



# Pedernales Electric Cooperative

PO Box 1  
Johnson City, TX 78636

## Meeting Minutes - Draft

### Audit Committee

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Tuesday, April 6, 2021

9:00 AM

PEC Headquarters Auditorium

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201 S. Ave F, Johnson City, TX 78636

Open Session of this Audit Committee Meeting is held in the PEC Auditorium and will be audio recorded in accordance with Board Meetings Policy. To address COVID-19 safety and health concerns, PEC continues to operate in-person meetings pursuant to CDC guidelines, including spacing and social distancing. Consequently, dependent on spacing availability and number of persons attending the meeting, members may be asked to participate in-person for limited periods of time. This will allow members who want to attend in-person to do so.

#### Call to Order and Roll Call

**Present:** 3 - Paul Graf, Travis Cox and James Oakley

#### Adoption of Agenda

The agenda was adopted as posted and without objection.

#### Minutes Approval

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

1. [2021-119](#) **Wednesday, September 23, 2020 - Audit Committee Meeting Minutes**

**Attachments:** [2020-09-23 Open Session - Audit Committee Meeting Minutes - draft v.4.pdf](#)

**Member Comments - 3-minute limitation, or as otherwise directed by Board. Additionally, members may provide comments by sending their input to [PECBoard@peci.com](mailto:PECBoard@peci.com).**

2. [2021-148](#) **Member Comments**

**Attachments:** [Decorum Policy 10 2020.pdf](#)

There were no member comments.

#### Recess to Executive Session

Director Graf announced the items to be discussed in Executive Session and at 9:05 a.m. stated the Audit Committee would go into Executive Session.

#### Executive Session - Legal Matters

3. [2021-149](#) **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**

4. [2021-150](#) **Presentation of 2020 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - K Gast, CPA**
- [2021-151](#) **Resolution - Recommendation of Acceptance of 2020 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - K Gast, CPA**
- [2021-152](#) **Resolution - Recommendation to Approve the Selection of Independent Auditor and Tax Services**

**Reconvene to Open Session**

At 11:11 a.m., the Audit Committee reconvened to the open session meeting.

**Items from Executive Session**

5. [2021-151](#) **Resolution - Recommendation of Acceptance of 2020 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - K Gast, CPA**

**Body:** **BE IT RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Audit Committee hereby approves a recommendation for acceptance of the Independent Auditor's Report and Financial Statements for the fiscal year ending December 31, 2020, as the Independent Auditor's Report and Financial Statements ("Financial Statements"); and

**BE IT FURTHER RESOLVED BY THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Chief Financial Officer of the Cooperative, or designee, present the Independent Auditor's Report and Financial Statements for the fiscal year ending December 31, 2020, at its next Regular Board Meeting on April 23, 2021, for the full Board's consideration and approval.

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

**Yes:** 3 - Chairperson Graf, Director Cox and Director Oakley

6. [2021-152](#) **Resolution - Recommendation to Approve the Selection of Independent Auditor and Tax Services**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE PEC BOARD OF DIRECTORS ("Board") AUDIT COMMITTEE ("Committee")**, that the Audit Committee recommends to the Board of Directors the selection and retention of Bolinger, Segars, Gilbert & Moss, L.L.P. as the Cooperative's independent

auditor and tax professional for the fiscal year 2021 audit;

**BE IT FURTHER RESOLVED** that any audit partner of any audit firm selected serve for up to a five (5) year term, and

**BE IT FURTHER RESOLVED** that this recommendation be forwarded to the Board for consideration at its next Regular Meeting; and

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

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

**Yes:** 3 - Chairperson Graf, Director Cox and Director Oakley

### **Adjourn**

There being no further business to come before the Audit Committee, the meeting was adjourned at 11:13 a.m.

Approved:

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Paul Graf, Audit Committee Chairman