



Meeting Minutes - Draft

Board of Directors

Wednesday, September 6, 2017

9:00 AM

PEC Headquarters Auditorium

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

Power Supply and Energy Management Workshop

Call to Order and Roll Call

President Emily Pataki asked that a moment of silence be observed for those affected by Hurricane Harvey. President Emily Pataki stated that CFO Tracy Golden and General Counsel Don Ballard were not able to attend today's meeting, and Senior Counsel Aisha Hagen was present for legal representation.

Present: 7 - Director Cristi Clement, Director Randy Klaus, Director Jim Powers, Director James Oakley, Director Paul Graf, Director Amy Akers, and President Emily Pataki

Adoption of Agenda

The agenda was adopted as posted and without objection.

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

1. [2017-375](#) Member Comments

Attachments: [2015-09-21 Decorum Policy \(reference material\)](#)

President Emily Pataki reminded all present of the Decorum Policy and three minute time limit. The following member spoke on topics including but not limited to:

Mark Axford - changes in the energy market, management of the Cooperative's power supply, the LCRA contract, authority for VP of Power Supply to enter into power supply contracts with limitations, and request for full transparency of contracts.

Action Items / Other Items

2. 2017-385 Draft Resolution - Notice and Waiver of Certain Requirements of Tariff Provisions for Declared Emergency for Hurricane Harvey - T Golden

Attachments: 2017-09-06-Disaster Relief Memo
 2017-09-06-Segments From Tariff and Business Rules
 2017-09-06-Governor Abbotts Disaster Declaration Release

President Emily Pataki stated that this item was not a draft resolution, but a notice and waiver of certain tariff provisions. VP of Member Services Eddie Dauterive reported that the Cooperative's tariffs allow for certain waivers of fees associated with natural disasters. In light of the impact of Hurricane Harvey and its impact on Central Texas, Mr. Dauterive, on behalf of Tracy Golden, presented relief in tariffs for the establishment fee, same day connection fee, reconnection fees, and deposit avoidance for victims of Hurricane Harvey, whether for an existing member or a new member forced to relocate. Mr. Dauterive listed the natural disaster events when this waiver had been previously been in effect, and stated that staff would monitor the impact over the next six months. In response to director inquiries, Mr. Dauterive stated that the current impact had been minimal with approximately 30-40 members impacted in each previous natural disaster events, and stated that VP of Operations Wayne McKee would provide a briefing on Emergency Operations Plan (EOP) activation, storm support, and mutual assistance provided to other utilities in South Texas at the next Regular Board Meeting.

3. [2017-339](#) Discussion on Power Supply and Energy Management

Attachments: [2017-09-06 Discussion on Power Supply and Energy Management v3](#)
 [2017-09-06 Draft PEC Power Supply and Energy Management Policy](#)
 [2017-09-06 Draft ERM Policy](#)

VP of Power Supply Ingmar Sterzing reviewed Discussion on Power Supply and Energy Management PowerPoint presentation and introduced support staff, Lance Cunningham, David Thompson, Natalia Mack, Heather Baca, and Susanne Greenseth. Mr. Sterzing reported that due to the competitive nature of some of the supply contracts, certain terms such as rates would not be discussed in open session. The Board would later convene in Executive Session for those competitive and strategic discussions. During the presentation, Mr. Sterzing answered question regarding natural gas prices, reviewed the draft Power Supply and Energy Management Policy, and reported that an Enterprise Risk Management Policy would be introduced at the September Regular Board Meeting.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 9:36 am stated the Board would go into Executive Session.

Executive Session - Legal Matters

4. [2017-377](#) **Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

Executive Session - Contract and Competitive Matters

5. [2017-381](#) **Discussion of Wholesale Power Agreements - I Sterzing**
6. [2017-341](#) **Power Supply and Energy Management; Purchase Power Options, Forecasting, Scenario Analysis, System Improvements, Power Supply Rates, Operations Targets and Goals, Financial Targets and Goals, Policy Targets and Goals, Market Analysis, and Other Competitive Commercial Information**
7. [2017-382](#) **Discussion on Enterprise Risk Management Including Methods, Processes, Concepts, and Risk Impact - I Sterzing**

Reconvene to Open Session at 2:16 pm

The Special Meeting reconvened with Directors Pataki, Graf, Klaus and Clement present.

Items from Executive Session

Power Supply and Energy Management Discussion

President Emily Pataki announced that the Power Supply and Energy Management Policy, and the Enterprise Risk Management Policy as included in meeting materials would be reviewed over the next couple of weeks and discussed again at the September Regular Board Meeting.

Adjournment

There being no further business to come before the Board of Directors, the meeting was adjourned at 2:17 pm.

APPROVED:

Amy Akers, Secretary

Emily Pataki, President