



**Meeting Minutes - Draft**

**Board of Directors**

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Monday, September 17, 2018

9:00 AM

PEC Kyle Office

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Open Session of this Regular Meeting was held in the PEC Kyle Office and was recorded in accordance with Board Meetings Policy.

**Call to Order and Roll Call**

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

**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. [2018-303](#) **Monday, August 20, 2018 - Regular Meeting Minutes**

**Attachments:** [2018-08-20 Regular Minutes - draft3](#)

Consent item approved.

**Cooperative Monthly Reports**

2. [2018-304](#) **Cooperative Update - J Parsley**

**Attachments:** [2018-09-17 Cooperative Update-FINAL](#)

CEO Julie Parsley reviewed the Cooperative Update PowerPoint presentation. Regional Operations Director Jerold Terry reported on the Kyle statistics and recognized staff.

3. [2018-305](#) **Financial Services Report - J Davis**

**Attachments:** [2018-09-17 August 2018 Financial Statements - J Davis](#)  
[2018-09-17 August 2018 Financial Presentation to the Board - John Davis](#)

CFO John Davis reviewed the Financial Services Report PowerPoint presentation.

**4.     [2018-306](#)     Operations Report (written report in materials)**

**Attachments:**   [2018-09-17 Operations Report Final](#)

COO Eddie Dauterive reviewed the Operations Report PowerPoint presentation and staff answered questions regarding the increase in accidents. President Paul Graf recognized employees' work to reduce SAIDI to 42.1 minutes.

**Member Comments (3 minute limitation or as otherwise directed by Board)****5.     [2018-326](#)     Member Comments**

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

There were no members wanting to address the Board.

**Action Items / Other Items****6.     [2018-323](#)     Resolution - Approval of Directors Compensation Policy - D Ballard**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Directors Compensation Policy, with such changes, if any, as were approved by the Board; and

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

**Attachments:**   [2018-08-20 Director Compensation Policy - DRAFT Redline v2](#)  
                      [2018-08-20 Director Compensation Policy - DRAFT Clean v2](#)  
                      [\\_Director Compensation Policy - Final and BOD Approved 09-17-2018](#)

General Counsel Don Ballard stated that no changes had been made to the policy since presented last month, but any discussion regarding specific rates and terms must be done in Executive Session. President Paul Graf stated the Board would continue this item in Executive Session.

7. [2018-316](#) **Resolution - Review and Approval of Capital Credits Policy - J Davis**

**Body:**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Capital Credits Policy presented to and discussed by the Board this day, with such changes, if any, as were discussed and approved by the Board; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or his designees, are hereby authorized to take all such action as may be necessary to implement this resolution.

**Attachments:** [2018-08-20 Capital Credits Policy Draft \(clean\)](#)  
[2018-08-20 Capital Credits Policy Draft \(redline\)](#)

CFO John Davis reviewed the proposed grammatical amendments to the Capital Credits Policy. President Paul Graf noted this policy review would now be on a three year basis.

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

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

8. [2018-283](#) **Draft Resolution - Approval of Legislative Policy - J Parsley**

**Body:**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Legislative Policy, with such changes, if any, as were approved by the Board; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designees, are hereby authorized to take all such action as may be necessary to implement this resolution.

**Attachments:** [2018-09-17 Legislative Policy Draft \(redline\)](#)  
[2018-09-17 Legislative Policy Draft \(clean\)](#)

CEO Julie Parsley reviewed the proposed amendments to the Legislative Policy and answered a question regarding certain emergency situations where a response must be given before a position has been Board approved. This item would be considered at the next meeting.

9. [2018-317](#) **Draft Resolution - Review of Election Policy and Procedures  
Amendments - D Ballard**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to the Election Policy and Procedures and its regular review of Board policies, the Board has reviewed and adopts the Election Policy & Procedures presented to and discussed by the Board this day, with any amendments, as were discussed and approved by the Board; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is hereby authorized and directed to take all such action as may be necessary to implement this resolution.

**Attachments:** [2018-09-17 Election Policy and Procedures - DRAFT v3 DB SAR 09-10-2018-REDLINE](#)  
[2018-09-17 Election Policy and Procedures - DRAFT v3 DB SAR 09-10-2018-CLEAN](#)

General Counsel Don Ballard reviewed the five proposed amendments to the Election Policy and Procedures and answered a question on signature verification. This item would be considered at the next meeting.

10. [2018-276](#) **Draft Resolution - Approval of Directive for Delegates Regarding  
Upcoming Regional and National Meetings - G Carter-Thomas**

**Body:** **RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that PEC's voting delegate and alternate voting delegate follow the Board's directive regarding the proposed NRECA resolutions as discussed by the Board this day.

**BE IT FURTHER RESOLVED** that the Chief Executive Officer or designee is authorized to take such actions necessary to implement this resolution.

**Attachments:** [2018-09-17  
Committee-Report-and-Compendium-of-Proposed-Resolutions](#)

Legislative Affairs Director Gili Carter-Thomas reviewed the three applicable resolutions in the current compendium. Ms. Carter-Thomas reported that Paul Graf would serve as the delegate and she would serve as the alternate delegate at the NRECA Regional Meeting in Oklahoma City. President Paul Graf asked the Board to provide their opinion on resolutions # 1, 6, 10, and 11 at the next meeting.

11. [2018-249](#) **Annual Meeting Planning - M Viesca**

**Attachments:** [2018-09 Annual Meeting Planning JC Setup](#)

Executive Vice President Mike Viesca reviewed the 2019 Annual Member Meeting PowerPoint presentation. In response to a question, Mr. Viesca stated the Annual Meeting would be held in the Auditorium and expected an abbreviated meeting.

**12.     [2018-325](#)     Discussion of Broadband Opportunities - J Oakley**

Director James Oakley reported that members' need for broadband had been discussed in the past and hoped that there could be discovery for what the Cooperative's role could or should be. CIO Lawanda Parnell reported Guadalupe Valley Electric Cooperative, Central Texas Electric Cooperative and Bandera Electric Cooperative were offering different models of broadband service with varying delivery methods, rates, and speeds. Ms. Parnell also reported on Ozarks Electric Cooperative's model of service. Ms. Parnell stated that to date she had not found one aggregate source for information, but Texas Electric Cooperative was performing a survey. Director Randy Klaus suggested that some information may be found in a Public Utility Commission (PUC) special report on broadband to the legislature and every odd year there is also a PUC report on the scope of competition in the electric and telecommunication markets. Following some discussion, the Board agreed that this item should be studied as budgeted.

**Proposed Future Items / Meetings (subject to final posting)****13.     [2018-308](#)     List of Proposed Future Meetings**

Attachments:   [2018-09-01 Proposed Future Meetings - v1](#)

President Paul Graf stated that the proposed Board meeting dates were included in the meeting materials.

**14.     [2018-309](#)     Board Planning Calendar (written report in materials)**

Attachments:   [2018-09-01 Board Planning Calendar v1](#)

President Paul Graf stated that the proposed Board Meeting Planning Calendar was included in the meeting materials.

**Recess to Executive Session at 10:05 am**

President Paul Graf announced the items to be discussed in Executive Session and at 10:05 am stated the Board would go into Executive Session.

**Executive Session - Legal Matters****15.     [2018-310](#)     Litigation and Related Legal Matters****16.     [2018-311](#)     Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services****17.     [2018-275](#)     Director Request for Information - D Ballard**

**Executive Session - Contract and Competitive Matters**

18.     [2018-322](#)     **Resolution - Approval of Wirtz-Mountain Top T-Line Pole Order - E Dauterive**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the purchase of steel transmission poles for the 2018 CIP Project T313 and T317 Transmission Line Rebuild and Upgrade; and

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

19.     [2018-023](#)     **Draft Resolution - Approval of Pole Attachment Fees and Related Fees and Charges - E Dauterive & R Arellano**
20.     [2018-290](#)     **Draft Resolution - Approval of 2019 Power Supply Plan - D Thompson**
21.     [2018-319](#)     **2018 JD Power Electric Utility Residential Customer Satisfaction - Carl Lepper, J.D. Power**
22.     [2018-263](#)     **Markets Monthly Report - D Thompson**

**Executive Session - Real Estate Matters**

23.     [2018-313](#)     **Facilities and Real Estate Update - R Arellano**

**Executive Session - Safety and Security Matters**

24.     [2018-314](#)     **Safety and Security Matters**

**Executive Session - Personnel Matters**

25.     [2018-315](#)     **Personnel Matters Update**

**Reconvene to Open Session at 2:37 pm**

**Items from Executive Session**

[2018-322](#)**Resolution - Approval of Wirtz-Mountain Top T-Line Pole Order - E Dauterive**

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

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

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

[2018-323](#)**Resolution - Approval of Directors Compensation Policy - D Ballard**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Directors Compensation Policy, with such changes, if any, as were approved by the Board; and

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

**Attachments:** [2018-08-20 Director Compensation Policy - DRAFT Redline v2](#)  
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[Director Compensation Policy - Final and BOD Approved 09-17-2018](#)

Director James Oakley moved approval of the revised Directors Compensation Policy as presented but with two amendments adding new section 3.5 for a Board officer fee of \$100 each month, and new section 3.6 for a Board committee fee of \$100 per committee meeting for those assigned to serve on a Board committee with a maximum of four payments per year.

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

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

**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:38 pm.

Approved:

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Emily Pataki, Secretary

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Paul Graf, President