



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Board of Directors

Friday, February 26, 2021

9:00 AM

PEC Headquarters Auditorium

201 S. Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting is held in the PEC Headquarters Auditorium, and will be recorded in accordance with Board Meetings Policy. To address safety and health concerns and in compliance with CDC, federal, state, and local guidelines related to COVID19, this Regular Meeting is not open to member attendance.

Members may provide comments by sending the input to PECBoard@peci.com. All Board meeting comments will be provided to all Board directors and listed in the minutes of the Meeting. Board meeting dates, agendas, and supporting materials are available online at <https://pec.legistar.com/>.

Members are able to watch this meeting by livestream from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

This meeting was called to order at 9:06 a.m. on February 26, 2021 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

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

Adoption of Agenda

The agenda was adopted as posted and without objection.

- [2021-106](#) **Resolution - Approval to Reschedule February 19, 2021, Regular Board Meeting to February 26, 2021, Due to Statewide 2021 Winter Storm**
Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Board has determined that it is in the best interest of the Cooperative to reschedule the regular meeting on February 19, 2021, to February 26, 2021, due to statewide severe winter weather and disaster declarations by the Texas Governor and U.S. Government; and

BE IT FURTHER RESOLVED that the President of the Board or designee is authorized to take such actions as needed to implement this resolution.

Based on the Winter Storm Event, the Regular February Board of Directors Meeting was rescheduled to today, March 26, 2021. President Pataki presented the resolution and asked the Board for approval to hold the meeting today.

A motion was made by Director 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

Consent Items

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

2. [2021-055](#) Friday, January 15, 2021 - Regular Meeting Minutes

Attachments: [2021-01-15 Open Session Meeting Minutes draft v.4.pdf](#)

3. [2021-061](#) Friday, January 22, 2021 - Special Meeting Minutes

Attachments: [2021-01-22 Open Session Meeting Minutes draft v.2.pdf](#)

Cooperative Monthly Reports

4. [2021-056](#) Cooperative Update - J Parsley

Attachments: [2021-2-26 EOP Update - Open Session-FINAL.pdf](#)

Director Oakley thanked the PEC crews and applauded them in a standing ovation with the Board and the meeting attendees.

Julie Parsley, Chief Executive Officer (CEO) discussed the Winter Storm Event presentation. She said on 2/12/21, Governor Greg Abbott issued a Texas disaster declaration in response to severe weather for all 254 counties. The event posed an imminent threat of widespread and severe property damage, injury, and loss of life due to prolonged freezing temperatures, heavy snow, and freezing rain, statewide. CEO Parsley continued discussing the outages, load issues, facility damages, and repairs. Eddie Dauterive, Chief Operations Officer (COO) also shared an overview of the PEC Emergency Operations Plan (EOP) event. He said the initial phase of weather event began in the early morning of 2/12/21, with freezing temperatures and freezing rain across the service territory, and shared the critical timeline as:

- 2/14/21 - PEC EOP Level activated to E-2 (Major Event)
- 2/21/21 - PEC EOP Level downgraded to E-1 (Significant Event)
- 2/23/21 - PEC EOP Level downgraded to Recovery (where we remain today)

COO Dauterive commended PEC staff. He said PEC prepared for the weather event as the forecast developed. The Weekend Weather Operations Readiness held calls in preparation of event, and leadership began cooperative-wide preparations. Vegetation management contractors were secured, the PEC website was updated with information about inclement weather preparation and reducing energy use. PEC crews were positioned in each district awaiting to be dispatched. PEC crews restored isolated outages from frozen vegetation in contact with lines.

CEO Parsley shared ERCOT's timeline of events. She said the first order for load-shed on ERCOT EEA Level 3 was at 1:23 a.m., on 2/15/21. COO Dauterive continued with information from 2/15/21, stating:

- ERCOT modified the obligation in response to system changes 20 times
- At 6:44 p.m., maximum obligations were 20,000 MWs for ERCOT, and 413.65 MWs for PEC
- PEC's automated load-shed program did not function as intended at higher levels, so we had to use manual load-shed procedures
- PEC rotated 153 feeders across its service territory to meet requirements, causing members to be out of service from ~20 minutes to several hours, depending on obligation size

Director Oakley inquired if we are able to define the outages on the generation units. CEO Parsley stated not at this time. Director Graf mentioned the ERCOT requirements for exemption from automatic load-shedding. COO Dauterive indicated the software program does take into account. COO Dauterive stated we have to keep those meters out of load-shed. Director Oakley asked what the total number of feeders is. CEO Parsley indicated the total number of feeders is 281. Director Oakley indicated about 43% of the feeders were exempted from the rolling outages. CEO Parsley stated, by the end of the event, we were down to 119 feeders, taking into account the Critical Infrastructure. Director Ekrut asked what the software responsible for the load-shed is. COO Dauterive said it is part of the Control Center software platform. Director Oakley asked if the software performed well. COO Dauterive said that once we were at a manageable level, it did perform well.

CEO Parsley continued on with the events on Monday, 2/15/21:

- At 1:28 a.m., on 2/15/21, emails were sent to registered groups of Critical Loads
- At 6:00 a.m., PEC began outbound robo-calls to members, but suspended the calls;
- At 6:45 a.m. due to extremely long times to execute, slowing down other phone and computer systems.
- PEC lost Internet, SmartHub, and phone connections. COO Dauterive said icy conditions Monday night required PEC crews and contractor crews to stop restoration efforts.

Director Oakley inquired whether the calls were directed to members not on feeders. CEO Parsley said the registered groups of Critical Loads are notified as soon as possible, as it is part of policy. President Pataki mentioned the two types of outages load-shed and infrastructure damage were sitting on top of one another. COO Dauterive said some feeders were not coming online due to load-shed, and PEC pinged all of the meters receiving results of the non-active meters. Director Cox asked if the new meters we are using helped. COO Dauterive said yes. Director Graf asked when the mass ping to meters occurred. COO Dauterive said it was late Tuesday (2/16/21). Director Oakley inquired what kept us from the mass ping to the meters. CEO Parsley said for the safety of the crews, we are required to take the load off to restore the power. Director Ekrut mentioned the needs of critical infrastructure and reminded members that PEC cannot guarantee continuous power to every member.

CEO Parsley said PEC removed the outage map from the website and focused on providing members with timely and accurate information by email, the website, and social media. She said the load-shed for EEA Level 3 continued, and ERCOT ended the EEA Level 3 load-shed at 11:55 p.m. on 2/17/21. She said on 2/18/21, restoration efforts become more efficient with the end of the load-shed activities. She said Junction and Oak Hill had the most outages, and PEC staff volunteered to support to Member Relations. President Pataki said she appreciated the staff efforts to make sure members could receive email messages. Director Graf also commended the staff for their efforts.

CEO Parsley and COO Dauterive discussed the outage systems and the load-shed process stating an automated outage uses system data and member outage reports predicting the number of outages. CEO Parsley discussed the PEC load-shed obligations and the load-shed requirements by ERCOT. President Pataki asked CEO Parsley to explain how we are part of the ERCOT market, and how we are subject to what the entire grid is doing. For the benefit of our membership, as there may be a misunderstanding of what we can control and what we cannot, and what we are required to do. CEO Parsley explained that every load servicing entity across the country is part of a larger grid operator. The larger grid operator keeps the grid balanced so that the frequency and the voltage remain constant at 60 hertz. When it begins to deviate too much, then they have to take actions so it goes back to 60 hertz. PEC is part of the bulk transmission system, which is part of the grid operations. The grid operator for our area is ERCOT, the operator of the bulk transmission system, which is the large lines from the generating units, going into the substations, and into the distribution system. The distribution system picks up the power at the substation level, and delivers it to the neighborhoods. The grid operator balances the power grid so that no part drops too low or gets too high. PEC's operator of the transmission system is LCRA. PEC controls the distribution operations, and therefore, the distribution feeders. When PEC receives orders from ERCOT for a load-shed, it is at the distribution level, because that is where the usage is. She said, we, as part of that bulk power system, have to respond to the ERCOT orders, to keep the grid up, as a whole. President Pataki reiterated that in order for us to be a participant in the grid, we have to operate under shared protocols, and to work with everyone in ERCOT to maintain balance. Director Rister referred to a supply and demand analogy. Director Graf mentioned when ERCOT was formed by companies producing energy to supporting one another. He added that the downside is when all of ERCOT is down. President Pataki said it is important to understand the layered mechanisms that are in place to get electricity to homes and businesses, and doing what is necessary on our part to fix things. Director Akers said the most important part is we are to maintain the 60 hertz for reliability and safety to the entire grid. Director Oakley provided a water system analogy. Director Cox said that if we owned generation, which we do not, but if we did, we would have to share with ERCOT. He asked about the battery we have. CEO Parsley confirmed the battery was on ancillary service, which was dispatched pursuant to ERCOT instructions.

COO Dauterive discussed Critical Load Feeders, Under Frequency Load-Shed (UFLS) Feeders, and critical load procedures. Director Oakley inquired how many meters are on a feeder. CEO Parsley stated there are about 1500 meters

on a feeder. Director Oakley said if there is one critical infrastructure meter, it could impact 1499 meters that are not critical. Director Rister asked who determines who is on the Critical Load List. CEO Parsley stated PEC follows the PUC rule as a guideline, and there is also an ERCOT protocol requiring the load-shed. Director Oakley asked if it is prioritized. CEO Parsley confirmed it is prioritized with non-residential services, public safety, industrial and natural gas, and life and limb for individuals on continuous electricity services. President Pataki clarified that we follow the standard from the PUC, because it provides equanimity between those who do not understand the difference between a Cooperative and an REP. We follow it as best practices for the industry. Director Graf asked COO Dauterive to please review the group on the Antler Substation. He said the outage was out for 37 hours and mentioned SmartHub shows the usage was 100-150 kW hours during that timeframe. COO Dauterive stated that the item is on the list for review. CEO Parsley mentioned the load on SmartHub is predictive usage, not actual usage. She said the PUC and Governor Abbott were concerned with using estimated usage data for billing. She confirmed PEC stopped billing on Monday (2/15/21) to ensure we were not using estimated data. The members' actual data is what we use for billing purposes. CEO Parsley stated there is an FAQ on the PEC website explaining the SmartHub predictive usage data. Director Ekrut mentioned the horror stories in the news on the energy cost based on the winter storm event. He inquired if we will address this matter today, as members are concerned with receiving a very large bill. CEO Parsley said we have told members that our rates are fixed and our rates will not deviate at this point based on what happened with the winter storm event. She said ERCOT is still setting the market, and there are still some unknowns. If anything changes, we will pass along the information, and the members will know about it. She added that there are some REPs in ERCOT who were flowing through power, riding the market, and the market went to \$9,000/MW hour (\$9.00/kW hour). Director Rister asked what a normal rate per kW hour is. CEO Parsley said it is \$25.00-35.00/MW hour (\$.25-\$.35/kW hour). Director Ekrut thanked CEO Parsley for providing the information. Director Rister mentioned his latest PEC bill stating it increased a nominal amount. Director Graf mentioned members may see an increase if they use heat pumps.

CEO Parsley continued on with the presentation discussing member information communications and relief actions. They stated the outage communications system had significant limitations, and confirmed PEC is exploring ways to improve the systems. CEO Parsley stated that we have engaged in member relief efforts as well.

Report on Tariff Waivers

CEO Parsley waived certain provisions Pursuant to Tariff and Business Rules. The waivers apply to fees, deposits, and suspension of disconnection for residential members affected by the winter storm, or, in the event members may need to relocate for repairs, or damage to their current residence, or for new applicants into the PEC territory. She indicated members are encouraged to file claims with their respective homeowners or renters insurance carriers. Members should visit our Community Resources page, which includes links to FEMA and the Texas Division of Emergency Management.

COO Dauterive wrapped up the presentation stating PEC will conduct a full after-action review by department. He mentioned facility damage and repairs within the service territory. He stated that throughout the event, the Safety and Technical Training team reinforced the safety guidelines and supported escorting employees to office throughout the hazardous conditions. COO Dauterive thanked all of the employees for all they did. President Pataki mentioned that PEC has a great relationship with the membership because we are very communicative, reliable, safe, and affordable utility. She commented that there are further decisions for policy makers and ERCOT. Director Oakley reiterated that we should provide every tool available for use, and mentioned a mobile transformer to use in the future, if needed. Director Ekrut commented that we survived a 5-day hurricane, and he is proud of the staff and thanked all PEC employees. Director Graf also thanked all of the staff. Director Rister mentioned future improvements and commended the employees. Director Akers thanked CEO Parsley and COO Dauterive and all of the staff for putting together this debrief for our members.

CEO Parsley said PEC employees worked around the clock for days. She commended the spirit and dedication of the employees during the storm. She mentioned the Line Worker Appreciation voted by the Texas Senate, and said that Directors Oakley and Rister were instrumental in helping us get a resolution from the Texas Senate honoring linemen workers and essential workers. She shared a video clip of the Proclamation of the Electrical Utility Linemen and Generation Workers of Texas Resolution of the Texas State Legislature, SR85, on February 23, 2021. CEO Parsley said we will have copies of the resolution available for all of the district offices. President Pataki stated having awareness about the incredible work in the profession of line workers and the people who support them is important, and we will do what we can to support them. Director Rister and President Pataki thanked State Senator Charles Schwertner (R), Georgetown for his assistance. CEO Parsley said when the Texas House version is available, we will present it. President Pataki said it is important as an organization that we are open and transparent with our membership. She said we have great intentions to do what is best for our membership, and we are willing to hear suggestions. President Pataki thanked the members, and said we continue to receive comments, and will be responsive, as we move forward. President Pataki thanked the great employees and the leadership for helping to get this report out to the membership.

5. [2021-107](#) CEO Report on Tariff Waivers - Extreme Cold Weather Event February 2021 - J Parsley

Attachments: [2021-02-26 CEO Report on Tariff Waivers-Extreme Weather Feb 2021.pdf](#)

President Pataki mentioned that CEO Parsley discussed the resolution during the Cooperative Update, which was included in the Winter Storm Event presentation.

6. [2021-059](#) Financial Services Monthly Report - R Kruger

Attachments: [2021-02-19 December 2020 Financial Report to the Board.pdf](#)
[2021-02-19 December 2020 Financial Statements - R Kruger.pdf](#)

Mr. Randy Kruger, Chief Financial Officer (CFO) said we are evaluating the financial impacts of the storm. Based on our current estimates, we believe we have the liquidity to absorb the impacts. He said it is unlikely it will have a material or negative affect on our financial health. He mentioned that on February 24, 2021, Fitch, the external rating agency, released a negative credit watch for a potential downgrade for all electricity utilities and cooperatives in the State of Texas. He does not expect it will not result in a downgrade on our credit rating. He said on February 22, 2021, PEC completed refinancing of the 2002 bonds. The process required us to issue new debt to effectively refinance the old debt. He said we defeased those bonds in a private placement bond offering. He said the end of the year Net Margin was nearly \$3 million better than budget, including the effects of COVID-19; EBITDA numbers (cash flow from operations) is under \$3 million ahead of budget. President Pataki said when she came to the Board six years ago, PEC inherited some very unfavorable long-term financing arrangements. She congratulated CFO Kruger and his team for shepherding through the process in the middle of the worst weather related/electric grid related problems we have seen in the State of Texas. She also congratulated CEO Parsley for bringing the talent of CFO Kruger to PEC. Director Oakley also congratulated CFO Kruger for having the liquidity in place to absorb the impacts. CFO Kruger said there was a large team with him to complete the work in the Legal and Finance Departments. Director Rister thanked CFO Kruger for completing the refinancing transaction.

7. [2021-060](#) **Operations Report - E Dauterive**

Attachments: [2021-02-19 Operations Report](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) presented the Operations Report, which included: growth continues with more line extensions; SAIDI holds strong for the month of January; he discussed the Member Relations trademarked campaign, "Think like a member."

Member Comments - Members may provide comments by sending input to PECBoard@PEC.com.

8. [2021-062](#) **Member Comments**

Attachments: [Decorum Policy 10 2020.pdf](#)
[2021-02-26 Member Comments Summary.pdf](#)

The Board took a break at 10:46 a.m. and reconvened at 11:02 a.m. President Pataki stated that member comments were submitted ahead of time, which the Board received and read. All of the members have received or will receive a response from the Cooperative.

Entry Date / Name / Topic / Status

- 1) 01/16/21 6:01PM / Donna Miller / Broadband Internet service. / Public Affairs responded on 01/21/21.
- 2) 01/17/21 8:47PM / Edwin Scharlau / Follow-up to Member Relations 1/12/21 response RE: capital credits. / Member Relations responded on 01/28/21.
- 3) 3/02/05/21 4:29PM / Jerry Fields / Received by Director Cox RE: member fence concern in the City of Wimberley. / Member Relations responded on

02/05/21.

4) 4/02/10/21 3:03PM / Scot Stein / Received by Director Ekrut RE: a potential PEC vendor partnering inquiry. / PEC Procurement responded on 02/09/21.

5) 02/17/21 4:18PM / Leslie Pool / Complaint about power outage. / Member Relations responded.

6) 02/18/21 3:25PM / Miriam McKinney / PEC Crews Working during Winter Storm - compliment. / Member Relations responded.

7) 02/18/21 3:31PM / Milagros Rivera / PEC's Response during Winter Storm - Feb 2021. / Member Relations responded.

8) 02/18/21 5:48AM / Robert Macdonald / Poor public communication and public facing web products. / Member Relations responded.

9) 02/19/21 9:14AM / Kris Evans / 2021 Winter Storm compliment to PEC employees. / Member Relations responded.

10) 02/21/21 8:12AM / Becky Taylor / Board meeting attendance. / Governance Team to respond.

11) 02/21/21 9:14PM / Jordan Wat / Compliment on handling of outages. / Member Relations responded.

12) 02/21/21 9:14PM / Mark Martin / Inquiry to Board regarding BESS System Performance during Feb 2021 Cold Weather Event. / Sent to Markets. Member Relations responded 03/04/21.

13) 02/22/21 9:54AM / Jarrett Hill / PEC kept us warm and safe - thank you from an Austin Energy customer. / Member Relations responded.

14) 02/22/21 / Joe Pendleton (Wimberley Cemetery Association) / Received via Director Graf RE: area light at cemetery, service availability charge, and voter district correction. / Member Relations responded by letter on 02/22/21.

15) 02/23/21 4:42PM / Brett Williams, Medina Electric Cooperative / Received via Member Relations phone call - Mr. Williams requesting to speak with someone RE: Broadband. / Sent to PA for response.

16) 02/24/21 4:05PM / Brendan Boerner / Question RE: rolling blackouts and why SmartMeters were not used to power off non-critical circuits. / Member Relations responded 03/02/21.

17) 02/25/21 1:00PM / Thomas Allen / Changes needed in communications. / Member Relations responded.

18) 02/26/21 10:05AM / Ren Henry / Received via Director Oakley regarding the outage system. / Member Relations responded on 02/26/21.

19) 02/26/21 5:34AM / David Hindman / Complaint about power outage. Member Relations responded.

20) 03/01/21 1:21PM / John Ortiz / Requesting to attend 3/26/21 Board meeting regarding line extension costs. / Governance Team responded 03/02/21.

21) 03/03/21 4:39PM / Paul Taylor / Received via Director Ekrut - Member Relations confirmed Commercial and Industrial Accounts has received Chief Paul Taylor's Critical Load Program application for the Jonestown Police Department. / Member Relations responded 03/03/21.

22) 03/05/21 2:39PM / Justin Howard / Received via PEC email - member contacted Director Oakley RE: construction at Dove Meadows. / Member Relations responded 03/05/21.

23) 03/10/21 10:34PM / Soon Lee / Received via PEC email - member contacted Director Cox concerning member's experience with SmartHub. / Member Relations responded 03/10/21.

Action Items / Other Items

- [2021-063](#) **Resolution - Approval of 2021 NRECA Annual Meeting Voting Delegates, 2021 CFC District Voting Delegates, and 2021 NRTC Voting Delegates - E Pataki**

Attachments: [2021 PEC NRECA Voting Delegates.pdf](#)

This item was taken into executive session for additional conversation.

10. [2021-064](#) **Resolution - Approval for Directing the General Counsel to Prepare 2021 Proposed Non-Director Election Ballot Item(s) - D Ballard**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the General Counsel, or designee, of the Cooperative is directed to prepare proposed ballot wording for consideration by the Board of Directors on the following Non-Director Election matter(s) (as defined in the Cooperative's Election Procedures):

A.) that language be provided with the 2021 ballot to provide for members an opportunity to opt into the Power of Change program which allows a member's bill to be rounded up to the nearest dollar for charitable giving; and

BE IT FURTHER RESOLVED that, in accordance with Section 6.1 of the Election Procedures, the ballot wording will be presented in a way to maximize Members' understanding of the Non-Director Election matter, including any Board recommendation or position concerning the matter; and

BE IT FURTHER RESOLVED that this proposed Non-Director Election matter shall not be included on the ballot unless and until a majority of the Directors votes to affirmatively place the matter on the ballot and approves the ballot wording.

General Counsel Don Ballard stated there were no other Non-Director Election matters on the ballot. Director Akers asked if members will have the opportunity to update their preferences/opting out of communications. General Counsel Ballard said it does, and asked the Board for their approval.

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

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

11. [2021-065](#) **Resolution - Approval of Appointments to 2021 Qualifications and Elections Committee - S Romero**

Body: **WHEREAS**, the Bylaws of the Cooperative require the Board to appoint a Qualifications and Elections Committee ("the Committee") to review and determine the qualifications of applicants who wish to be candidates for election to the Board, and in accordance with the Cooperative's Election Policy and Procedures;

NOW, THEREFORE, BE IT RESOLVED, that the following individuals are appointed to serve on the Qualifications and Elections Committee for the 2021 Election:

1. District 1 - Charles Carter
2. District 2 - Cliff Hahn
3. District 3 - Richard Law
4. District 4 - Kathi Thomas
5. District 5 - Dave Kithil
6. District 6 - Millie Young
7. District 7 - Peggy Jones; and

BE IT FURTHER RESOLVED, that the following individuals are appointed as alternates to serve on the Qualifications and Elections Committee for the 2021 Election should an appointed member be unable to serve:

1. District 1 - No alternate
2. District 2 - No alternate
3. District 3 - No alternate
4. District 4 - No alternate
5. District 5 - No alternate
6. District 6 - No alternate
7. District 7 - No alternate; and

BE IT FURTHER RESOLVED, that the Committee will elect its own officers (Chair and Secretary), and will have access to information gathered from various sources, including the Candidates themselves, public records, and the Cooperative; and

BE IT FURTHER RESOLVED, that the Cooperative will provide legal counsel and staff support; and

BE IT FURTHER RESOLVED, that the Committee should conduct Meetings as often as the Committee determines that they are needed to perform the review of Candidate applications, and these meetings may be conducted by phone or at a place of the Committee's choosing; and

BE IT FURTHER RESOLVED, that Committee members are paid \$100 for each telephonic or live meeting lasting more than one hour; the Cooperative will reimburse mileage and reasonable meal expenses incurred by Committee members in the course of their service; and provide indemnification and protection from liability for Committee Members serving in that capacity as provided for in the PEC Bylaws; and

BE IT FURTHER RESOLVED, that the General Counsel, or designee, is authorized and directed to take all actions necessary to implement this resolution.

President Pataki shared additional member comments received at PEC Headquarters via U.S. mail and thanked the members for sending the letters. Governance Manager, Sylvia Romero presented the resolution and asked the

Board for approval.

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

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

12. [2021-066](#) **Resolution - Approval Amendments to Tariff and Business Rules - Facilities Rental Rider - D Southwell/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: [2021-02-19 Approval to Amend Tariff and Business Rules - Facilities Rental Rider presentation - D Southwell D Thompson](#)
[2021-02-26 Tariff and Business Rules - Facilities Rental Rider - D Southwell D Thompson \(Redline\) CORRECTION v2.pdf](#)
[2021-02-26 Tariff and Business Rules - Facilities Rental Rider - D Southwell D Thompson \(Clean\) CORRECTION v2.pdf](#)

Ms. Dawn Southwell, Director, Commercial & Industrial Accounts provided a summary of the resolution and asked the Board for approval.

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

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

13. [2021-067](#) **Resolution - Approval to Amend Tariff and Business Rules - Fee Schedule - N Mack/D Thompson**

Attachments: [2021-01-15 Approval to Amend Tariff and Business Rules - Fee Schedule - N Mack D Thompson](#)
[2021-01-15 -Tariff and Business Rules - Fee Schedule \(Clean\)](#)
[2021-01-15 Tariff and Business Rules - Fee Schedule \(Redline\)](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval.

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

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

14. [2021-068](#) **Resolution - Approval to Amend Tariff and Business Rules - Industrial Power Rate - N Mack/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: [2021-02-19 Approval to Amend Tariff and Business Rules - Industrial Power Service presentation - N Mack D Thompson](#)
[2021-02-19 Tariff and Business Rules - Industrial Power Service \(Clean\) - N Mack D Thompson](#)
[2021-02-19 Tariff and Business Rules - Industrial Power Service \(Redline\) - N Mack D Thompson](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval.

A motion was made by Vice President Akers, 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

15. [2021-069](#) **Resolution - Approval to Amend Tariff and Business Rules - Large Power Rate - N Mack/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 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: [2021-02-19 Approval to Amend Tariff and Business Rules - Large Power Rate presentation - N Mack D Thompson](#)
[2021-02-19 Tariff and Business Rules - Large Power Rate \(Clean\) N. Mack D Thompson](#)
[2021-02-19 Tariff and Business Rules - Large Power Rate \(Redline\) N. Mack D Thompson](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval.

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

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

16. [2021-095](#) **Draft Resolution - Approval to Amend Tariff and Business Rules Regarding Discontinuation of Service - N Mack/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: [2021-02-19 Approval to Amend Tariff and Business Rules Regarding Discontinuation of Service - N Mack D Thompson](#)
[2021-02-19 Tariff and Business Rules - Discontinuation of Service \(Clean\) N Mack D Thompson](#)
[2021-02-19 Tariff and Business Rules - Discontinuation of Service \(Redline\) N Mack D Thompson](#)

Ms. Natalia Mack, Rates Manager presented background information of the draft resolution and indicated a final resolution will be presented next month for approval.

17. [2021-077](#) **Draft Resolution - Approval of Findings Regarding Broadband Business Opportunities**

Body: **WHEREAS**, the Board of Directors of PEC, has reviewed and analyzed strategies and data regarding Members' access to broadband connectivity;

WHEREAS, the Board of Directors focuses on planning that is both fiscally and operationally responsible for the Cooperative and membership;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative adopts the discussion and findings attached hereto as the Cooperative's statement on provision of broadband services by PEC;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer of the Cooperative, or designee, is authorized, to provide information and communication to the Membership consistent with the Board's discussion and finding this day; and

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

Attachments: [2021-02-19 Broadband Timeline Presentation](#)

President Pataki provided some background on the topic of Broadband. General Counsel Don Ballard presented an overview of the timeline of the Broadband opportunities discussions. Director Oakley said the need for Broadband is great, but PEC is not the entity to take it on. Director Ekrut said members should know we have to do what is right for them. Director Rister stated he is sympathetic to members who do not have Broadband, and said PEC's core business is low cost reliable electricity. Director Graf said the Board reviewed all of the options, but he does not feel comfortable risking the members' money. He said we will continue to search for ways to get the service with a company who is already in it. President Pataki said the investment would be upwards of \$600 million, which is a huge risk to undertake, and said we cannot put unnecessary risk on the mission.

18. [2021-091](#) **Draft Resolution - Approval of Vegetation Management Master Services Contracts - R Arellano**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the Vegetation Management Master Services Contracts; and

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

Richard Arellano, Vice President of Support Services discussed the draft resolution and indicated a final will be presented to the Board for approval next month. Director Oakley mentioned the recent winter storm event explains why vegetation management is important.

19. [2021-089](#) **Key Performance Indicator (KPI) 2020 Period 2 Results - E Dauterive**

Attachments: [2021-02-19 KPI 2020 P2 Performance Update.pdf](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) presented the Key Performance Indicators (KPI) Update of 2020 P2 Performance. He said the purpose of the KPI metrics is to provide an objective method for evaluating the performance of reaching organizational targets. COO Dauterive indicated PEC's KPI categories are aligned with the J.D. Power Satisfaction Survey, consisting of 23 individual performance metrics among 7 categories. He said the time frame of the performance goals for the plan were established in January 2020. The 2020 P2 Update applies to the second half of 2020 (July-December). The 2020 P2 overall performance payout is equal to 7.48% and the payout would be distributed on February 26, 2021. He said we did not meet the cost and price metric for the period, and mentioned the areas for improvement are Cost and Price: Distribution Spend per Meter was the only metric in the category that did not reach target. In 2021, the metric was adjusted to compare spend to budget; Corporate Citizenship: was impacted by COVID-19. We were unable to hold events or volunteer activities; Safety: the amount of recordable incidents improved over the last few years. President Pataki mentioned the great work to the employees on our performance.

20. [2021-051](#) **Unmanned Aerial Systems (UAS)/Drones Program Review - E Dauterive**

Attachments: [2021-02-19 Unmanned Aerial Systems \(UAS\) Drones Program Review v2.pdf](#)

President Pataki stated this item will be moved to the March 26, 2021 agenda.

21. [2021-013](#) **Report on NRECA 2021 Compendium of Proposed Resolutions - M Viesca**

Attachments: [2021-02-19 Report on NRECA 2021 Compendium of Proposed Resolutions FINAL.pdf](#)

President Pataki said this item will be moved to a future date.

22. [2021-070](#) **2021 Election Timeline Update - S Romero (Written Report in Materials)**

Attachments: [2021 Election - Important Dates and Info.pdf](#)
[2021 Election Timeline-FINAL AND BOD APPROVED12-18-20 - 2021-02 BOD MTG.pdf](#)

President Pataki stated the report is in materials and asked Sylvia Romero, Governance Manager to discuss the summary of the items. Ms. Romero provided a brief background of the timeline of events and the upcoming March items.

Proposed Future Items / Meetings (subject to final posting)

23. [2021-071](#) List of Board Approved Future Meetings

Attachments: [Approved 2021 Board Meeting Calendar 121820.pdf](#)

2021-146 Resolution - Approval to Reschedule the March 2021 Board of Directors Meeting - E Pataki

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Cooperative adopt the rescheduled March Regular Board meeting as March 26, 2021 presented to and discussed by the Board this day; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to take all such actions as may be necessary to implement this resolution.

President Pataki said the current March Board meeting is scheduled for March 19, which falls in the middle of Spring Break. She asked the Board to consider to move the Regular March Board of Directors meeting to March 26, 2021.

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

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

24. [2021-072](#) Board Planning Calendar (Written Report in Materials)

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

President Pataki stated that the proposed Board Meeting Planning Calendar is included in the meeting materials.

Recess to Executive Session

President Pataki announced the items to be discussed in Executive Session and at 11:35 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

25. [2021-073](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services

26. [2021-074](#) Litigation and Related Legal Matters - D Ballard

27. [2021-075](#) Resolution - Approval of Authorization for Settlement of Litigation

Matter(s) - D Ballard

28. [2021-076](#) Resolution - Approval of Delegation of Authority to Chief Executive Officer to Implement Measures in Response to COVID-19 - J Parsley
29. [2021-096](#) Discussion of PEC's Municipal Franchise Agreements - D Ballard

Executive Session - Contract and Competitive Matters

30. [2021-097](#) Resolution - Authorization of Filing Application with Public Utility Commission for Service Boundary Change or Exception to PEC Certificate of Convenience and Necessity - E Dauterive
31. [2021-090](#) Draft Resolution - Approval of Cooperative Advanced Metering Infrastructure (AMI) Meter Mass Exchange Contract - B Gedrich
32. [2021-078](#) Markets Monthly Report - D Thompson
33. [2021-099](#) Discussion and Update of PEC's Short-Term and Long-Term Financing Programs - R Kruger
34. [2021-093](#) Draft Resolution - Approval of 2020-2025 Strategic Plan - E Pataki
35. [2021-108](#) Report on Extreme Cold Weather Event February 2021 - J Parsley

Executive Session - Real Estate Matters

36. [2021-079](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - R Arellano
37. [2021-080](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - R Arellano
38. [2021-081](#) Real Estate Strategic Plan Quarterly Update - E Dauterive

Executive Session - Safety and Security Matters

39. [2021-082](#) Safety and Security Matters

Executive Session - Personnel Matters

40. [2021-083](#) Personnel Matters
41. [2021-084](#) Chief Executive Officer Annual Performance Goals - E Pataki

Reconvene to Open Session

At 4:21 p.m., the Board reconvened to the open session meeting.

Items from Executive Session

President Pataki stated the Board hired a third-party to manage a consistent review of the Winter Storm event.

9. [2021-063](#) **Resolution - Approval of 2021 NRECA Annual Meeting Voting Delegates, 2021 CFC District Voting Delegates, and 2021 NRTC Voting Delegates - E Pataki**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following persons are appointed as voting delegate and alternate delegate to act as designated and authorized representatives of the Cooperative at the 2021 Online NRECA PowerXchange (Annual Meeting), until successors are duly appointed and designated: Amy Akers, Voting Delegate; and Mark Ekrut, Alternate Delegate; and

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the following persons are appointed as voting delegate and alternate delegate to act as designated and authorized representatives of the Cooperative at the 2021 NRTC Annual Meeting, until successors are duly appointed and designated: Amy Akers, Voting Delegate; and Mark Ekrut, Alternate Delegate; and

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the following persons are hereby appointed as voting delegate and alternate delegate to act as designated and authorized representatives of the Cooperative at the 2021 District 10 Meeting of CFC, until successors are duly appointed and designated: Amy Akers, Voting Delegate; and Mark Ekrut, Alternate Delegate; and

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

Attachments: [2021 PEC NRECA Voting Delegates.pdf](#)

The Board approved Amy Akers as the Voting Delegate and Mark Ekrut as the Alternate Voting Delegate for the 2021 NRECA Annual Meeting, 2021 CFC District meeting, and 2021 NRTC Annual Meeting.

A motion was made by Vice President Akers, 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

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 4:24 p.m.

Approved:

Milton Rister, Secretary

Emily Pataki, President