



Meeting Minutes - Draft

Board of Directors

Friday, December 18, 2020

9:00 AM

PEC Headquarters Auditorium

201 S. Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting is held in the PEC Headquarters Auditorium and will be recorded in accordance with Board Meetings Policy. To address safety and health concerns and in compliance with federal, state, and local guidelines, this Regular Meeting is not open to member attendance.

Members may provide comments by sending the input to PECBoard@peci.com. All Board meeting comments will be provided to all Board directors and listed in the minutes of the Meeting. Board meeting dates, agendas, and supporting materials are available online at <https://pec.legistar.com/>.

Members are able to watch this meeting by livestream from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

Present: 7 - Secretary/Treasurer Milton Rister, President Emily Pataki, Director Mark Ekrut, Director Travis Cox, Director James Oakley, Director Paul Graf, and Vice President Amy Akers

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. [2020-416](#) **Friday, November 20, 2020 - Regular Meeting Minutes**

Attachments: [2020-11-20 Open Session Meeting Minutes - draft v.5.pdf](#)

Cooperative Monthly Reports

2. [2020-437](#) **Cooperative Update - J Parsley**

Attachments: [2020-12-18 Cooperative Update - FINAL.pdf](#)

Chief Executive Officer (CEO) Julie Parsley presented the Cooperative update 2020 year in review. She discussed the Internal Response to COVID-19 including: swiftly activated Emergency Operations Plan; closed offices to member interactions March 16 and reopened with safety measures September 21; limited in-office staff for social distancing; implemented remote working

opportunities and rotating schedules; disinfected all facilities regularly; we adopted self-temperature screenings. CEO Parsley also discussed community involvement, employee engagement, growth, safety, financial stability, smart conservation efforts, system reliability, educating young learners through EmpowerU, giving back to communities, 2020 Cooperative achievements and awards, and looking forward to 2021. President Pataki thanked CEO Parsley, the executive team, and the employees for their work in these extraordinary times.

3. [2020-438](#) Financial Services Monthly Report - R Kruger

Attachments: [2020-12-18 October 2020 Financial Report to the Board - R Kruger](#)
[2020-12-18 October 2020 Financial Statements - R Kruger](#)

Chief Financial Officer (CFO) Randy Kruger presented the financial services report for the month of October indicating: Gross Margins were approximately \$22 million (flat to budget); Net Margins were a slight loss (about \$1.8 million under budget); Year-To-Date (YTD) Gross Margins were \$242 million (about \$2.9 million above budget); YTD Net Margins were about \$35 million (about \$1.3 million ahead of budget). CFO Kruger said overall for year-end, Net Margins YTD should be ahead of planned budget; COVID-19 total financial impact estimated at \$3.8 million, with \$1.3 million impact on margins.

He provided a capital restructuring update stating in December we increased PEC's liquidity by closing \$250 million in new short-term credit facilities. CFO Kruger stated we closed up to \$200 million in a private-placement funds allowing access to long-term capital to support future growth. He said we funded \$75 million of 30-year debt at 2.18% (from the \$200 million facility). President Pataki said the initiatives CFO Kruger pursued made a big impact for PEC, and thanked him. Director Oakley stated he appreciated the efforts in getting the debt secured at a lower rate to manage future growth.

4. [2020-439](#) Operations Report - E Dauterive

Attachments: [2020-12-18 Operations Report v1](#)

Chief Operations Officer (COO) Eddie Dauterive stated there were no injuries in the month of November. He indicated we are changing telephone call routing to drive more calls to us rather than to our third-party call center to increase member engagement. Director Oakley mentioned he was reassured of how PEC power crews responded to a recent power outage he experienced. President Pataki also thanked the professionalism of the crews.

Member Comments - Members may provide comments by sending input to PECBoard@peci.com.

5. [2020-440](#) Member Comments

Attachments: [Decorum Policy 10 2020](#)
[1. 112020 1054AM - Hardin Wunderlich - New Service Fees.pdf](#)
[2. 112320 1037AM - Mr. Gawiser - Member Relations.pdf](#)

President Pataki stated that member comments were submitted ahead of time, which the Board received and read. All of the members have received a response from the Cooperative.

Action Items / Other Items

6. [2020-461](#) **Resolution - Approval of 2020 Operations Budget Amendment - Depreciation Asset Changes - C Bhandari / R Kruger**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Board approve an amendment to the Cooperative's 2020 Operating Budget for asset depreciation expenses of \$6.9 million; and

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

Ms. Claudine Bhandari, Interim Controller presented the resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

7. [2020-344](#) **Resolution - Approval to Amend Tariff and Business Rules - Interconnected Generation - N Mack | D Thompson**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative approves the amendments to the Tariff and Business Rules as attached hereto with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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.

Attachments: [2020-12-18 Tariff and Business Rules Amendments for Interconnected Generation presentation- N Mack D Thompson](#)
[2020-12-18 Tariff and Business Rules - Interconnected Generation \(Clean\)](#)
[2020-12-18 Tariff and Business Rules - Interconnected Generation \(Redline\)](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

8. [2020-442](#) **Resolution - Approval to Amend Tariff and Business Rules - Unmetered Devices Rate Option - N Mack | D Thompson**

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative approves the amendments to the Tariff and Business Rules as attached hereto with such changes, if any, as were

approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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.

Attachments: [2020-12-18 Tariff and Business Rules - Unmetered Device Rate Option \(Clean\)](#)
[2020-12-18 Tariff and Business Rules - Unmetered Device Rate Option \(Redline\)](#)
[2020-12-18 Tariff and Business Rules Amendments for Unmetered Devices Rate Option presentation - N Mack D Thompson](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

9. [2020-443](#) **Resolution - Approval to Amend Tariff and Business Rules - 2021 Rate Plan Items - N Mack | D Thompson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves those amendments to the Tariff and Business Rules in accordance with the 2021 Rate Plan and attached this day, with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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.

Attachments: [2020-12-18 Tariff and Business Rules - Rate Plan Round 1 \(Clean\)](#)
[2020-12-18 Tariff and Business Rules - Rate Plan Round 1 \(Redline\)](#)
[2020-12-18 Tariff and Business Rules Amendments for 2021 Rate Plan Items presentation - N Mack D Thompson](#)

Ms. Natalia Mack, Rates Manager presented the resolution and asked the Board for approval. Vice President Akers stated her motion to the resolution includes amending the effective date to March 1, 2021.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

10. [2020-444](#) **Resolution - Approval of Contract Agreement Extension for Security Vulnerability Assessment and Master Plan - R Arellano**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approve a 3-year extension to the TRC Engineers agreement; 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.

Mr. Richard Arellano, Vice President, Support Services discussed the resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

11. [2020-445](#) Resolution - Approval of 2021 Cooperative Election Timeline - S Romero

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that, pursuant to Section 3.2 of the Election Procedures of Pedernales Electric Cooperative, Inc., the Election Timeline, in the form presented to the Board, with such changes approved by the Board, is adopted as the 2021 Election Timeline for the election to be held before the Annual Meeting of Members.

BE IT FURTHER RESOLVED that the General Counsel, or designee, is hereby authorized to take all such action as may be necessary to implement this resolution.

Attachments: [2021 Election Timeline - Draft v2B.pdf](#)

Governance Manager, Sylvia Romero, discussed the resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

12. [2020-213](#) Resolution - Approval of 2021 Election Communications Plan - M Viesca

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that, pursuant to Section 7.3 of the Election Policy and Procedures of Pedernales Electric Cooperative, Inc., the 2021 Election Communications Plan presented, or as modified by the Board this day, is approved; and

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

Attachments: [2020-11-20 2021 PEC Election Comm Plan](#)

Executive Vice President of Public Affairs, Mike Viesca discussed the resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

13. [2020-338](#) Draft Resolution - Approval of Contract Extension for National Information Solutions Cooperative (NISC) - A Mavropoulis / L Parnell

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves a five (5) year extension to the NISC iVUE software maintenance, AMS, and Merchant Services agreements; and

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

Ms. Amanda Mavropoulis, Director, Enterprise Portfolio Management, Portfolio Management briefly discussed the draft resolution contract extension and said she will present a final resolution for Board approval next month.

14. [2020-387](#) **Draft Resolution - Approval and Review of Employee Compensation Policy - D Ballard/W Burns**

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 Employee 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: [2020-12-18 Employee Compensation Policy Redline Draft](#)
 [2020-12-18 Employee Compensation Policy Clean Draft](#)

Vice President of Human Resources, Wes Burns discussed the draft resolution indicating minor revisions to the Employee Compensation Policy. He said the purpose of the policy is for the Board to provide direction to the CEO and PEC establishing competitive pay structures helping to attract and maintain the best talent to serve the membership. President Pataki asked Mr. Burns if we are competitive. Mr. Burns stated that we continue to be very competitive. Director Graf asked for an example of a revision in the policy. Mr. Burns responded stating that one change is that the previous policy made an exception to the CEO and one other executive role. He said there is now an exception to all roles of vice presidents and above because the compensation has a different strategy, different responsibilities, and a different scope. President Pataki asked Mr. Burns if feels the change is in keeping with what he sees with peer entities like ours. Mr. Burns said yes, and stated the Cooperative does a diligent job looking at independent third-party consultants who provide information on what other utilities pay.

15. [2020-466](#) **Draft Resolution - Approval and Review of Holiday Policy - W Burns**

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 Holiday 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: [2020-12-18 Holiday Policy Redline Draft](#)
 [2020-12-18 Holiday Policy Clean Draft](#)

Vice President of Human Resources, Wes Burns discussed the draft revision of the Holiday Policy, which outlines business operations and when we are closed for certain holidays we observe, and is another benefit to attract and retain the best talent to serve PEC. Director Graf asked what kind of changes were made to the policy. Mr. Burns indicated there were minor changes. He said previously, the policy referenced member services, which we now call the member relations department. Mr. Burns stated we did not introduce any new holidays. President Pataki stated a few years ago, at the suggestion of Vice President Akers, we added Good Friday as a PEC holiday, and asked if it was well-received by the employees. Mr. Burns stated the addition of the Good Friday holiday has been well received by all employees. President Pataki said the Board looks forward to voting on the policy next month.

16. [2020-467](#) **Draft Resolution - Approval of 2021 Key Performance Indicators Plan Methodology - E Dauterive**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2021 Key Performance Indicator Plan Methodology presented to the Board this day is approved; and

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

Attachments: [2021 KPI Plan Revisions Presentation.pdf](#)
[2021 KPI Plan Summary Revisions.pdf](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) presented the 2021 Key Performance Indicators Plan Methodology revisions stating the purpose of Key Performance Indicators (KPIs) is to provide an objective method for evaluating the degree of success with which PEC achieves identified performance targets. COO Dauterive provided a presentation and summary of the draft resolution and indicated next month he will present a final resolution for approval by the Board. Director Ekrut inquired if we were to have catastrophic weather is there anything built in where it is beyond the employees' control? COO Dauterive said yes that there are certain weather events both in duration, and time that are excluded from the SAIDI. Director Graf said it is a very well thought out plan. Director Ekrut inquired about the new proposed vehicle metrics asking the outcome if it were in place this year based on the accidents we had vs. the miles traveled. COO Dauterive estimated it would be about the same, indicating we are aligning the metrics with industry standards. President Pataki stated we definitely want to keep our focus on safety, and thanked COO Dauterive for his presentation.

17. [2020-464](#) **Draft Resolution - Approval of 2020 Capital Improvement Plan Budget Amendment for Purchase of Land and Improvements - Esperanza, Ridgmar, and Spanish Oak Substations - B Gedrich**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Board approve an amendment to the Cooperative's 2020 Capital Improvement Plan Budget as described herein for substation property and improvements for the Esperanza, Ridgmar and Spanish Oak substations; 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.

Mr. Brian Gedrich, Vice President of Engineering discussed the draft resolution stating there were challenges with the Esperanza land transfer, which caused the land cost to move into the 2020 budget. The Ridgmar and Spanish Oak substation projects were originally budgeted and expected to be completed in 2019. Due to delays, the projects and/or expenditures were not completed until 2020, since the cost was budgeted in 2019 and not in 2020, a budget amendment is required to pay LCRA in 2020. Mr. Gedrich indicated the last invoices were recently received and the cost is less than \$7 million in the final resolution, which is to be presented to the Board for approval next month. Director Graf inquired whether the cost covers all three substations to be paid in 2020. Mr. Gedrich confirmed it is, and indicated it is over budget. President Pataki asked if the timing will work out. Mr. Gedrich confirmed it will. President Pataki thanked Mr. Gedrich.

18. [2020-441](#) **Draft Resolution - Approval of Fleet Maintenance and Repair Contract - R Arellano**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approve a five (5) year Contract/Agreement with _____ for fleet maintenance and repair services not to exceed \$15,000,000.

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

Mr. Richard Arellano, Vice President of Support Services indicated the incumbent contract on the service is Penske and we are asking for a five-year contract valued at \$15 million. He said the RFP closes on December 22, 2020, and a selection will be made by January 8, 2021. Director Akers asked in relation to the last five years if the dollar amount is equal to, or is there a rise in the cost of repairs and maintenance? Mr. Arellano said we anticipate an increase, as the fleet is constantly increasing in size, and it does not become cheaper to maintain it. He said we need to have more vehicles because we have more employees in the field serving more meters. President Pataki recalled making some changes to how we run the program inquiring whether it is working well. Mr. Arellano stated we have had good results with the program. Director Oakley mentioned conversely, on some of the vehicles, is it worth a conversation to do some discovery on the cost to lease the vehicles with maintenance and repairs? Mr. Arellano said we get more value out of leasing vehicles than out of ownership. Director Oakley inquired if on the lease options does it come with maintenance built in? Mr. Arellano stated we have to maintain the vehicles ourselves, even in a leasing situation in the coming years, and would be performed in this contract. President Pataki stated the trucks look great when seen in the field. Mr. Arellano said he will present a final resolution next month requesting approval by the Board.

19. [2020-168](#) **Cost of Service Study - Fee Review Report - J Daniel/N Weaver, GDS & Associates**

Attachments: [2020-12-18 Cost of Service Study - Fee Review - J Daniel N Weaver GDS & Associates](#)

Mr. David Thompson, Vice President of Markets introduced Jim Daniel and Nick Weaver of GDS & Associates Inc. Engineers and Consultants. Mr. Jim Daniel presented via telephone providing an overview and analysis of PEC's tariff fees, including fees recommended to change, remove, or add. Mr. Thompson said the recommended fees to add, and other changes are directly from updating our cost to serve the membership. He indicated that the two fees added, align us with the standard utility practice, and do not generate revenue, but to recover our cost for unique situations. Director Ekrut reminded members that adjusting fees is not to generate income, but it is to make it fair for all members. President Pataki thanked Mr. Daniel and Mr. Weaver for the presentation.

Proposed Future Items / Meetings (subject to final posting)

20. [2020-446](#) **Resolution - Approval of Proposed Future Meetings**

Attachments: [Proposed 2021 Board Meeting Calendar 112320.pdf](#)

President Pataki discussed the proposed 2021 future Board meetings and noted the Board has a special meeting workshop to discuss Strategic Planning at PEC Headquarters on January 22, 2021.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

21. [2020-447](#) **Board Planning Calendar (Written Report in Materials)**

Attachments: [2020-12-18 Board Planning Calendar v.1.pdf](#)

President Emily Pataki stated that the proposed Board Meeting Planning Calendar was included in the meeting materials.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:21 a.m. stated the Board would go into Executive Session.

Executive Session - Legal Matters

22. [2020-448](#) **Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

[2020-449](#) **Litigation and Related Legal Matters - D Ballard**

[2020-452](#) **Resolution - Approval of 2021 Texas Legislative Positions - M Viesca/S Johnson**

Attachments: [2021 PEC Legislative Positions.pdf](#)

25. [2020-451](#) **Resolution - Approval of Authorization for Settlement of Litigation Matter(s) - D Ballard**

26. [2020-450](#) Resolution - Approval of Delegation of Authority to Chief Executive Officer to Implement Measures in Response to COVID-19 - J Parsley

Executive Session - Contract and Competitive Matters

- [2020-468](#) Resolution - Approval of Authorization for Amendments and Extensions to CoBank Loan Facilities for the Cooperative - R Kruger
- [2020-462](#) Resolution - Approval of Authorization for Long-Term Debt Financing for the Cooperative - R Kruger
- [2020-453](#) Resolution - Authorization to Negotiate and Execute Agreements for Construction of Control Center - J Parsley
30. [2020-389](#) Draft Resolution - Authorization of Filing Application with Public Utility Commission for Service Boundary Change or Exception to PEC Certificate of Convenience and Necessity - E Dauterive
31. [2020-454](#) Markets Monthly Report - D Thompson
32. [2020-435](#) Annual Review of Strategic Plan - E Pataki

Executive Session - Real Estate Matters

33. [2020-455](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - R Arellano
34. [2020-456](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - R Arellano
35. [2020-457](#) Real Estate Update - R Arellano

Executive Session - Safety and Security Matters

36. [2020-419](#) Emergency Operations Plan (EOP) Review - B Gedrich/B Headrick
37. [2020-458](#) Safety and Security Matters
38. [2020-465](#) Cyber Security Quarterly Update - S Stoppelmoor

Executive Session - Personnel Matters

39. [2020-459](#) Personnel Matters
- [2020-429](#) Resolution - Review and Approval of 2020 CEO Goals and Performance Evaluation - A Akers

Reconvene to Open Session

At 3:03 p.m., the Board reconvened to the open session meeting.

Items from Executive Session

The following agenda items were discussed in executive session and set for discussion in open session.

23. [2020-449](#) **Resolution - Approval of Authorization for Initiation of Litigation - D Ballard**

Body: **WHEREAS**, the Cooperative is a member-owned electric cooperative that institutes cost-based rates for its members;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative is authorized to initiate litigation against Capital Metropolitan Transportation Authority on the terms as described in Executive Session; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer, the General Counsel, or designees, each, is authorized to take all such other actions necessary to implement this resolution.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

24. [2020-452](#) **Resolution - Approval of 2021 Texas Legislative Positions - M Viesca/S Johnson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Legislative Positions presented or as modified by the Board this day, are approved; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is authorized to participate in legislative activities, as discussed in executive session this day, to benefit PEC Members; and

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

Attachments: [2021 PEC Legislative Positions.pdf](#)

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

27. [2020-468](#) **Resolution - Approval of Authorization for Amendments and Extensions to CoBank Loan Facilities for the Cooperative - R Kruger**

Body: **WHEREAS**, to continue to fund its capital improvement budget and operating budget in the next five-years and in the best interests of the Cooperative, the Cooperative requires an increase in its secured term loan, a decrease to its unsecured revolving credit facility, and amendments and extensions to both existing loan facilities with CoBank; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes the additional issuance or incurrence of long-term debt with CoBank in the aggregate principal amount up to \$125,000,000, which debt may be secured; and

BE IT FURTHER RESOLVED, that any amendments and extensions to the Term Loan Agreement dated as of November 17, 2016 (the "2016 Loan Agreement"), the 364-Day Revolving Credit Agreement dated as March 31, 2016 (the "Revolving Credit Agreement"), the issuance or amendment of any note or notes to evidence the Cooperative's obligations thereunder (including the issuance of additional or replacement notes), any amendments to the supplemental master indenture relating to the 2016 Loan Agreement and the related notes, and the certificates and other documents to be delivered in connection therewith (collectively, the "Financing Documents") are all hereby authorized and approved, and any Authorized Officer is hereby authorized to negotiate and approve the final terms of such Financing Documents, such approval to be evidenced by the execution and delivery thereof by any such Authorized Officer; and

BE IT FURTHER RESOLVED, that the President and Vice President of the Board and the Chief Executive Officer and Chief Financial Officer of the Cooperative (each an "Authorized Officer") are hereby each authorized (acting together or alone) in the name of and on behalf of the Cooperative to execute and deliver the Financing Documents, and the Secretary is hereby authorized to attest and to affix the Cooperative's seal thereto, if required; and

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized, empowered and directed from time to time to do and perform all acts and things and to execute, acknowledge and deliver, in the name and on behalf of the Cooperative all such documents, certificates, financing statements, instruments, and notices concerning the financing (including, without limitation, those required or permitted to be given to CoBank in connection with the Financing Documents) and other documents, whether or not herein mentioned, as they may determine to be necessary or desirable in order to carry out the terms and provisions of these Resolutions and of the Financing Documents, and to perform the obligations of the Cooperative under all instruments executed in connection with the Financing Documents, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document; and

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized and empowered from time to time to: (i) execute and deliver applications as may be required for borrowings under the Revolving Credit Agreement, (ii) make investments by the Cooperative in CoBank, as required by CoBank, (iii) extend the maturity of the Revolving Credit Agreement,

(iv) reborrow all or any part of the amounts repaid to CoBank under the Revolving Credit Agreement, in accordance with the terms thereof, (v) execute and deliver to CoBank a Master Agreement for Cash Management and Transaction Services and such other agreements, addenda, documents or instruments as may be required by CoBank if the Cooperative elects to use CoBank's electronic banking system; (vi) elect to use any services or products offered by CoBank relating to the Revolving Credit Agreement, including without limitation an automated clearing house (ACH) service, and execute and deliver any forms required by CoBank in connection therewith, (vii) direct, by written or telephonic instructions or electronically, the disposition of the proceeds of any loan made under the Revolving Credit Agreement or any property of the Cooperative at any time held by CoBank, and (viii) request by telephonic or written means or electronically, loan advances or other financial accommodations in connection with the Revolving Credit Agreement, and fix rates and agree to pay fees, in accordance with the terms of the Revolving Credit Agreement; and

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized and empowered from time to time to: (i) execute and deliver applications as may be required for borrowings under the 2016 Loan Agreement, (ii) make investments by the Cooperative in CoBank, as required by CoBank, (iii) extend the maturity of the 2016 Loan Agreement, (iv) reborrow all or any part of the amounts repaid to CoBank under the 2016 Loan Agreement, in accordance with the terms thereof, (v) execute and deliver to CoBank a Master Agreement for Cash Management and Transaction Services and such other agreements, addenda, documents or instruments as may be required by CoBank if the Cooperative elects to use CoBank's electronic banking system; (vi) elect to use any services or products offered by CoBank relating to the 2016 Loan Agreement, including without limitation an automated clearing house (ACH) service, and execute and deliver any forms required by CoBank in connection therewith, (vii) direct, by written or telephonic instructions or electronically, the disposition of the proceeds of any loan made under the 2016 Loan Agreement or any property of the Cooperative at any time held by CoBank, and (viii) request by telephonic or written means or electronically, loan advances or other financial accommodations in connection with the 2016 Loan Agreement, and fix rates and agree to pay fees, in accordance with the terms of the 2016 Loan Agreement; and.

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized and empowered from time to time to: (i) establish a Cash Investment Services Account at CoBank, (ii) make such investments therein as such officers deem proper and in the best interest of the Cooperative, (iii) direct by written or telephonic instructions or electronically, the disposition of proceeds held therein, and (iv) execute and deliver all documents and agreements necessary to carry out such authority; and

BE IT FURTHER RESOLVED, that the Board shall authorize and direct a delegate of the Cooperative to cast the ballot of the Cooperative in any and all proceedings in which the Cooperative is entitled to vote for the selection of a member of CoBank's board of directors or for any other purpose, as necessary; and

BE IT FURTHER RESOLVED, that any of the Authorized Officers are hereby expressly authorized and empowered from time to time to approve, execute and deliver on behalf of the Cooperative any amendments to the 2016 Loan Agreement or the Revolving Credit Agreement as such officer may determine to be necessary or desirable to, and in the best interests of, the Cooperative, such determination to be conclusively evidenced by the execution of any such amendment or supplement; and

BE IT FURTHER RESOLVED, that the execution by any of the Authorized Officers of any document authorized by the foregoing Resolutions or any document executed in the accomplishment of any action or actions so authorized, is (or shall become upon delivery) the enforceable and binding act and obligation of the Cooperative, without the necessity of the signature or attestation of any other officer of the Cooperative or the affixing of the corporate seal; and.

BE IT FURTHER RESOLVED, that all actions undertaken prior to the adoption of these Resolutions by any of the officers or representatives of the Cooperative in its name and for its account with CoBank in connection with the foregoing matters are hereby ratified, confirmed and adopted by the Board; and

BE IT FURTHER RESOLVED, that the Secretary of the Cooperative is hereby authorized and directed to certify to CoBank a copy of these Resolutions, and the Secretary or any one or more of the Authorized Officers may certify to CoBank the names and specimen signatures of the present Authorized Officers and, in the case of any future changes to any Authorized Officers, the fact of such changes and the name and specimen signature of the new Authorized Officers; and.

These Resolutions shall be effective on and from the date of their adoption, passage, and approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

28. [2020-462](#) **Resolution - Approval of Authorization for Long-Term Debt Financing for the Cooperative - R Kruger**

Body: WHEREAS, to continue to fund its capital improvement budget and operating budget in the next five-years and in the best interests of the Cooperative, the Cooperative requires commitments for long-term debt financings; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes the issuance or incurrence of long-term debt in the aggregate principal amount up to \$400,000,000, which debt may be secured under the Indenture by substantially all the assets of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE

COOPERATIVE, that the long-term debt authorized herein may include the issuance of bonds, notes or other obligations in one or more series or tranches on behalf the Cooperative (the issuance of which bonds, notes or other obligations is hereby approved), with the delivery of offering memoranda by the Cooperative to be offered through limited offerings or private-placements to accredited investors or qualified institutional buyers (the form, terms, provisions, and delivery of which offering memoranda are hereby approved), and may require obtaining a rating by a rating agency and certain documentation with the Depository Trust Company, each of which is hereby approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that Authorized Officers are hereby authorized to engage BofA Securities Inc. and/or one or more affiliates ("BofA"), and/or one or more other entities to serve as placement agents for such bonds or other long-term debt; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that such bonds, notes or other obligations will be secured under the Indenture and require the execution and delivery by the Cooperative of one or more Supplemental Indentures of Trust (each a "Supplement") to the Indenture, and the performance by the Cooperative of the transactions contemplated by each Supplement, and the form, terms, and provisions of each Supplement between the Cooperative and the Trustee is hereby approved in all respects, and any one or more of the Authorized Officers are hereby authorized to execute and deliver such Supplements on behalf of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the form, terms, and provisions of one or more loan agreements, credit agreements, note purchase agreements, bond purchase agreements, placement agreements, or other agreements providing for (or necessary in connection with) the issuance or incurrence of long-term debt, are hereby approved in all respects, and any one or more Authorized Officers of the Cooperative are hereby authorized to negotiate the final terms of such agreements, and to execute and deliver such agreements on behalf of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer and the Chief Financial Officer of the Cooperative or any person designated in writing for such purpose by either of such officers (the "Authorized Officers"), are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge the aforementioned documents and any other agreements that may be required with a credit bank, placement agent, purchaser, trustee, or depository institution, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to such documents or agreements or the long term financings described in this resolution, in each case in such form and containing such terms and conditions as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers (whether acting together or alone) shall be authorized from time to time to negotiate, execute and deliver renewals, extensions, supplements and/or amendments to any of the aforementioned documents, in each case as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers are each hereby 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 judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolutions; 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 Graf, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

29. [2020-453](#) Resolution - Authorization to Negotiate and Execute Agreements for Construction of Control Center - 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 designee, to investigate, negotiate, execute, and deliver such agreements as necessary for the construction of a control center for PEC's transmission or distribution facilities within the limits of the Delegation of Authority as discussed in 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 such actions as needed to implement this resolution.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

40. [2020-429](#) Resolution - Review and Approval of 2020 CEO Goals and Performance Evaluation - A Akers

Body: **WHEREAS**, an effective Chief Executive Officer Performance Evaluation Process is a key factor in creating and maintaining a strong and effective relationship between the Pedernales Electric Cooperative Board of Directors and the Chief Executive Officer;

WHEREAS, the CEO's performance evaluation is based on the achievement of goals, the achievement of current year's objectives, and the fulfillment of the Chief Executive Officer's management responsibilities; and

WHEREAS, the Board of Directors conducted its annual performance evaluation of the CEO this day;

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS that the CEO's performance evaluation and bonus compensation are approved as discussed this day in Executive Session.

A motion was made by Vice President Akers, seconded by Secretary/Treasurer Rister, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:05 p.m.

Approved:

Milton Rister, Secretary

Emily Pataki, President