



Meeting Minutes - Draft

Audit Committee

Friday, September 14, 2018

9:00 AM

PEC Headquarters Auditorium

Open Session of this Audit Committee Meeting was held in the PEC Auditorium and was audio recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

This meeting was called to order at 9:02 am on September 14, 2018 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

Present: 3 - Amy Akers, Milton Rister and Randy Klaus

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. [2018-293](#) **Resolution - Approval of Good Cause for Telephonic Participation in the September 14, 2018 Audit Committee Meeting - D Ballard**
Body: **NOW, THEREFORE, BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the committee has determined that it is in the best interest of the Cooperative to hold a meeting this day to consider an Audit Committee matter and good cause exists to allow telephonic participation by Directors in the meeting because a quorum may not be reached for the meeting without authorized, telephonic participation by one or more Directors; and

BE IT FURTHER RESOLVED that the Audit Committee approves telephonic participation by Directors in the meeting; and

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

Consent item approved.

2. [2018-295](#) **Wednesday, March 28, 2018 - Audit Committee Meeting Minutes**

Attachments: [2018-03-28 Audit Committee Minutes - draft1](#)

Consent item approved.

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

3. [2018-296](#) **Member Comments**

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

There were no members wanting to address the Board.

Open Session - Briefing and Informational Items

Recess to Executive Session

Audit Committee Chairperson Amy Akers announced the items to be discussed in Executive Session and at 9:03 am stated the committee would go into Executive Session.

Executive Session - Legal Matters

4. [2018-318](#) **Matters in Which the Committee Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

Executive Session - Contract and Competitive Matters

5. [2018-279](#) **Discussion of 2018 Independent Audit for Financial Statements and Tax Filings - J Davis**

6. [2018-300](#) **Resolution - Recommend Approval by Board of Directors of 2017 IRS Form 990 - J Davis**

Body: **BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Audit Committee recommends for Board approval the IRS Form 990 as submitted; and

BE IT FURTHER RESOLVED BY THE AUDIT COMMITTEE that the Chief Financial Officer, or designee, is authorized to take other actions as necessary to implement this resolution, including presenting to Board for approval.

Reconvene to Open Session at 10:25 am

Items from Executive Session

[2018-300](#)**Resolution - Recommend Approval by Board of Directors of 2017 IRS Form 990 - J Davis**

Body: **BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Audit Committee recommends for Board approval the IRS Form 990 as submitted; and

BE IT FURTHER RESOLVED BY THE AUDIT COMMITTEE that the Chief Financial Officer, or designee, is authorized to take other actions as necessary to implement this resolution, including presenting to Board for approval.

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

Yes: 3 - Chairperson Akers, Director Rister and Director Klaus

Adjourn

There being no further business to come before the Audit Committee, the meeting was adjourned at 10:26 am.

Approved:

Amy Akers, Audit Chairperson