



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Annual Membership Meeting

Saturday, June 17, 2017

10:30 AM

Don Tew Performing Arts Center

Open Session of the Membership Meeting was held in the Don Tew Performing Arts Center, 3301 S. Bagdad, Leander, TX and was video recorded in accordance with Board Meetings Policy.

1. Registration and In-Person voting will begin at 9:00AM, voting will close at 10:00AM, and the business meeting will begin at 10:30AM. Activities and exhibits, 11:30AM - 2:00PM.

President Emily Pataki welcomed everyone to the 2017 Annual Meeting, announced that voting booths had closed, and stated that the activities and exhibits would be open from 11:30 am until 2:00 pm. President Emily Pataki asked everyone to be aware of exit locations in case of an emergency and thanked the officers from the Leader and Cedar Park Police Departments for their service to the community and presence at this meeting.

2. Announcement of Door Prizes

PEC employee Jim Spaulding announced door prize winners as drawn by PEC employees Jennifer Biggs and Yolie Garcia. The door prize winners of the four \$250 gift cards were: Klaus Erhard Shawley, John Williams, Londa Chandler, Abelardo Velasquez. Winners of the five \$500 gift cards were: Doug Van Pelt, GB Alex Alexander, Martha Weiss, Eric Ross, John Marsan.

3. Call to Order and Roll Call

President Emily Pataki called to order the meeting of the members at Don Tew Performing Arts Center, 3301 South Bagdad, Leander, Texas.

4. Invocation

Pastor Stephen Apt from the Peace Lutheran Church of Liberty Hill delivered the invocation.

5. Pledge of Allegiance and Star Spangled Banner

Representatives from Cedar Park Boy Scout Troop 158 posted the flags. Several of the PEC youth tour winners and scholarship recipients led the Pledge of Allegiance and the Texas Pledge. Julia Bennett, a 2017 graduate of Leander Hill School led the National Anthem.

6. Introduction of Directors and Elected Officials

President Emily Pataki recognized special guests in attendance as: Ron Abruzzese - Leander City Council Member; Phil Wilson - Lower Colorado River Authority (LCRA) General Manager; Joe Feehan - Vice President JPMorgan Chase; Jeff Kilpatrick - Regional Vice President National Rural Utilities Cooperative Finance Corporation (NRUCFC).

President Emily Pataki then introduced the PEC Board of Directors and staff: Cristi Clement - Director District 1, Kathy Scanlon - Director District 3, Jim Powers - Director District 4, James Oakley - Director District 5, Paul Graf - Director District 6, Amy Akers - Director District 7, Emily Pataki - Director District 2, Tracy Golden - Chief Financial Officer, Don Ballard - General Counsel, Don Richards - Election Administration Counsel with Richards, Elder & Green, LLP. President Emily Pataki also recognized the 2017 Board Candidates - For District 2 - Emily Pataki and William D. "Bill" Boggs; District 3 - Eric Stratton, Randy R. Klaus, CPA, Matthew S. Weldon, and Judy Lawler Pokorny.

7. Approve Minutes of 2016 Annual Membership Meeting

2017-141 **Minutes of 2016 Annual Membership Meeting**

Attachments: [2016 Annual Meeting Minutes 2016-06-18 draft5 1331](#)

President Emily Pataki stated that without objection from the members the reading of the minutes would be dispensed and the minutes were approved as presented.

The minutes were approved without objection.

8. President's Report

During the President's Report, President Emily Pataki reported on the Cooperative's continued lowering of rates, the return of funds through capital credits and revenue adjustment factor, the improvements to operational efficiencies, the management of member assets, and the response to high growth. President Emily Pataki stated the Cooperative's four year strategic plan was to be recognized an industry leader by earning high member satisfaction and believed this could be done by pursuing four main initiatives which were optimized operations, member engagement and strategic load growth planning, service innovation, and corporate citizenship. President Emily Pataki encouraged members to review the full Strategic Plan as posted on the PEC website and the Cooperative's Annual Report which was also available.

9. CFO's Report

CFO Tracy Golden presented the CFO's Report as included in the package materials.

10. Announcement of Door Prizes

PEC employee Jim Spaulding announced door prize winners as drawn by PEC employees Jennifer Biggs and Yolie Garcia. The door prize winners of the three iPads Pros: Arthur Cannon, Heather Ridge Place c/o Doug Van Pelt, Eldred Morris. The winner of the home theatre package was Michael Smith.

11. Certificate of Secretary-Treasurer Regarding Member Quorum

Board Secretary -Treasurer Amy Akers announced that based on the information provided, a quorum was present and that the certificate be attached to the minutes.

2017-254 Certificate of Secretary-Treasurer Regarding Member Quorum

Attachments: [Certificate of Secretary Regarding Member Meeting Quorum-SIGNED](#)

[2017-06-17](#)

[Certificate of Secretary Regarding Director Election Quorum-SIGNED](#)

[2017-06-17](#)

12. Announcement of Election Results

President Emily Pataki introduced Dick Berg from Survey and BallotSystems (SBS) who announced the election results as shown on the attached PowerPoint presentation. President Emily Pataki added that a written certification of the results would be included in the minutes of the July 2017 Regular Board Meeting. President Emily Pataki stated that pursuant to the Cooperative's bylaws, the terms as directors would begin upon adjournment of this meeting and that all directors would be asked to sign the director affirmations immediately following the adjournment of this meeting.

2017-197 Announcement of Election Results

Attachments: [SBS - 2017 PEC Screenshow final](#)

This Action Item/Other Items was approved

13. Break (10 Minutes)

At 11:04 am President Emily Pataki announced a meeting break and that the activities and exhibits were now open. At 11:28 am the meeting reconvened.

14. Introduction and Member Comments with Follow-up as Needed (3 minute limitation or as otherwise directed by the Board)

President Emily Pataki announced that comments from members would be limited to three minutes and asked members to observe the Decorum Policy. During the Annual Meeting, the following members spoke on topics including but not limited to:

Ernest Altgelt - recent events regarding Director Oakley, and LCRA power contract.

David M Waters - importance of talking to PEC staff to gain knowledge regarding Cooperative matters.

Tony Tijerina - request for competitive rates, and request for reduction or elimination of service availability charge by vote of members.

Mark Axford - internal politics, director lawsuit, focus on low-cost electric company, buy more short term power, request for public disclosure of contracts over \$2 million, and search for CEO with experience in ERCOT market.

Ruth Halleman - Director Oakley's reprimand and CEO departure.

Dr. Patrick Cox - service in response to Wimberley floods, Board policies, Hewa's service to Cooperative, request for explanation of Hewa's departure, and appreciation to Director Scanlon.

Tom Schwerdt - request for clean and affordable power, solar power, and wind power.

Melanie Adams - request for clean and affordable power.

Ann Matlock - support for at-large voting districts and suggest repealing single member voting districts.

Tom Smitty Smith - appreciation to Director Scanlon for service, departure of last two general managers, request for Oakley's resignation, and request for independent civil law firm to investigate employee retaliation claims.

Kathy Redson - Hewa's service and recent events regarding Director Oakley.

John Davis Jr. - praise for PEC service, request for director compensation, wind power distribution, electrical lines on members' property, solar pump for well, cost of line extension on property, and invitation to have next Annual Meeting in Rocksprings.

15. Break (5 minutes)

At 12:06 pm President Emily Pataki announced a meeting break and at 12:18 pm the meeting reconvened.

16. Announcement of Door Prizes

PEC employee Jim Spaulding announced door prize winners as drawn by PEC employees Jennifer Biggs and Yolie Garcia. The door prize winner of the PEC surplus truck was Celine Burns Chandler.

17. June 17, 2017 Regular Board Meeting upon conclusion of Annual Meeting at the Don Tew Performing Arts Center**18. Adjourn**

President Emily Pataki thanked members and employees for attending, and thanked the Leander Independent School District for use of their facility. There being no further business to come before the Board of Directors, the meeting was adjourned at 12:20 pm.

Approved:

Amy Akers, Secretary

Emily Pataki, President