Margins to Capital Credits - J Smith**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that proposed allocation of 2025 PEC Capital Credits to its members is approved; and

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

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

Yes: 7 - Rister, St. James, Ekrut, Cox, Price, Graf, and Akers

Adjournment

There being no further business to come before the Board of the Directors, the meeting adjourned at 2:02 p.m.

Approved:

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Travis Cox, Secretary

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Mark Ekrut, President