

# Complaint Committee



## Committee Meeting

### ~ Minutes ~

P.O. Box 1  
Johnson City, TX 78654  
[www.pec.coop](http://www.pec.coop)

Call PEC Toll Free  
1-888- 554-4732

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Friday, January 6, 2017

9:30 AM

PEC Headquarters Auditorium  
201 South Avenue F  
Johnson City, TX 78636

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Open Session of this Committee Meeting was held in the PEC Auditorium and was recorded in accordance with the Board Meetings Policy. Members were able to watch this meeting by live-stream from the PEC website at <http://www.pec.coop/boardvideos>.

### 1. Call to Order

9:34 AM Meeting was called to order at 9:30 AM on January 6, 2017 at PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, TX.

Attendee Name	Title	Status	Arrived
Emily Pataki	Committee Member	Present	9:34 AM
Paul Graf	Committee Member	Present	9:34 AM
Kathryn Scanlon	Committee Member	Present	9:34 AM

### 2. Consent Items

- A. (Resolution (ID # 3837)) Good Cause for and Approval of Telephonic Participation in the January 6, 2017 Complaint Committee Meeting

Since all directors were present in person, this resolution was unnecessary and was not introduced.

- B. Wednesday, December 7, 2016 Complaint Committee Minutes

The Complaint Committee Minutes from December 7th were approved without objection.

### 3. Member Comments (3 minute limitation or as otherwise directed by Committee)

President Emily Pataki reminded all present of the three minute time limit and Outside Counsel Don Richards asked everyone to follow the Decorum Policy as posted. The following members spoke on topics including but not limited to:

Ernest Altgelt - request for Director Oakley's removal or resignation from the Board.

Larry Landaker - request for Director Oakley's removal from the Board.

Mary Jane Avery - support for Director Oakley.

Jimmy Steidinger - support for Director Oakley.

Monique Ragsdale - request for Directors Clement and Scanlon removal from Board, and support for Director Oakley.

Chris Debremaecker - request for Director Oakley's removal from the Board.

Janet Crow - appreciation for reliable and affordable power, and support for Director Oakley.

Londa Chandler - support for Director Oakley.

Marian Hoy - Decorum Policy, and request for Director Oakley's removal from the Board.

Gloria Pollard - support for Director Oakley, and the process of the complaint.

Andy Reeves - support for Director Oakley.

Mark Axford - political issue between Directors Clement and Oakley, request for Director Clement to withdraw her complaint, and risk of litigation.

A.B. Walters - political motivations, request for Directors Clement and Scanlon to resign and stop lawsuit, and support for Director Oakley.

Liz Walters - request for Directors Clement and Scanlon removal from Board, and support for Director Oakley.

#### **4. Action Items / Others Items**

President Emily Pataki stated that agenda items 4A & 4B would be discussed in Executive Session before making a final recommendation. Outside Counsel Don Richards stated that under the Cooperative's bylaws the Board appoints a committee which reports back to the Board. Thus the committee's report would be made directly to the Board. The Committee could make a recommendation today, but the report would be released when the January 17th Board package was publicly posted, which is usually at least three days before the next Board meeting. President Emily Pataki provided an overview of the types of items to be discussed in Executive Session. At 10:11 am President Emily Pataki stated that the Board would go into Executive Session.

- A. (Resolution (ID # 3835)) Complaint Regarding Director James Oakley - Findings and Recommendations
- B. Director Duties and Responsibilities - Director Removal and Discipline - Communications and Conduct

#### **5. Executive Session**

- A. Matters in Which the Board Seeks the Advice of Its Attorney as Privileged
- B. Director Fiduciary Duties and Responsibilities, Policies and Bylaws
- C. (Resolution (ID # 3835)) Complaint Regarding Director James Oakley - Findings and Recommendations
- D. Director Duties and Responsibilities - Director Removal and Discipline - Communications and Conduct

**6. Reconvene to Open Session at 11:32 am****7. Items from Executive Session**

- A. (Resolution (ID # 3835)) Complaint Regarding Director James Oakley - Findings and Recommendations

Following the reading of the resolution, Director Paul Graf moved to approve the recommendation to the Board and President Emily Pataki seconded the motion. The Complaint Committee voted 2-1, approving the recommendation with Director Kathy Scanlon opposed. Director Kathy Scanlon stated that her reasons would be outlined in the report. Outside Counsel Don Richards stated that the Complaint Committee's report would be included in the January Public Package scheduled for posting on Thursday, January 12, 2017.

<b>RESULT:</b>	<b>RECOMMENDED</b>
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<b>Next: 1/17/2017 9:00 AM</b>
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**8. Adjourn**

There being no further business to come before the Board of Directors, meeting was adjourned at 11:34 am.

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Emily Pataki, President

**Board of Directors**

PO Box 1  
Johnson City, TX 78636

Meeting: 01/06/17 09:30 AM

**RESOLUTION (ID # 3835)**

DOC ID: 3835

**Subject:** Complaint Regarding Director James Oakley - Findings and Recommendations

**Submitted By:** Don Ballard

**Department:** Legal Services

**Background:**

**Financial Impact and Cost/Benefit Considerations:**

Expenditure of Cooperative funds estimated in the amount of \$0.

**Pedernales Electric Cooperative, Inc.  
Committee Meeting  
January 6, 2017**

## **RESOLUTION (ID # 3835)**

### **Complaint Regarding Director James Oakley - Findings and Recommendations**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS COMPLAINT COMMITTEE** that the Complaint Committee considered the formal written complaint regarding Director James Oakley's social media comments made on or about November 21, 2016; and

**RESOLVED** that pursuant to Article III, Section 5 of the Bylaws, the Board of Directors directed the Complaint Committee to provide Findings and Recommendations to the Board of Directors by December 9, 2016 after review of Pedernales Electric Cooperative, Inc.'s Bylaws, Director Policies, Duties and Responsibilities; and

**RESOLVED** that the Complaint Committee hereby adopts the Findings and Recommendations attached herein; and

**RESOLVED** that the Complaint Committee provide the findings and recommendations to the Board of Directors for consideration; and

**BE IT FURTHER RESOLVED** that the President of the Board of Directors is authorized to take all such actions to implement this resolution.

**RESULT:            RECOMMENDED**

**Next: 1/17/2017 9:00 AM**