



## **Meeting Minutes - Final**

### **Board of Directors**

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**Monday, February 19, 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**

A moment of silence was observed for those affected by the Florida shooting.

**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. [2018-034](#) **Friday, January 19, 2018 - Regular Meeting Minutes**

**Attachments:** [2018-01-19 Regular Minutes - draft1](#)

Consent item approved.

#### **Cooperative Reports**

2. [2018-003](#) **Cooperative Update - J Parsley**

**Attachments:** [2018-02-19 Cooperative Update](#)

CEO Julie Parsley reviewed the Cooperative Update PowerPoint presentation which included recognition of the Cooperative reaching 300,000 active accounts as of December 1, 2017. Staff answered questions regarding phone scams and the overall status of the Cooperative's offices and staff.

**3.     [2018-004](#)     Financial Services Report - T Golden**

**Attachments:**   [02-19-2018 - December 2017 Financial Presentation to the Board](#)  
                          [2018-02-19 - December 2017 Financial Statements to Board](#)

CFO Tracy Golden reviewed the Financial Services Report PowerPoint presentation. Staff answered questions regarding the transmission cost of service (TCOS) savings with deployment of community solar, and the factors causing increase to the cost of power amount.

**4.     [2018-037](#)     Information Technology Report - L Parnell**

**Attachments:**   [2018-02-19 Information Technology Report](#)

CIO Lawanda Parnell highlighted the progress in Phase III of the Contact Center project as included in the meeting materials. Ms. Parnell answered questions regarding staffing for chat responses and the growth of the cyber security business.

**5.     [2018-038](#)     Operations Report - E Dauterive**

**Attachments:**   [2018-2-19 Operations Report Final v2](#)

COO Eddie Dauterive reviewed the Operations PowerPoint presentation highlighting the focus on safety awareness in 2018. Director Paul Graf acknowledged staff's work to improve SAIDI numbers.

**Member Comments (3 minute limitation or as otherwise directed by Board)****6.     [2018-039](#)     Member Comments**

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

There were no members wanting to address the Board.

**Action Items / Other Items****7.     [2018-032](#)     Resolution - Approval of TEC 2018 Annual Membership Dues - J Parsley**

**Body:**   **RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE,**  
that Texas Electric Cooperatives (TEC) membership and associated membership dues for 2018 in the amount of \$166,642.33 are approved, and the Chief Executive Officer of the Cooperative, or designee, is authorized to pay those dues pursuant to the invoice duly presented to the Cooperative.

**Attachments:**   [2018-02-19 TEC Membership Dues-B](#)

CEO Julie Parsley reviewed the proposed resolution for the approval of TEC 2018 annual membership dues.

**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 - Clement, Klaus, Powers, Oakley, Graf, Akers, and Pataki

8. [2018-040](#) **Resolution - Approval of Appointments to 2018 Qualifications and Elections Committee - D Ballard**

**Body:** **WHEREAS**, the Bylaws of the Cooperative require the Board to appoint a Qualifications and Elections Committee ("the Committee") to review and determine the qualifications of applicants who wish to be candidates for election to the Board, and in accordance with the Cooperative's Election Policy and Procedures;

**NOW, THEREFORE, BE IT RESOLVED**, that the following individuals are appointed to serve on the Qualifications and Elections Committee for the 2018 Election:

1. Mayor Mary Ann Raesener
2. Cliff Hahn
3. Eric Stratton
4. Pete Slover
5. Mayor Joe Bain
6. Larry Hull
7. Margaret Peggy Jones; and

**BE IT FURTHER RESOLVED**, that the following individuals are appointed as alternates to serve on the Qualifications and Elections Committee for the 2018 Election should an appointed member be unable to serve:

1. *(no alternate)*
2. *(no alternate)*
3. Judy Lawler Pokorny
4. *(no alternate)*
5. *(no alternate)*
6. *(no alternate)*
7. Lucinda Jeanean Vallie; and

**BE IT FURTHER RESOLVED**, that the Committee will elect its own officers (Chair and Secretary), and will have access to information gathered from various sources, including the Candidates themselves, public records, and the Cooperative; and

**BE IT FURTHER RESOLVED**, that the Cooperative will provide legal counsel and staff support; and

**BE IT FURTHER RESOLVED**, that the Committee should conduct Meetings as often as the Committee determines that they are needed to perform the review of Candidate applications, and these meetings may be conducted by phone or at a place of the Committee's choosing; and

**BE IT FURTHER RESOLVED**, that Committee members are paid \$100 for each telephonic or live meeting lasting more than one hour; the Cooperative will reimburse mileage and reasonable meal expenses incurred by Committee members in the course of their service; and provide indemnification and

protection from liability for Committee Members serving in that capacity as provided for in the PEC Bylaws; and

**BE IT FURTHER RESOLVED**, that the General Counsel, or designee, is authorized and directed to take all actions necessary to implement this resolution.

General Counsel Don Ballard reviewed the proposed resolution for the approval of appointments to the 2018 Qualifications and Elections Committee.

**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

9. [2018-010](#) **Draft Resolution - Approval of Pre-Pay Residential and Farm/Ranch Payment Plan - Tariff and Business Rules Amendment - N Mack**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve this amendment to the Tariff and Business Rules as attached hereto to become effective as of May 1, 2018; and

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

**Attachments:** [2018-02-19 Draft Resolution - Approval of Pre-Pay Residential and Farm - Ranch Payment Plan- Tariff and Business Rules Amendment- N Mack v2](#)  
[2018-02-19 Pre-paid Payment Option Tariff and Business Rules Amendment N Mack v3](#)  
[2018-02-19 Draft Resolution - Approval of Pre-Pay Residential and Farm - Ranch Payment Plan- Tariff and Business Rules Amendment- N Mack v5](#)  
[2018-02-19 Pre-paid Payment Option Tariff and Business Rules Amendment N Mack v4](#)

Rates and Pricing Manager Natalia Mack reviewed the Approval of Pre-Pay Residential and Farm - Ranch Payment Plan Tariff and Business Rules Amendment PowerPoint presentation. Staff answered questions regarding remote connect/disconnect meters installations, advance metering infrastructure (AMI) installations, member read meters, targeted meter installation in high turnover areas, automatic account drafts, and communication of monthly charges.

10. [2018-042](#) **Cooperative Solar Rate Option Update - B Clark**

**Attachments:** [2018-02-19 Cooperative Solar Rate Option Update v2](#)

Manager of Energy Services Brad Clark reviewed the Cooperative Solar Rate Option Update PowerPoint presentation.

**11.     [2018-047](#)     Results of Key Performance Indicator (KPI) 2017 P2 - H Baca**

**Attachments:**   [2018-2-19 KPI Results 2017 P2 Final v2](#)

Strategy Execution Architect Heather Baca reviewed the 2017 Key Performance Indicator Results (P2) PowerPoint presentation.

**12.     [2018-052](#)     2018 Election Timeline Update (written report in materials)**

**Attachments:**   [2018-02-19 Election Timeline - Final w highlights for 2018-02-19](#)

President Emily Pataki stated that the 2018 Election Timeline Update was included in the meeting materials.

**Proposed Future Items / Meetings (subject to final posting)****13.     [2018-057](#)     List of Proposed Future Meetings**

**Attachments:**   [2018-02-01 Proposed Future Meetings - v1](#)

President Emily Pataki stated that the proposed Board meeting dates were included in the meeting materials.

**14.     [2018-058](#)     Board Meeting Planning Calendar (written report in materials)**

**Attachments:**   [2018-02-01 Board Planning Calendar v1](#)

President Emily Pataki stated that the 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 10:18 am stated the Board would go into Executive Session.

**Executive Session - Legal Matters****15.     [2018-044](#)     Litigation and Related Legal Matters****16.     [2018-054](#)     Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services****17.     [2018-021](#)     Ethics and Compliance Quarterly Update - J Christiansen****Executive Session - Contract and Competitive Matters****18.     [2018-012](#)     Transmission Business Review and Cost of Service - J Parsley**

19. [2018-061](#) Energy Management Planning and Power Supply Contract Options - T Golden

**Executive Session - Real Estate Matters**

20. [2018-051](#) Draft Resolution - Determination and Approval of Necessity and Public Use for Acquisition of Easements for the Wirtz to Mountain Top Transmission Line Rebuild and Upgrade; and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Wirtz to Mountain Top Transmission Line Rebuild and Upgrade - P Lochte

21. [2018-053](#) Resolution - Approval of 2018 Capital Improvement Plan Budget Amendment for Facilities - E Dauterive

**Body:** BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Board approves an additional \$125,800 to the Cooperative's 2018 Capital Improvement Plan Budget for Facility and Furniture Construction-related costs; 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.

22. [2018-062](#) Resolution - Approval of Change Order #1 for American Constructors, Inc. ("ACI") for Construction of Northwest Operations Center ("NWOC") - E Dauterive

**Body:** BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Board approve contract Change Order #1 adding \$900,000 to the Guaranteed Maximum Price of American Constructors, Inc.'s agreement for construction of the Northwest Operations Center; and

BE IT FURTHER RESOLVED, that \$900,000 in the 2018 IT CIP related to construction of the NWOC be added to the budget for NWOC General Contractor; 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.

23. [2018-055](#) Facilities and Real Estate Update - E Dauterive

**Executive Session - Safety and Security Matters**

24. [2018-027](#) Safety and Security Matters - C Moos

25. [2018-030](#) Cyber Security Update - T Shaheed

**Executive Session - Personnel Matters**

26. [2018-056](#) Personnel Matters Update
27. [2018-048](#) Discussion and Consideration of 2018 Employee Benefits Renewal - D Ballard

Reconvene to Open Session at 3:16 pm

Items from Executive Session

[2018-053](#) Resolution - Approval of 2018 Capital Improvement Plan Budget Amendment for Facilities - E Dauterive

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

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

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

[2018-062](#) Resolution - Approval of Change Order #1 for American Constructors, Inc. ("ACI") for Construction of Northwest Operations Center ("NWOC") - E Dauterive

**Body:** BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Board approve contract Change Order #1 adding \$900,000 to the Guaranteed Maximum Price of American Constructors, Inc.'s agreement for construction of the Northwest Operations Center; and

BE IT FURTHER RESOLVED, that \$900,000 in the 2018 IT CIP related to construction of the NWOC be added to the budget for NWOC General Contractor; 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.

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



**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:18 pm.

Approved:

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Amy Akers, Secretary

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Emily Pataki, President