



Meeting Minutes - Draft

Board of Directors

Saturday, June 22, 2019

12:00 PM

Horseshoe Bay Resort

Open Session of this Regular Meeting is held in the Post Oak Conference Room, at Horseshoe Bay Resort, and will be video recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

This meeting was called to order at 11:57 a.m. on June 22, 2019, at the Horseshoe Bay Resort, Post Oak Conference Room, Horseshoe Bay, Texas.

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

Board Organizational Matters

1. [2019-203](#) **Acknowledgement and Seating of Directors Elected at Annual Meeting - D Ballard**

General Counsel Don Ballard announced that 2 directors, James Oakley and Jim Powers were seated today at the Annual Meeting according to the Cooperative Bylaws. He also informed the Board that according to the Cooperative's Bylaws the Board would need to elect Board officers either today or postpone to another time perhaps at the July 2019 meeting or a time certain.

2. [2019-193](#) **Receipt of Conflict of Interest Disclosure Form, Director Affirmation and Directors' Code of Conduct Acknowledgement for Directors - D Ballard**

Each year required affirmations are signed, acknowledged and affirmed for all directors. A copy of the signed forms and affirmations will be included in the July 2019 Board meeting minutes.

3. [2019-204](#) **Resolution - Approval to Postpone the Election of Officers - D Ballard**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board postpone the election of officers until the Board's July 2019 Regular Meeting.

A motion was made that the election of Board officers be postponed until the July 2019 meeting. The motion carried by the following vote:

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

4. [2019-198](#) **Election - Office of President**

5. [2019-199](#) Election - Office of Vice-President
6. [2019-200](#) Election - Office of Secretary-Treasurer

Adoption of Agenda

The agenda was adopted as posted and without objection.

Consent Items

7. [2019-177](#) Friday, May 17, 2019 - Regular Meeting Minutes

Attachments: [MeetingMinutes - May 17 2019 - Draft v2](#)

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

Cooperative Monthly Reports

8. [2019-178](#) Cooperative Update (Included During the 2019 Annual Membership Meeting)

CEO Julie Parsley mentioned the Cooperative Update was presented earlier at the Annual Membership Meeting. She thanked staff for their participation and assistance with the Annual Membership Meeting.

9. [2019-179](#) Financial Services Monthly Report (Written Report in Materials)

Attachments: [2019-06-22 April 2019 Financial Services Monthly Report - J Davis](#)
[2019-06-22 - April 2019 Financial Statements - J Davis](#)

CFO John Davis reported the financials were included in the Board packet. Director Randy Klaus inquired as to when the Board will receive the next financials. CFO John Davis indicated they will be placed in the monthly packet and will be issued to the Board on the Friday prior to the July Board meeting.

10. [2019-180](#) Operations Report (Written Report in Materials)

Attachments: [2019-06-22 Operations Report](#)

COO Eddie Dauterive reported his update was included in the packet. He will follow up with Richard Arellano on North Rim subdivision issue that was presented at the Annual Membership Meeting. Richard Arellano is working with the members who expressed concern and will work towards a resolution.

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

11. [2019-181](#) Member Comments

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

There were no members present who signed up to comment. Although, Director Jim Powers, asked that he wanted to make a comment as a member and indicated, "that he is not a lobbyist and his firm is not a lobbying firm."

Action Items / Other Items**12. [2019-194](#) Resolution - Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting - P Graf**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following Directors are appointed and designated as authorized representatives of the Cooperative to serve as a voting delegate and alternate delegate to act at meetings of the Texas Electric Cooperatives ("TEC") as directed by the Board, including the 79th TEC Annual Meeting August 4-7, 2019, and any future TEC Membership Meetings occurring through August, 2020, or until successors are appointed: Milton Rister, Voting Delegate; and Paul Graf, Alternate Delegate.

Attachments: [TEC Annual Meeting - Voting Credentials](#)

The Board briefly discussed the voting and alternate delegates for the Texas Electric Cooperative's Annual Meeting and selected Milton Rister as Voting Delegate and Paul Graf as Alternate Delegate.

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

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

13. [2019-182](#) Resolution - Approval of Tariff Amendments Regarding Credit Card Payments and Other Payments - E Dauterive

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff and Business Rules attached hereto with any modifications approved by the Board this day to become effective as of July 1, 2019; and

BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Chief Executive Officer or designee is hereby authorized to take such actions as needed to implement this resolution.

Attachments: [2019-06-22 Tariff - Redline v1](#)
 [2019-06-22 Tariff - Accepted v1](#)

COO Eddie Dauterive mentioned this is a final resolution and nothing changed since the draft was presented in May 2019.

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 - Rister, Klaus, Pataki, Powers, Oakley, Akers, and Graf

14. [2019-202](#) **Resolution - Approval of Contract Extension with Success Factors - W Burns**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the contract for Success Factors be amended to extend for an additional 3 year term; and
BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to take such actions as needed to implement this resolution.

Vice President of Human Resources Wes Burns reported this item is a renewal agreement for Human Resources. This system serves as an information repository for personnel records, compensation records, benefits, recruitment, training and other human resources related functions.

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

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

15. [2019-195](#) **Resolution - Approval of Construction Contract for Highway 32 to Wimberley Project - B Gedrich**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the execution of the construction contract for the 2019 Capital Improvement Project budget for the Project T320 Highway 32 - Wimberley transmission line rebuild and upgrade; and

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

This item no longer needs Board approval and will fall under CEO Parsley's delegation of authority. Agenda item #2019-195 was not voted on.

16. [2019-173](#) **Resolution - Approval for Authority to Negotiate and Execute Power Purchase Agreement (PPA) - D Thompson**

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 designee, to negotiate, execute and deliver, such agreements, confirmations or certificates necessary to acquire electric capacity, energy and other related products as discussed by the Board during Executive Session of this meeting, and subject to the conditions as discussed by the Board during Executive Session of this meeting, and to deliver such notices as may be required by any wholesale power agreement of the Cooperative;

BE IT FURTHER RESOLVED, that the Secretary of the Board is, authorized as a duly authorized officer of the Cooperative, for and in the name and on behalf of the Cooperative, to execute, acknowledge as appropriate, and deliver any officer's certificates in such officer's reasonable discretion as necessary, appropriate, or desirable; and

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

Vice President of Markets David Thompson reported there is no change from the draft resolution presented last month in executive session, May 2019, and asked for approval of the resolution.

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

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

Proposed Future Items / Meetings (subject to final posting)

17. [2019-186](#) **List of Proposed Future Meetings**

Attachments: [2019-06-01 Proposed Future Meetings](#)

CEO Julie Parsley reported on the Junction member appreciation dinner would be held on the night before the September 2019 Board meeting. She also mentioned that we are looking at the Junction Texas Tech campus to accommodate the September Board meeting since this facility has sizable conference rooms that would accommodate everyone.

Director Milton Rister would like to have a tour arranged for the Junction office. COO Eddie Dauterive would arrange to have an office visit for any director interested in attending.

18. [2019-187](#) Board Planning Calendar (Written Report in Materials)

Attachments: [2019-06-22 Board Planning Calendar v3](#)

Director Jim Powers inquired as to the 3-month outlook and the annual calendar. Governance Manager Sylvia Romero mentioned the 3-month outlook and annual calendar are planning tools used by the Executive and Governance Teams. The outlook and calendar assist the entire staff with agenda planning.

During this discussion Director Jim Powers mentioned he would like to discuss 4-year terms instead of 3-year terms for directors. General Counsel Don Ballard mentioned there is an item under executive session that would be discussed pertaining to Board governance and composition.

Recess to Executive Session

President Graf read the executive session justification for meeting in executive session today. The Board moved into executive session at 12:16 p.m.

Executive Session - Legal Matters**19. [2019-188](#) Litigation and Related Legal Matters****20. [2019-189](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services****21. [2019-183](#) Legislative Update - J Parsley / M Viesca****Executive Session - Contract and Competitive Matters****22. [2019-184](#) Markets Monthly Report - D Thompson****Executive Session - Safety and Security Matters****23. [2019-191](#) Safety and Security Matters****Executive Session - Personnel Matters****24. [2019-192](#) Personnel Matters****Reconvene to Open Session**

The Board reconvened to open session at 1:42 p.m.

Items from Executive Session

There were no items from executive session to vote on.

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 1:43 p.m.

Approved:

Emily Pataki, Secretary

Paul Graf, President