

Legislative Policy

PEDERNALES ELECTRIC COOPERATIVE, INC.

1. Purpose:

1.1. This policy provides guidelines for Pedernales Electric Cooperative, Inc. ("PEC") in its interactions with the Texas Legislature or the U.S. Congress ~~(the "Legislature").~~, including formulation of positions taken by PEC on issues before the Legislature ("Positions"). The Policy provides the authority to advocate or express opinions on behalf of PEC.

~~1.1.~~

2. Scope:

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2.1. This Policy applies to the Board of Directors ("Board") and all PEC employees. This Policy addresses the approval of Legislative Positions and advocacy by PEC. ^[BD1]

~~2.1.~~

~~2.2.~~

4. Definitions:

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4.1.3.1 Legislature or Legislative – collectively means the Texas Legislature or the U.S. Congress.

~~3.1.~~

3.2.3.2 Positions – are the strategic objectives and goals for use with governmental or Legislative advocacy by PEC. Positions are utilized in Legislative advocacy on behalf of PEC. Positions are adopted by the PEC Board of Directors.

6.4. Policy Statement and Implementation:

6.1.4.1. Legislative Positions

~~6.1.1.4.1.1.~~ To be represented as a PEC Legislative Position, a PEC Position is one that must first have been approved by the Board, or be deemed by the Chief Executive Officer ("CEO") to be in accordance with existing Board directions policy or Positions. Positions may be approved in Board-adopted policies, policy statements, notices, or other documents concerning Legislative matters or trending topics relevant to PEC business matters.

~~6.1.2.4.1.2.~~ The Board may authorize designate a Board member or any other individual to represent PEC before the Legislature with direction to communicate Positions as appropriate. If no such designation is made, no authority to represent PEC exists beyond that granted in this Policy the CEO and/or their designee(s) will may speak represent on behalf of PEC Positions, including during Legislative contacts.

~~6.1.3.4.1.3.~~ Any Board member may convey any Position to the Legislature, or to any state or national association of which PEC is a member.

~~6.1.4.4.1.4.~~ This Policy does not limit and is not intended to affect the Constitutional rights of Board Directors and/or PEC staff

Legislative Policy

PEDERNALES ELECTRIC COOPERATIVE, INC.

~~membersemployees~~, as individuals, to express their individual opinions, provided they make an express statement clearthat they, as an individual, are not speaking for PEC. If a member of the Board or PEC staff includes language in communications substantially as follows, that person will be deemed to have made it clearly expressed that they are not speaking for PEC: "The views expressed ~~herein/today~~ are my own personal views and do not necessarily represent the official position or policy of PEC or its Board of Directors".

~~6.1.5.~~4.1.5. Certain quickly developing or unforeseen- situations may require action by or a response from ~~the~~ PEC before approval of a Position by the ~~full~~ Board. In such cases, the CEO (or their designee) is authorized to communicate or advocate a PEC stance, view or opinion. However, The CEO must approve any such action or response, and must present the matter and the stance, view, or opinion to the Board at the earliest possible date. When possible, Ssuch presentation to the Board shallshould occur before the actioncommunication of the stance is taken, ~~if possible, even if circumstances do not allow a meeting to be called and a n~~ Position to be ~~formally adopted before the action or response.~~

~~6.1.6.~~4.1.6. ~~If~~When circumstances do not permit formulation of a Position, any response to the Legislature must state that it does not necessarily reflect the official Position of PEC's Board or any PEC Board action, and that the response is subject to review and approval of the Board.

~~6.1.7.~~4.1.7. Formal testimony on behalf of PEC will be presented only with approval by and at the direction of the Board unless it is related to a PEC Position. PEC ~~employeesstaff~~ or representatives may convey factual information to any branch of the government, the Legislature or their representatives ~~thereof~~ on behalf of the PEC. Any such communications, and shall be reported to inform the CEOChief Executive Officer of any such communication.

~~4.1.8.~~ If a state or national association of which PEC is a member proposes to adopt a stance on issues before the Legislature, PEC's participation in those venues shall be consistent with Positions adopted under this Ppolicy.

~~6.1.8.~~

~~7.5.~~ **Procedure Responsibilities:**

~~7.1.5.1.~~ **Board of Directors:**

~~7.1.1.~~5.1.1. It is the responsibility of the Board ~~of Directors~~ to routinely and timely take Positions on legislation of interest to PEC and mMembers in a timely manner.

~~7.1.2.~~5.1.2. It is the responsibility of each Board Director, upon receiving information or communications in their capacity as a Ddirector related to issues in the Legislature, to apprise the CEO hief Executive Officer and other Board MembersDirectors in a timely fashion, so that the Board can consider and formulate responses on those matters.

Legislative Policy

PEDERNALES ELECTRIC COOPERATIVE, INC.

5.1.3. It is the responsibility of the Board and the ~~CEO~~Chief Executive Officer to assure that the delegations to the Chief Executive Officer provided for in this ~~P~~policy statement are ~~properly~~implemented and enforced.

~~7.1.3.~~

~~7.2.5.2.~~ **Chief Executive Officer:**

~~7.2.1.5.2.1.~~ It is the duty of the ~~CEO~~Chief Executive Officer or ~~designee~~ to keep the Board current and fully informed on Legislative matters, and on any inquiries or concerns expressed by lawmakers about PEC activities and policies. _This duty does not extend to apprising the Board of contacts related to routine business issues, such as requests for assistance by a lawmaker or the lawmaker's staff concerning outages, or on behalf of a ~~M~~member that has contacted the lawmaker concerning that member's PEC account.

~~7.2.2.5.2.2.~~ The ~~CEO~~Chief Executive Officer or ~~his~~ designee will present a legislative report briefing immediately prior to each regular state legislative session, and will keep the Board regularly informed at all times of legislative proposals or activities that may affect PEC. The CEO may propose Positions. ~~These u~~Updates should identify legislative issues affecting PEC so that the Board can consider Positions on those issues.

~~7.2.3.5.2.3.~~ Unless otherwise authorized by ~~a vote of~~ the Board, the ~~CEO~~Chief Executive Officer or ~~his~~ designee has responsibility for presenting Board-approved Positions to the Legislature, or to any state or national association of which PEC is a member.

8.6. Enforcement:

~~6.1.~~ The Board and the CEO shall enforce this Policy. The Board shall enforce the Policy with Board Directors. Employee violations of this Policy may result in disciplinary or corrective action, up to and including, termination.

~~8.1.~~

9.7. Superseding Effect:

~~9.4.7.1.~~ This Policy supersedes all previous policies and memoranda concerning the subject matter. _Only the Approver may authorize exceptions to this policy.

10.8. References and Related Documents:

~~10.1.~~ Board Responsibilities and Delegation of AuthorityXXXXXXXXXXXXXXXXXXXX

~~8.1.~~ Authority and Responsibilities Policy

External and Internal Communications Policy

~~8.2.~~

Policy Title:	Legislative Policy
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Legislative Policy

PEDERNALES ELECTRIC COOPERATIVE, INC.

Review Frequency:	Biannual <u>Every four</u> two years
Last Reviewed:	November 18, 2016 XX <u>March 15, 2018</u>
Date Adopted:	August 16, 2010
Effective Date:	August 16, 2010 <u>October 15, 2018</u> xx/xx/2018
Amendment Dates:	March 18, 2013; November XXX 2016 <u>August XXX, XX, October 15, 2018</u>
Approver:	Board of Directors
Applies to:	Board of Directors, All PEC Employees
Administrator:	CEO
Superseding Effect	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this policy.