



## **Meeting Minutes - Final**

### **Board of Directors**

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Friday, December 8, 2017

9:00 AM

PEC Headquarters Auditorium

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#### **Special Meeting**

Open Session of this Special Meeting was held in the PEC Auditorium and was audio recorded in accordance with Board Meetings Policy.

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

Due to inclement weather in the service area, this meeting was delayed and called to order at 10:04 am on December 8, 2017 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas. Director Amy Akers joined by teleconference.

**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**

There were no consent items for consideration.

#### **Member Comments (3 minute limitation or as otherwise directed by Board)**

##### **1. [2017-503](#) Member Comments**

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

There were no members wanting to address the Board.

#### **Action Items / Other Items**

2. [2017-495](#) **Resolution - Approval of Engagement of Trustee and Acknowledgment and Approval of Plan Administrator's Engagement of Third Party Administrator/Actuary of Pedernales Electric Cooperative, Inc. Employees Defined Benefit Retirement Plan and Pedernales Electric Cooperative, Inc. Employees' 401(k) Savings Plan**

**Body:**

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Plan Sponsor acknowledges the engagement by the Committee of Milliman Inc., as the Service Provider for actuarial, defined benefit plan administration, and defined contribution plan administration services, and approves of joining as an additional party to the service agreement with the Service Provider for the limited purposes stated therein; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Chief Executive Officer or any person designated by her for such purpose, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate any service agreements for the DB Plan and the 401(k) Plan in connection with the bundled services, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions, in each case in such form and containing such terms, effective dates of each agreement on or about the date hereof, and conditions as such officer or agent may in such officer's or agent's reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** remove Wells Fargo, the existing trustee of the DB Plan and the 401(k) Plan, and to appoint Charles Schwab Bank as successor trustee of the DB Plan and the 401(k) Plan, on the terms established in the trust agreement for each plan; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer or any person designated by her for such purpose, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate any trust agreements for the DB Plan and the 401(k) Plan in connection with the bundled services, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions, in each case in such form and containing such terms, effective dates of each agreement on or about the date hereof, and conditions as such officer or agent may in such officer's or agent's reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the President and Vice President of the Board of Directors, and the Chief Executive Officer, or her designee, be, and each hereby is, authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to execute and deliver any

trust agreements for the DB Plan and the 401(k) Plan, the service agreement for the DB Plan and the 401(k) Plan, or any other agreements, certificates, consents, affidavits, and other instruments of any nature necessary or appropriate to give effect to these resolutions and the Secretary of the Board of Directors is hereby authorized to attest and to affix the Cooperative's seal thereto, if required; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer of the Cooperative or any person designated in writing by her for such purpose, be and each of them hereby is, 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 or agent in such officer's or agent'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.

Human Resources Director Cindy Armstrong presented the proposed resolution regarding third party providers for the defined benefit and 401(k) plans.

**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

#### **Recess to Executive Session**

President Emily Pataki announced the items to be discussed in Executive Session and at 10:08 am stated the Board would go into Executive Session.

#### **Executive Session - Legal Matters**

3.        [2017-504](#)        **Matters in Which the Board Seeks the Advice of its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

#### **Executive Session - Contract and Competitive Matters**

4.        [2017-502](#)        **Discussion of 2018 Operating Budget, Capital Improvement Plan (CIP) and Work Plan, Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - T Golden**

**Reconvene to Open Session at 10:55 am**

**Items from Executive Session**

There were no items to report from Executive Session.

**Adjournment**

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:56 am.

APPROVED:

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Amy Akers, Secretary

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Emily Pataki, President