



## Meeting Minutes - Draft

### Board of Directors

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Monday, March 19, 2018

9:00 AM

PEC Headquarters Auditorium

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Open Session of this Regular 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>

#### Call to Order and Roll Call

**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.

#### Consent Items

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

#### 1. [2018-089](#) Monday, February 19, 2018 - Regular Meeting Minutes

**Attachments:** [2018-02-19 Regular Minutes - draft4](#)

Consent item approved.

#### Cooperative Recognitions

#### 2. [2018-063](#) Acknowledge Resolution of Appreciation from Jackson Electric Cooperative December 18, 2017 - W McKee

**Attachments:** [2017-12-18 Jackson Electric Cooperative, Inc - Resolution of Appreciation](#)  
[2017-11-06 Talquin Letter - Hurricane Thank you Letter](#)  
[2017-09-22 Thank you note from Representative Biedermann](#)  
[2018-03-19 Acknowledge Resolution of Appreciation-Thank you note Jerry T. Moore2-22-18](#)

VP of Operations Wayne McKee shared resolutions and letters received acknowledging PEC staff's work assisting other electric cooperatives during Hurricane Harvey restoration efforts.

**Cooperative Reports****3.     [2018-035](#)     Cooperative Update - J Parsley**

CEO Julie Parsley reviewed the Cooperative Update PowerPoint presentation.

**4.     [2018-036](#)     Financial Services Report - T Golden**

CFO Tracy Golden reviewed the Financial Services Report PowerPoint presentation.

**5.     [2018-091](#)     Operations Report (written report in materials)**

**Attachments:**   [2018-3-19 Operations Report Final](#)

COO Eddie Dauterive stated the Operations Report was included in the package materials and highlighted the solar community update.

**Member Comments (3 minute limitation or as otherwise directed by Board)****6.     [2018-078](#)     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 members spoke on topics including but not limited to:

Dwayne James - engage Cooperative's help to find veterans and request to support efforts of Honor Flight Austin.

Lenny Jasinski - request for personal interest story in Texas Coop-Power to help support efforts of Honor Flight Austin.

Robert Hamm - request for reconsideration of line extension policy.

**Action Items / Other Items**

7. [2018-084](#)      **Resolution - Approval of Pre-Pay Residential and Farm/Ranch Payment Plan - Tariff and Business Rules Amendment - N Mack**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve this amendment to the Tariff and Business Rules as attached hereto to become effective as of May 1, 2018; and

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

**Attachments:** [2018-03-19 Resolution - Approval of Pre-Pay Residential and Farm - Ranch Payment Plan- Tariff and Business Rules Amendment- N Mack](#)  
[2018-03-19 Resolution- Approval of Pre-Pay Residential and FarmRanch Payment Plan - Tariff and Business Rules Amendment - N Mack - RL v2](#)  
[2018-03-19 Resolution- Approval of Pre-Pay Residential and FarmRanch Payment Plan Tariff and Business Rules Amendment N Mack - Clean](#)  
[2018-03-19 Resolution- Approval of Pre-Pay Residential and Farm-Ranch Payment Plan- Tariff and Business Rules Amendment -N Mack- RL Agreement v2](#)  
[2018-03-19 Resolution- Approval of Pre-Pay Residential and Farm-Ranch Payment Plan- Tariff and Business Rules Amendment -N Mack- Agreement Clean](#)

COO Eddie Dauterive reviewed the pre-pay residential and farm/ranch payment plan resolution and presentation.

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

**Yes:** 7 - Clement, Klaus, Powers, Oakley, Graf, Akers, and Pataki

8. [2018-079](#)      **Resolution - Approval of 2018 Cooperative Response Center (CRC) Voting Delegates - E Dauterive**

**Body:** **RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following Directors are hereby appointed and designated as authorized representatives of the Cooperative to serve as a voting delegate and alternate delegate to act at meetings of the 2018 Cooperative Response Center (CRC), or until successors are duly appointed and designated: Amy Akers, Voting Delegate.

**Attachments:** [2018-01-31 CRC 2018 Voting Delegate Registration](#)  
[2018-03-19 CRC Voting Delegate Form from PEC - Completed](#)

COO Eddie Dauterive provided an overview of the Cooperative Response Center (CRC) and reviewed the resolution for approval of 2018 CRC voting delegates.

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

**Yes:** 7 - Clement, Klaus, Powers, Oakley, Graf, Akers, and Pataki

**9. [2018-066](#) Draft Resolution - Approval of 2018 Annual Meeting Agenda - S Romero**

**Body:** **BE IT RESOLVED BY THE BOARD** that the Board approves the agenda for the 2018 Annual Meeting as submitted to and discussed by the Board at its regular meeting held on April 16, 2018, with such changes as were discussed and approved by the Board;

**BE IT FURTHER RESOLVED BY THE BOARD** that the Chief Executive Officer, or designee, is hereby authorized to publish the approved agenda to all members, and the President of the Board is authorized and directed to conduct the order of business at the Annual Meeting in accordance with the approved agenda.

**Attachments:** [2018-03-19 Annual Meeting Agenda - Draft v1](#)

Governance and Policy Manager Sylvia Romero reviewed the draft Annual Meeting agenda for consideration at the next meeting. Ms. Romero reported that registration time frame was extended and would be held from 9:00 am-10:30 am.

**10. [2018-103](#) 2018 Annual Membership Meeting Update - T Fugate**

**Attachments:** [2018-03-19 2018 Annual Membership Meeting Plans](#)

Community Engagement Director Trista Fugate reviewed the 2018 Annual Membership Meeting Update PowerPoint presentation. Ms. Fugate distributed samples of the treats that would be provided to the members.

**11. [2018-043](#) 2018 Election Timeline Update (written report in materials)**

**Attachments:** [2018-03-19 2018 Election Timeline - Final w highlights](#)

Governance and Policy Manager Sylvia Romero reported that candidate applications were due March 30; the Qualifications and Elections Committee Meeting was scheduled for April 4-5; and the Candidate Orientation was scheduled for April 10. The Board and staff discussed the March 30 candidate application deadline and staffing plans due to the Good Friday holiday.

**12. [2018-064](#) Market and Economic Development Rate Update - D Thompson / N Mack**

**Attachments:** [2018-03-19 Market and Economic Development Rate Update - D Thompson -N Mack](#)

Energy Regulatory Affairs Director David Thompson reviewed the Market and Economic Development Rate Update PowerPoint presentation and answered questions regarding the frequency of LCRA's approval of the economic development discount and the percentage of LCRA's per kwh reduction.

**13.     [2018-086](#)     Report on NRECA Annual Meeting - J Powers / C Clement**

Director Jim Powers reported that the 2018 NRECA Annual Meeting in Nashville was very informative regarding the industry as a whole. Director Cristi Clement reported on "How to Think Like a Futurist" workshop and recommended watching the presentation video, which discussed thinking beyond your sector and reinforced the value of strategic planning.

**14.     [2018-082](#)     Discussion to Review the Line Extension Tariff Facilities Charge(s) as it Pertains to Permanent Overhead and/or Underground Residential, Farm, and Ranch Service and Including all Other Applicable Tariff Declarations Included in the Line Extension Tariff Section 300 - J Oakley**

Director James Oakley expressed appreciation for Mr. Hamm's attendance and stated that this item was placed on the agenda prior to receiving Mr. Hamm's communication. Director Oakley stated that line extension to private residence or wells was one of the top topics he hears from members. Director Oakley asked if this topic could reappear on a future agenda for staff to report on actual costs and develop all options, including the possibility of financing options, for Board discussion. The Board and staff reviewed the policy change 10 years prior, current policy, line extension estimates, financial impact, and member feedback.

**Proposed Future Items / Meetings (subject to final posting)****15.     [2018-092](#)     List of Proposed Future Meetings**

Attachments:   [2018-03-01 Proposed Future Meetings - v1](#)

President Emily Pataki stated that the proposed Board meeting dates were included in the meeting materials and asked the Board to consider the June Board Meeting date at the next meeting.

**16.     [2018-093](#)     Board Meeting Planning Calendar (written report in materials)**

Attachments:   [2018-03-01 Board Planning Calendar v2](#)

President Emily Pataki stated that the Board Meeting Planning Calendar was included in the meeting materials and asked that the Line Extension Policy review be added.

**Recess to Executive Session**

President Emily Pataki announced the items to be discussed in Executive Session and at 10:41 am stated the Board would go into Executive Session.

**Executive Session - Legal Matters****17.     [2018-070](#)     Transmission Business Review and Cost of Service - J Parsley**

18. [2018-094](#) Litigation and Related Legal Matters
19. [2018-095](#) Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services
20. [2018-104](#) Legislative Update and Interim Legislative Charges - J Parsley

**Executive Session - Contract and Competitive Matters**

21. [2018-101](#) Resolution - Approval of Delegation of Authority to Sell PEC Renewable Energy Credits (REC) - J Parsley

**Body:**

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative authorizes the Chief Executive Officer, or designees, to negotiate, execute, sell, transfer and deliver renewable energy credits on the terms as such person deems appropriate, necessary or desirable; and

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

22.     [2018-072](#)     **Resolution - Determination and Approval of Necessity and Public Use for Acquisition of Easements for the Wirtz to Mountain Top Transmission Line Rebuild and Upgrade; and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Wirtz to Mountain Top Transmission Line Rebuild and Upgrade - P Lochte**

**Body:** **WHEREAS**, the Board of Directors of PEC, pursuant to Texas Utilities Code, Section 161.125 and Chapter 21 of the Texas Property Code, hereby finds that the Wirtz to Mountain Top Project is for public use and in the public interest to acquire the interests in the Property through eminent domain proceedings;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that acquisition of the Property for installation, construction, operation and maintenance of a transmission line rebuild and upgrade and all necessary appurtenant facilities is for public use and in the public interest to ensure system reliability for its members and the electric grid for the State of Texas; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Chief Executive Officer of the Cooperative or any person designated by her for such purpose, be and each of them hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to engage any title company, third-party surveyor, engineer, environmental engineers and appraisers, as needed, to perform professional services in connection with the Wirtz to Mountain Top Project, or any other service provider in connection with the Wirtz to Mountain Top Project; to negotiate, settle and agree on a purchase price for said Property or to determine the amount of damages and compensation to be paid to the owners of the Property as necessary, and to make official, written, bona fide offers to the owners for the appraised value of said Wirtz to Mountain Top Property, in each case in such form and containing such terms and conditions as such officer or agent may in his or her reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that if it is determined that an agreement as to the value of said Property, damages and/or compensation to be paid cannot be reached, then the General Counsel of the Cooperative or any attorney designated by him for such purpose, be and each of them hereby is authorized to file or cause to be filed, against the owners, lien holders and other holders of an interest in the Property, proceedings using the Cooperative's power of eminent domain to acquire interests in and to the Property, in order to allow the Cooperative and/or its assigns to complete said Wirtz to Mountain Top Project, and to perform and undertake all other proceedings necessary to complete the acquisition of the Property; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that above recitals are true and correct and it is the intent of the Board of Directors of the Cooperative that this resolution authorizes all processes and procedures for the acquisition or the condemnation of all

Property required to complete the Wirtz to Mountain Top Project; and if it is later determined that there are any errors in the property descriptions contained herein or if later surveys contain more accurate revised descriptions, the Cooperative's attorney is authorized to have such errors corrected or revisions made without the necessity of obtaining a new resolution from the Board of Directors authorizing the use of its power of eminent domain of the corrected or revised Property; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer of the Cooperative, the General Counsel or any persons designated by either of them for such purpose, be and each of them hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to do any and all acts deemed by such officer in such officer's reasonable judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolution; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative, including, but not limited to, the delivery of any relevant document in the name of and on behalf of the Cooperative relating to any bona fide offer to the owners are hereby confirmed, ratified and approved.

Attachments: [2018-03-19 EXHIBIT A](#)

- 23. [2018-076](#) Engineering Projects' Timeline and Status Report - P Lochte
- 24. [2018-065](#) Market and Economic Development Rate Update - D Thompson
- 25. [2018-083](#) Power Supply LCRA Business Planning Update - J Parsley

**Executive Session - Real Estate Matters**

- 26. [2018-096](#) Facilities and Real Estate Update - E Dauterive

**Executive Session - Safety and Security Matters**

- 27. [2018-097](#) Safety and Security Matters

**Executive Session - Personnel Matters**



28. [2018-073](#) **Resolution - Approval of Employee Health Benefits Renewal - C Armstrong**  
**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board approve execution of the employee health and dental insurance policies of the Cooperative upon the terms and conditions with insurance provider(s) presented to the Board this day during executive session; 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.
29. [2018-087](#) **Resolution - Approval of Retirement Benefits for Medicare Eligible Retirees (Medicare Supplemental Plan) - C Armstrong**  
**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the amendment to the ICP presented is hereby approved and that the Chief Executive Officer of the Cooperative, or designees, be authorized and directed to execute such amendment and to take any and all other actions necessary or desirable to carry out the directives of this resolution and to maintain the ICP's compliance with any applicable federal or state legal requirement; and  
  
**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions be and are hereby ratified, confirmed, and approved.
30. [2018-071](#) **Resolution - Approval for Amendment to Insurance Continuation Program - C Armstrong**

31.     [2018-068](#)     **Resolution - Approval of Engagement of Trustee and Acknowledgement and Approval of Plan Administrator's Engagement of Third Party Administrator/Actuary of Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan - B Arldt**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, remove Charles Schwab Bank, the named trustee of the DB Plan, and to appoint U.S. Bank National Association, as successor trustee of the DB Plan, on the terms established in the trust agreement for the DB plan; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer or any person designated by her for such purpose, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate any trust agreements for the DB Plan in connection with the bundled services, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions, in each case in such form and containing such terms, effective dates of each agreement on or about the date hereof, and conditions as such officer or agent may in such officer's or agent's reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the President and Vice President of the Board of Directors, and the Chief Executive Officer, or her designee, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to execute and deliver any trust agreements for the DB Plan, the service agreement with respect to the DB Plan, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions and the Secretary of the Board of Directors is hereby authorized to attest and to affix the Cooperative's seal thereto, if required; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions be and are hereby ratified, confirmed, and approved.

32. [2018-069](#)      **Resolution - Approval of Engagement of Trustee and Acknowledgment and Approval of Plan Administrator's Engagement of Third Party Administrator/Actuary of Pedernales Electric Cooperative, Inc. Employees' 401(k) Savings Plan - B Arldt**
- Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative reaffirm the appointment of Charles Schwab Bank as the named trustee of the 401(k) Plan; and
- BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer, or designees, are authorized to take such actions as needed to implement this resolution.
33. [2018-098](#)      **Personnel Matters Update**

Reconvene to Open Session at 3:07 pm

**Items from Executive Session**

- [2018-101](#)      **Resolution - Approval of Delegation of Authority to Sell PEC Renewable Energy Credits (REC) - J Parsley**
- Body:**
- NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative authorizes the Chief Executive Officer, or designees, to negotiate, execute, sell, transfer and deliver renewable energy credits on the terms as such person deems appropriate, necessary or desirable; and
- BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer, or designees, are authorized to take such actions as needed to implement this resolution.

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

**Yes:** 5 - Clement, Klaus, Oakley, Graf, and Akers

**Absent:** 2 - Powers, and Pataki

[2018-072](#)

**Resolution - Determination and Approval of Necessity and Public Use for Acquisition of Easements for the Wirtz to Mountain Top Transmission Line Rebuild and Upgrade; and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Wirtz to Mountain Top Transmission Line Rebuild and Upgrade - P Lochte**

**Body:** WHEREAS, the Board of Directors of PEC, pursuant to Texas Utilities Code, Section 161.125 and Chapter 21 of the Texas Property Code, hereby finds that the Wirtz to Mountain Top Project is for public use and in the public interest to acquire the interests in the Property through eminent domain proceedings;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that acquisition of the Property for installation, construction, operation and maintenance of a transmission line rebuild and upgrade and all necessary appurtenant facilities is for public use and in the public interest to ensure system reliability for its members and the electric grid for the State of Texas; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Chief Executive Officer of the Cooperative or any person designated by her for such purpose, be and each of them hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to engage any title company, third-party surveyor, engineer, environmental engineers and appraisers, as needed, to perform professional services in connection with the Wirtz to Mountain Top Project, or any other service provider in connection with the Wirtz to Mountain Top Project; to negotiate, settle and agree on a purchase price for said Property or to determine the amount of damages and compensation to be paid to the owners of the Property as necessary, and to make official, written, bona fide offers to the owners for the appraised value of said Wirtz to Mountain Top Property, in each case in such form and containing such terms and conditions as such officer or agent may in his or her reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that if it is determined that an agreement as to the value of said Property, damages and/or compensation to be paid cannot be reached, then the General Counsel of the Cooperative or any attorney designated by him for such purpose, be and each of them hereby is authorized to file or cause to be filed, against the owners, lien holders and other holders of an interest in the Property, proceedings using the Cooperative's power of eminent domain to acquire interests in and to the Property, in order to allow the Cooperative and/or its assigns to complete said Wirtz to Mountain Top Project, and to perform and undertake all other proceedings necessary to complete the acquisition of the Property; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that above recitals are true and correct and it is the intent of the Board of Directors of the Cooperative that this resolution authorizes all processes and procedures for the acquisition or the condemnation of all

Property required to complete the Wirtz to Mountain Top Project; and if it is later determined that there are any errors in the property descriptions contained herein or if later surveys contain more accurate revised descriptions, the Cooperative's attorney is authorized to have such errors corrected or revisions made without the necessity of obtaining a new resolution from the Board of Directors authorizing the use of its power of eminent domain of the corrected or revised Property; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer of the Cooperative, the General Counsel or any persons designated by either of them for such purpose, be and each of them hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to do any and all acts deemed by such officer in such officer's reasonable judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolution; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative, including, but not limited to, the delivery of any relevant document in the name of and on behalf of the Cooperative relating to any bona fide offer to the owners are hereby confirmed, ratified and approved.

Attachments: [2018-03-19 EXHIBIT A](#)

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

**Yes:** 5 - Clement, Klaus, Oakley, Graf, and Akers

**Absent:** 2 - Powers, and Pataki

### 2018-073

#### **Resolution - Approval of Employee Health Benefits Renewal - C Armstrong**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board approve execution of the employee health and dental insurance policies of the Cooperative upon the terms and conditions with insurance provider(s) presented to the Board this day during executive session; 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.

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

**Yes:** 5 - Clement, Klaus, Oakley, Graf, and Akers

**Absent:** 2 - Powers, and Pataki

[2018-087](#)

**Resolution - Approval of Retirement Benefits for Medicare Eligible Retirees (Medicare Supplemental Plan) - C Armstrong**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the amendment to the ICP presented is hereby approved and that the Chief Executive Officer of the Cooperative, or designees, be authorized and directed to execute such amendment and to take any and all other actions necessary or desirable to carry out the directives of this resolution and to maintain the ICP's compliance with any applicable federal or state legal requirement; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions be and are hereby ratified, confirmed, and approved.

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

**Yes:** 5 - Clement, Klaus, Oakley, Graf, and Akers

**Absent:** 2 - Powers, and Pataki

[2018-068](#)

**Resolution - Approval of Engagement of Trustee and Acknowledgement and Approval of Plan Administrator's Engagement of Third Party Administrator/Actuary of Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan - B Arldt**

**Body:** NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, remove Charles Schwab Bank, the named trustee of the DB Plan, and to appoint U.S. Bank National Association, as successor trustee of the DB Plan, on the terms established in the trust agreement for the DB plan; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the Chief Executive Officer or any person designated by her for such purpose, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate any trust agreements for the DB Plan in connection with the bundled services, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions, in each case in such form and containing such terms, effective dates of each agreement on or about the date hereof, and conditions as such officer or agent may in such officer's or agent's reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the President and Vice President of the Board of Directors, and the Chief Executive Officer, or her designee, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to execute and deliver any trust agreements for the DB Plan, the service agreement with respect to the DB Plan, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions and the Secretary of the Board of Directors is hereby authorized to attest and to affix the Cooperative's seal thereto, if required; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that all actions taken prior to the effective date hereof by the officers and duly authorized agents of the Cooperative in connection with the subject of the foregoing resolutions be and are hereby ratified, confirmed, and approved.

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

**Yes:** 5 - Clement, Klaus, Oakley, Graf, and Akers

**Absent:** 2 - Powers, and Pataki

[2018-069](#)

**Resolution - Approval of Engagement of Trustee and Acknowledgment and Approval of Plan Administrator's Engagement of Third Party Administrator/Actuary of Pedernales Electric Cooperative, Inc. Employees' 401(k) Savings Plan - B Arldt**

**Body:** NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative reaffirm the appointment of Charles Schwab Bank as the named trustee of the 401(k) Plan; and

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

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

**Yes:** 5 - Clement, Klaus, Oakley, Graf, and Akers

**Absent:** 2 - Powers, and Pataki

### **Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:11 pm

Approved:

\_\_\_\_\_  
Amy Akers, Secretary

\_\_\_\_\_  
Emily Pataki, President