

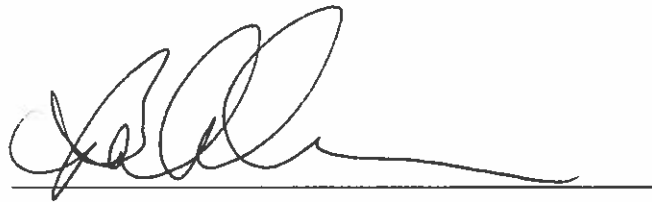
**Pedernales Electric Cooperative
Employees' 401(k) Savings Plan
Employees' Defined Benefit Retirement Plan
Activity Report
of
PEC Plan Administration Committee
to
Board of Directors
September 17, 2021**

The PEC Plan Administration Committee ("Committee") was appointed by the Board of Directors of Pedernales Electric Cooperative to be the fiduciary committee for the Pedernales Electric Cooperative Employees' 401(k) Savings Plan ("401(k) Plan") and the Pedernales Electric Cooperative Employees' Defined Benefit Retirement Plan ("Pension Plan") (collectively "Plans"). This report is provided periodically to inform the Board of Directors, at a high level, of the fiduciary activities of the Committee.

The Committee actively carried out its responsibilities during the 12-month period from July 1, 2020 to June 30, 2021 (Reporting Period), taking the following actions, among others:

1. The Committee met 4 times—quarterly—during the Reporting Period.
2. Bernie Dawson continued to be the Committee chairperson during the Reporting Period.
3. At each regular quarterly meeting, the Committee's independent investment advisor, and investment co-fiduciary, provided detailed reporting on the investments offered in the Plans. This reporting included a review of the following elements, among others: (a) any matters affecting the Plans' investment firms, (b) any matters affecting the investment managers and their staff, (c) any variance from the investment manager's stated investment style, (d) performance of the investments relative to peers and an appropriate benchmark, (e) risk and (f) costs.
4. Working with its independent investment advisor, the Committee reviewed the underlying investments that make up the age-based target retirement funds used in the 401(k) Plan.
5. Working with its independent investment advisor, the Committee added an additional age vintage to the 401(k) Plan's age based target date fund array.

6. Working with its independent investment advisor, the Committee conducted a fee benchmarking of the fees charged by the Plans' recordkeeper, resulting in reduced fees.
7. Working with its independent investment advisor, the Committee considered less expensive alternate share classes of the investments offered in the 401(k) Plan. The Committee moved to a less expensive collective trust of the Plan's target date fund array.
8. Working with its independent investment advisor, the Committee conducted a periodic review of the investment policy statement for the 401(k) Plan, making minor adjustments.
9. The Committee received a report on the amount of revenue sharing received by Milliman the plan recordkeeper and allocated back to plan participants' accounts, confirming that the amounts matched.
10. The Committee received fiduciary training.
11. The Committee conducted a periodic review of its Statement of Responsibilities.
12. The Committee received a report on the results of the most recent financial statement audits of the Plans, which are filed with the annual Forms 5500.
13. The Committee received periodic reports from the Plan recordkeeper on plan administration operations and participant behavior and communications. The Committee also received a report on the recordkeeper's cybersecurity processes.
14. At each meeting the Committee received an update on legal and regulatory developments that affect ERISA, the law covering the Committee and the Plans.
15. Minutes were kept of each meeting along with all materials reviewed at the meeting.



Bernie Dawson, Committee Chair

8/24/2021

Date signed