



## **Meeting Minutes - Final**

### **Board of Directors**

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**Monday, April 16, 2018**

**9:00 AM**

**PEC Headquarters Auditorium**

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Open Session of this Regular Meeting was held in the PEC Auditorium and was video recorded in accordance with Board Meetings Policy. Members were able to watch this meeting by livestream from the PEC website at <http://www.pec.coop/boardvideos>

#### **Call to Order and Roll Call**

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

#### **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. [2018-142](#) **Thursday, March 8, 2018 - Special Meeting Minutes**

**Attachments:** [2018-03-08 Minutes Emergency Meeting draft 2](#)

Consent item approved.

2. [2018-141](#) **Monday, March 19, 2018 - Regular Meeting Minutes**

**Attachments:** [2018-03-19 Regular Minutes - draft2](#)

Consent item approved.

#### **Cooperative Monthly Reports**

3. [2018-143](#) **Cooperative Update - J Parsley**

**Attachments:** [2018-04-16 Cooperative Update- Final](#)

CEO Julie Parsley reviewed the Cooperative Update PowerPoint presentation, which included an introduction of the Senior Leadership Team.

**4. [2018-144](#) Financial Services Report - F Wolff**

**Attachments:** [2018-04-16 March 2018 Financial Statements](#)  
[2018-04-16 March 2018 Financial Presentation to the Board](#)

CFO Freddy Wolff reviewed the Financial Services Report PowerPoint presentation.

**5. [2018-145](#) Operations Report (written report in materials)**

**Attachments:** [2018-04-16 Operations Report Final](#)

COO Eddie Dauterive stated the Operations Report was included in the package materials and highlighted accidents, system growth, internal lineman rodeo, member services statistics, solar community challenges, battery project, and line extension policy review. Staff answered questions regarding Advanced Metering Infrastructure (AMI), contracts, and engineering substation projects.

**Member Comments (3 minute limitation or as otherwise directed by Board)****6. [2018-146](#) Member Comments**

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

There were no members wanting to address the Board.

**Action Items / Other Items****7. [2018-132](#) Qualifications and Elections Committee (QEC) Report Recommendation of Qualified Candidates - L Hull, QEC Representative**

Qualifications and Elections Committee (QEC) representative Larry Hull stated that this was his third year to serve on the QEC and expressed appreciation of the Board's support for the committee. Mr. Hull reported that the QEC had a detailed review of the candidate information along with healthy discussions through the process. On behalf of the QEC, Mr. Hull presented the following names as qualified candidates to be placed on the 2018 PEC Director Election ballot: District 1 Candidates - Frank Haskell, Milton Rister, Donna Holland Wilcox; District 6 Candidates - Andrew W. Cable, Paul Graf; District 7 Candidates - Amy Lea SJ Akers, Travis Cox.

8. [2018-130](#)      **Resolution - Approval of Director Candidates for 2018 Pedernales Electric Cooperative Board of Director's Election Ballot - D Ballard**

**Body:** **WHEREAS**, the Pedernales Electric Cooperative's (the "Cooperative") Qualifications and Elections Committee met and verified the qualifications of Director Nominees on April 4, 2018 and presented those certified Nominees to the Board of Directors of the Cooperative on this day;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the following individuals are Qualified Candidates and are approved for inclusion on the 2018 election ballot in the order previously determined by random drawing of the Nominees:

**District 1 Candidates**

Donna Holland Wilcox  
Milton Rister  
Frank Haskell

**District 6 Candidates**

Paul Graf  
Andrew W. Cable

**District 7 Candidates**

Travis Cox  
Amy Lea SJ Akers

**BE IT FURTHER RESOLVED** that the General Counsel, or designee, is authorized to take such actions as needed to implement this resolution.

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

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

**9. [2018-131](#) Resolution - Approval and Certification of 2018 Ballot - D Ballard**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the 2018 Election Ballots are approved and certified as presented this day, including the Qualified Candidates for Director Election in their respective Director Districts; and

**BE IT FURTHER RESOLVED** that the Board approves the following Non-Director Election item to be included on the 2018 Election Ballots:

**Members' option to voluntarily participate in PEC Power of Change program**

*Please mark the circle if you wish to participate:*

*Yes, I want to enroll in PEC Power of Change and round up my electric bills for all accounts to the nearest whole dollar to support local non-profit organizations and the educational support program. Participation is voluntary, and I can withdraw at any time. Learn more at [www.pec.coop/powerofchange](http://www.pec.coop/powerofchange).*

**BE IT FURTHER RESOLVED** that the General Counsel is directed to take all necessary actions to implement this resolution and prepare the 2018 Election Ballots with the Election Services Provider.

General Counsel Don Ballard reviewed the 2018 ballot which would include the candidate names as approved in the previous resolution. Mr. Ballard reported that candidate names would be listed on the ballot in the order as drawn at the Candidate Orientation held last week. Mr. Ballard stated that the draft resolution language also included the Power of Change option for consideration. The Board and staff discussed the proposal of including Power of Change language on the ballot.

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

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

**10.     [2018-121](#)     Resolution - Approval of 2018 Annual Meeting Agenda - S Romero**

**Body:** **BE IT RESOLVED BY THE BOARD** that the Board approves the agenda for the 2018 Annual Meeting as submitted to and discussed by the Board at its regular meeting held on April 16, 2018, with such changes as were discussed and approved by the Board;

**BE IT FURTHER RESOLVED BY THE BOARD** that the Chief Executive Officer, or designee, is hereby authorized to publish the approved agenda to all members, and the President of the Board is authorized and directed to conduct the order of business at the Annual Meeting in accordance with the approved agenda.

**Attachments:** [2018-03-19 Annual Meeting Agenda - Draft v1](#)

President Emily Pataki asked that along with this item the Board also discuss item 19 on the agenda in regards to rescheduling the June Regular Board Meeting to the same date as the Annual Meeting.

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

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

**[2018-140](#)     Resolution - Approval to Reschedule June 2018 Regular Board Meeting**

**Body:** **BE IT RESOLVED BY BOARD OF DIRECTORS OF THE COOPERATIVE**, that the 2018 Regular Board Meeting of the Pedernales Electric Cooperative, Inc. (PEC) for the month of June be rescheduled to Saturday, June 23, 2018 immediately following the Annual Membership 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.

**A motion was made by Director Graf, seconded by President Pataki, that this item be adopted. The motion carried by the following vote:**

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

11. [2018-129](#) **Presentation of 2017 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - Robert Cobb, BSGM**

Attachments: [2018-04-16 Pedernales Audit Report 2017 Working Draft](#)  
[2018-04-16 Pedernales Electric Cooperative SAS 114 Working Draft](#)

Audit Committee Chairperson Paul Graf stated that the Audit Committee reviewed the audit and would be recommending acceptance of the audit. Acting Chief Financial Officer Freddy Wolff introduced Robert Cobb, Managing Partner of Bolinger, Segars, Gilbert and Moss, LLP (BSGM), who has been the lead partner on the Cooperative's audit for the last five years. Mr. Wolff reported that Casey Archer was the first female partner with their firm, had been on the BSGM team working on PEC's audit in past years, and would be the lead partner on next year's audit. Mr. Cobb reviewed the schedule of work; reported that the firm issued an unmodified opinion also known as a clean audit opinion on the Cooperative's 2017 financial statements for year ended December 31, 2017; answered a question regarding pending RUS loan application; and reviewed highlights of the financial statements.

12. [2018-067](#) **Resolution - Approval of Acceptance of 2017 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - F Wolff**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board of Directors hereby approves the draft Independent Auditor's Report and Financial Statements for the fiscal year ending December 31, 2017, in the form attached hereto, as the draft Independent Auditor's Report and Financial Statements ("Financial Statements"); and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**

that the Chief Financial Officer or Acting Chief Financial Officer of the Cooperative, or his designee, and the Cooperative's accountants are authorized to publish the Financial Statements as the draft and official Financial Statements of the Cooperative for fiscal year ending December 31, 2017.

Attachments: [2018-04-16 2017 Final Issued SAS 114 - F Wolff and R Cobb](#)  
[2018-04-16 2017 Final Issued Audit Report - F Wolff and R Cobb](#)

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

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

**13.     [2018-139](#)     Upcoming Feature of Honor Flight Austin - J Powers**

**Attachments:**   [2018-4-16 Honor Flight Austin](#)

Communications and Marketing Director Clinton Lancaster reported on conversations with representatives from Honor Flight Austin and reviewed the Honor Flight Austin Feature Story PowerPoint presentation, which provided an overview of how PEC would highlight this program in various upcoming communication platforms.

**14.     [2018-155](#)     Draft Resolution - Approval of Bylaws Amendment Regarding Board Vote Required for Customer Choice Resolution - D Ballard**

**Body:**   **NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative approve this amendment to the Bylaws in the form attached with modifications, if any, made this day by the Board; and

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

**Attachments:**   [2018-04-16 Bylaws Amendment - Customer Choice - Redline Draft v1](#)

General Counsel Don Ballard stated the proposed draft resolution for a bylaws amendment regarding board vote required for Customer Choice would allow the Board to consider a higher threshold vote should the Board want to take up the topic. Mr. Ballard answered questions regarding voting requirement precedence, irrevocable position of opting into retail competition, and benefits of strengthening voting requirements. Directors shared their thoughts on changing voting requirements and the topic of Customer Choice. Director Randy Klaus proposed language in Section 4B which reads "upon a vote by a majority plus one of all the then current directors," be changed to "upon a vote of not less than the numerical result of 3/4 of all directors". General Counsel Don Ballard stated that new draft resolution would be presented to the Board next month, after discussing acceptable resolution language with Directors Randy Klaus and Cristi Clement.

At 10:22 am President Emily Pataki announced a short break and the meeting reconvened at 10:38 am.

15. [2018-111](#) **Draft Resolution - Approval of StormGEO Weather Monitoring Contract Extension - E Dauterive**

**Body:** BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the service contract for StormGEO Weather Monitoring Contract, be amended to extend the contract for an additional 5 years; 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:** [2018-04-16 Resolution 2018-111 StormGeo Approval](#)

COO Eddie Dauterive reviewed the StormGEO Weather Monitoring PowerPoint presentation and stated that the proposed resolution would be presented at next month's meeting for the Board's consideration. Mr. Dauterive recognized the team under Operations, which includes Wayne McKee, Richard Arellano, Tim Nance, and Mike Davis. CEO Julie Parsley and Mr. Dauterive expressed their appreciation to Paul Lochte for his service as interim VP of Engineering.

16. [2018-122](#) **2018 Election Timeline Update (written report in materials)**

**Attachments:** [2018 Election Timeline - Final w highlights for 2018-04-19](#)

President Emily Pataki reported that 2018 Election Timeline was included in meeting materials and highlighted the Board's approval of the director candidates for the ballot. General Counsel Don Ballard stated that all PEC members were invited to attend the Candidate Forum at 5:30 pm on Thursday, April 19 in the PEC Auditorium, where they could meet the candidates and submit questions to be asked by the moderator.

17. [2018-137](#) **Review NRECA Resolution Process - G Carter-Thomas**

**Attachments:** [2018-04-16 Review NRECA Resolution Process](#)

Legislative Affairs Director Gili Carter-Thomas reported that June 15 was the deadline for introduction of any new resolutions or amendments to current resolutions in the NRECA resolution process. Ms. Carter-Thomas suggested that the Board review the Compendium and place this item on the May agenda to review any suggestions. Ms. Carter-Thomas reported that the resolutions could be watched live on June 22nd for determination of which were chosen as options. In response to director inquiry, Ms. Carter-Thomas stated that particular topics discussed at recent meetings included broadband, farm bill, retirement system, and cyber security.

18. [2018-120](#) **Enterprise Risk Management (ERM) Program Quarterly Report - H Baca**

**Attachments:** [2018-04-16 Enterprise Risk Management \(ERM\) Program Quarterly Report](#)

Strategy Execution Architect Heather Baca reviewed the Enterprise Risk Management Update PowerPoint presentation.



**Proposed Future Items / Meetings (subject to final posting)****19.     [2018-147](#)     List of Proposed Future Meetings**

**Attachments:**   [2018-04-01 Proposed Future Meetings - v1](#)

President Emily Pataki reported that the June Regular Board Meeting was moved to the same day as the Annual Meeting.

**20.     [2018-148](#)     Board Meeting Planning Calendar (written report in materials)**

**Attachments:**   [2018-04-16 Board Planning Calendar v4](#)

President Emily Pataki stated that the Board Meeting Planning Calendar information was included in meeting materials. Ms. Pataki reported that line extension policy discussions were continuing and it would be a future agenda item as well.

**Recess to Executive Session**

President Emily Pataki announced the items to be discussed in Executive Session and at 10:49 am stated the Board would go into Executive Session.

**Executive Session - Legal Matters****21.     [2018-149](#)     Litigation and Related Legal Matters****22.     [2018-150](#)     Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services****23.     [2018-133](#)     Report on Liability, Property and Casualty Insurance - A Hagen****24.     [2018-136](#)     Legislative Update and Interim Legislative Charges - J Parsley**

25. [2018-126](#) Resolution - Approval of Authority Regarding Terms and Conditions in Facilities Lease and Transmission Operations Agreement - A Hagen

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 designees, to deliver such notices as may be required by the facilities lease or the transmission operations agreement, and to negotiate, execute, and deliver such amendments, agreements, confirmations or certificates necessary or appropriate in such person's reasonable discretion; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,** that the Chief Executive Officer, or designees, are authorized to take such actions as needed to implement this resolution.

26. [2018-134](#) Discussion of 2018 Board Assessment - S Romero

Executive Session - Contract and Competitive Matters

27.     [2018-099](#)     **Resolution - Approval and Authorizing a Loan Agreement with National Rural Utilities Cooperative Finance Corporation (CFC), a Supplemental Indenture and Note - F Wolff**

**Body:** **NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative obtain the Loan from CFC and enter into the Loan Agreement, subject to approval of the final terms of such document by one or more Authorized Officers.

**BE IT FURTHER RESOLVED**, that the Cooperative issue the Series 2018 Notes as Additional Obligations under the Indenture to evidence and secure the obligations of the Cooperative with respect to the Loan, subject to the approval of the final terms of such documents by one or more Authorized Officers.

**BE IT FURTHER RESOLVED**, that the amount outstanding at any time under the Loan Agreement with respect to the Loan shall be an amount up to \$100,000,000.

**BE IT FURTHER RESOLVED**, that the Board hereby finds that it is in the best interest of the Cooperative to authorize and approve the execution and delivery of the Financing Documents (as defined herein) and the approval of the final terms of the Loan Agreement and the Series 2018 Notes, and the certificates, orders and other documents to be delivered in connection therewith (collectively, the "Financing Documents") by any Authorized Officer shall be evidenced by the execution and delivery thereof by any such Authorized Officer.

**BE IT FURTHER RESOLVED**, that the President and Vice President of the Board and the Chief Executive Officer, Chief Financial Officer, or Acting 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.

**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 the Trustee or CFC 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 Loan, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document.

**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 Seventh Supplemental Indenture, the Loan Agreement or the Series 2018 Notes 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.

**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.

**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 CFC in connection with the foregoing matters are hereby ratified, confirmed and adopted by the Board.

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

- 28.     [2018-156](#)     **Discussion of Financial Audit, Financial Planning, and Risk Management Strategies - F Wolff**
- 29.     [2018-116](#)     **Automated Metering Infrastructure Technology Update - J Donley**
- 30.     [2018-125](#)     **Power Supply LCRA Business Planning Update - D Thompson**

**Executive Session - Real Estate Matters**

- 31.     [2018-151](#)     **Facilities and Real Estate Update - E Dauterive**

**Executive Session - Safety and Security Matters**

- 32.     [2018-152](#)     **Safety and Security Matters**
- 33.     [2018-138](#)     **Cyber Security Update - L Parnell**

**Executive Session - Personnel Matters**

34. [2018-071](#) Resolution - Approval for Amendment to Insurance Continuation Program - C Armstrong

**Body:** NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the amendment to the Insurance Continuation Program ("ICP") presented is hereby approved and that the Chief Executive Officer of the Cooperative, or designees, be authorized and directed to execute such amendment and to take any and all other actions necessary or desirable to carry out the directives of this resolution and to maintain the ICP's compliance with any applicable federal or state legal requirement; 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.

**Attachments:** [2018-04-16 First Amendment to the PEC Insurance Continuation Program Signed](#)

35. [2018-153](#) Personnel Matters Update

Reconvene to Open Session at 2:56 pm

Items from Executive Session

[2018-126](#) Resolution - Approval of Authority Regarding Terms and Conditions in Facilities Lease and Transmission Operations Agreement - A Hagen

**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 designees, to deliver such notices as may be required by the facilities lease or the transmission operations agreement, and to negotiate, execute, and deliver such amendments, agreements, confirmations or certificates necessary or appropriate in such person's reasonable discretion; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer, or designees, are authorized to take such actions as needed to implement this resolution.

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

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

[2018-099](#)

**Resolution - Approval and Authorizing a Loan Agreement with National Rural Utilities Cooperative Finance Corporation (CFC), a Supplemental Indenture and Note - F Wolff**

**Body:** **NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative obtain the Loan from CFC and enter into the Loan Agreement, subject to approval of the final terms of such document by one or more Authorized Officers.

**BE IT FURTHER RESOLVED**, that the Cooperative issue the Series 2018 Notes as Additional Obligations under the Indenture to evidence and secure the obligations of the Cooperative with respect to the Loan, subject to the approval of the final terms of such documents by one or more Authorized Officers.

**BE IT FURTHER RESOLVED**, that the amount outstanding at any time under the Loan Agreement with respect to the Loan shall be an amount up to \$100,000,000.

**BE IT FURTHER RESOLVED**, that the Board hereby finds that it is in the best interest of the Cooperative to authorize and approve the execution and delivery of the Financing Documents (as defined herein) and the approval of the final terms of the Loan Agreement and the Series 2018 Notes, and the certificates, orders and other documents to be delivered in connection therewith (collectively, the "Financing Documents") by any Authorized Officer shall be evidenced by the execution and delivery thereof by any such Authorized Officer.

**BE IT FURTHER RESOLVED**, that the President and Vice President of the Board and the Chief Executive Officer, Chief Financial Officer, or Acting 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.

**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 the Trustee or CFC 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 Loan, such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such document.

**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 Seventh Supplemental Indenture, the Loan Agreement or the Series 2018 Notes 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.

**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.

**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 CFC in connection with the foregoing matters are hereby ratified, confirmed and adopted by the Board.

These Resolutions shall be effective on and from the date of their adoption, passage, and 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 - Clement, Klaus, Powers, Oakley, Graf, Akers, and Pataki

[2018-071](#)

**Resolution - Approval for Amendment to Insurance Continuation Program - C Armstrong**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the amendment to the Insurance Continuation Program ("ICP") presented is hereby approved and that the Chief Executive Officer of the Cooperative, or designees, be authorized and directed to execute such amendment and to take any and all other actions necessary or desirable to carry out the directives of this resolution and to maintain the ICP's compliance with any applicable federal or state legal requirement; 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.

**Attachments:** [2018-04-16 First Amendment to the PEC Insurance Continuation Program Signed](#)

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

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

**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:58 pm.

Approved:

\_\_\_\_\_  
Amy Akers, Secretary

\_\_\_\_\_  
Emily Pataki, President