

Name of the organization

PEDERNALES ELECTRIC COOPERATIVE, INC

Employer identification number  
74-0828412

PASSIVE INCOME IS NOT A CONFLICT OF INTEREST. HOWEVER, EXAMPLES OF POTENTIAL CONFLICTS OF INTEREST INCLUDE EMPLOYMENT OR SERVICE (I) AS A MANAGEMENT SALES EMPLOYEE OF A VENDOR WHO HAS HAD DIRECT INVOLVEMENT IN BUSINESS TRANSACTIONS WITH THE COOPERATIVE, (II) IN A FINANCIAL INSTITUTION AND WITH DIRECT INVOLVEMENT IN FINANCIAL TRANSACTIONS WITH THE COOPERATIVE, AND (III) AS A TRUSTEE, SALES REPRESENTATIVE OR DIRECTOR OF AN ENERGY SUPPLIER, UTILITY EQUIPMENT SUPPLIER OR ENERGY COMPETITOR OF THE COOPERATIVE, WHO HAD ACTIVE INVOLVEMENT IN A MANNER THAT WOULD BE PERCEIVED AS COMPETING WITH THE COOPERATIVE.

(3) ARTICLE III, SECTION 5(A) PROVIDES THAT COMPLAINTS REGARDING A DIRECTOR MUST BE FILED BY ANOTHER DIRECTOR OR BY GENERAL COUNSEL OF THE COOPERATIVE, AND MUST BE VERIFIED AS A GOOD FAITH COMPLAINT BY MAJORITY VOTE OF THE REMAINING DIRECTORS. ADDITIONALLY, THE DIRECTOR WHO IS SUBJECT TO THE COMPLAINT SHALL NOT PARTICIPATE IN THE DELIBERATIONS OR VOTE IN THE MATTER, EXCEPT AS REQUESTED BY THE BOARD OR AS PROVIDED ELSEWHERE IN THE BYLAWS.

FORM 990, PART VI, SECTION A, LINE 6:

THE COOPERATIVE WAS FORMED BY THE MEMBERS TO PROVIDE ELECTRIC SERVICE AT COST ON A COOPERATIVE BASIS.

FORM 990, PART VI, SECTION A, LINE 7A:

THE MEMBERS OF THE COOPERATIVE VOTE ON THE BOARD OF DIRECTORS. SUBSEQUENT TO THE 2016 BYLAW AMENDMENTS, ELECTIONS ARE DONE ON A ONE MEMBER ONE VOTE BASIS THROUGH THE USE OF SINGLE MEMBER VOTING DISTRICTS.

FORM 990, PART VI, SECTION A, LINE 7B:

THE FOLLOWING ACTS REQUIRE APPROVAL OF THE MEMBERS OF THE COOPERATIVE.