



Meeting Minutes - Final

Board of Directors

Friday, July 19, 2019

9:00 AM

PEC Headquarters Auditorium

Open Session of this Regular Meeting is held in the PEC Auditorium and will be video recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

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

Adoption of Agenda

The agenda was adopted as posted and without objection.

Board Organizational Meeting

1. [2019-238](#) **Appointment of Presiding Officer for Board Reorganization - D Ballard**
General Counsel Don Ballard reviewed the board officer election process and the Board proceeded with the election of officers by secret, blind ballot.
2. [2019-233](#) **Election - Office of President**
The Board elected Paul Graf as President.
3. [2019-234](#) **Election - Office of Vice-President**
For the Office of Vice-President, Emily Pataki was elected.
4. [2019-235](#) **Election - Office of Secretary-Treasurer**
For the office of Secretary-Treasurer, Milton Rister was elected.
5. [2019-208](#) **Resolution - Approval of the Appointment of Audit Committee and Audit Committee Chairperson**

Body:

BE IT RESOLVED BY THE BOARD OF DIRECTORS that Directors Randy Klaus, Emily Pataki, and Milton Rister are hereby appointed/reappointed and affirmed as members of the Audit Committee, effective as of July 19, 2019.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that Director Randy Klaus is hereby appointed and affirmed as the chairperson of the Audit Committee, effective as of July 19, 2019.

The Board selected the following Audit Committee members:

Randy Klaus, Chair Person
Emily Pataki, Committee Member
Milton Rister, Committee Member

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

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

6. [2019-209](#) **Resolution - Approval to Review and Reaffirm/Amend Audit Committee Charter**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board has reviewed the charter of the Audit Committee and adopts amendments to the charter of the Audit Committee as presented to and discussed by the Board this day, with such changes, if any, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the Chief Financial Officer, is hereby authorized and directed to take all such action as may be necessary to effectuate this resolution.

Attachments: [2019-07-19 Audit Charter Revised - Redline](#)
[2019-07-19 Audit Charter Revised - Clean Redline](#)
[2017-06-17 Audit Charter Final and Approved - Current](#)
[2019-07-19 Audit Charter Revised - FINAL AND BOD APPROVED](#)

General Counsel Don Ballard reviewed amendments to the Audit Committee charter and mentioned the draft was to conform the charter with the Board Meetings Policy and Board Committee Guidelines. The only substantive item added a duty regrading recommendation of external independent auditor which the committee currently handles.

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

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

Cooperative Recognitions

7. [2019-171](#) **Recognition of Youth Tour Participants - C Mikeska**

Attachments: [2019-07-19 Youth Tour Delegates](#)

Youth Engagement Representative Celeste Mikeska introduced the Youth Tour participants and a video highlighting the event was shown to all in attendance. President Graf expressed his sentiments and mentioned he was proud of each participant and honored to support them on this trip.

Consent Items

8. [2019-206](#) Saturday, June 22, 2019 - Regular Meeting Minutes

Attachments: [2019-06-22 Meeting Minutes Draft 1](#)

Without objection the item listed under Consent Items was approved by general consent.

Cooperative Monthly Reports**9. [2019-207](#) Cooperative Update - J Parsley**

Attachments: [9 - 2019-07-19 Cooperative Update - FINAL](#)

CEO Julie Parsley presented her monthly update and reported on several items: Annual Meeting, results of the member survey during the Annual Meeting, installation of weather cameras within the PEC service area, Make-A-Wish foundation United Charities participation, a thank you note from Alexandria Utility System expressing their appreciation for the Hurricane Barry relief, member relations recognition, well wishes to the PEC Rodeo Team, the reopening of the Oak Hill office, and an update on the Community Grants program.

10. [2019-210](#) Financial Services Monthly Report - J Davis

Attachments: [2019-07-19 May 2019 Financial Report to the Board - J Davis](#)

CFO John Davis reviewed the Financial Services monthly presentation and reported on growth statistics, noted PEC has exceeded 320,000 accounts, the Cooperative's equity position, year to date net margins, cost of service, and CIP summary. CFO Davis also mentioned PEC has exceeded \$1.8 billion in assets.

During this discussion, President Graf inquired as to the 27% of capital budget spend and was wondering if we would be able to catch up. CFO Davis stated we should see some catch up this summer and also indicated, during the conversation, that we ended up at about \$148 million on a budget of \$159 million for 2018.

11. [2019-211](#) Operations Report (Written Report in Materials) - E Dauterive

Attachments: [2019-07-19 Operations Report](#)

COO Eddie Dauterive reviewed the Operations Report presentation, highlighting safety, SAIDI, and Member Relations accomplishments. A safety video was shown which highlighted prevention of backing incidents.

Member Comments (3 minute limitation or as otherwise directed by Board)**12. [2019-212](#) Member Comments**

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

President Paul Graf recognized the attendance of Hondo Powell, LCRA.

During member comments, PEC member, Carolyn Buckley addressed the Board about the data we have included in Texas Co-op Power magazine on ceiling fans. She also mentioned the article included information on why members should turn off their fans and would like to see the data behind the article. She expressed that she is happy with PEC, and recognized workers for repairs and their work during storms. President Graf mentioned that Executive Vice President of Public Affairs Mike Viesca would speak to her and help with the analytics she was seeking.

Action Items / Other Items

13. [2019-224](#) **Resolution - Approval to Appoint NRECA Voting Delegates for NRECA Regional Meeting - P Graf**

Body: **RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following Directors are hereby appointed and designated as authorized representatives of the Cooperative to serve as a voting delegate and alternate delegate to act at meetings of the 2019 National Rural Electric Cooperative Association Regional Meeting, to be held in San Antonio, Texas, on October 23-25, 2019 until successors are duly appointed and designated:

Paul Graf, Voting Delegate; and
Mike Viesca, Alternate Delegate.

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

Attachments: [2019 -01-18 NRECA Voting Delegates](#)
[2019 NRECA Voting Delegates Forms](#)

Resolution #2019-224 and #2019-223 (Appointment of CFC Voting Delegates) would be voted upon as one resolution since delegates would be the same. The Board selected Paul Graf as the voting delegate and Mike Viesca as the alternate delegate.

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 - Rister, Klaus, Pataki, Akers, Graf, Oakley, and Powers

14. [2019-223](#) **Resolution - Approval to Appoint CFC Voting Delegates for CFC District Meeting - P Graf**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following Directors are appointed and designated as authorized representatives of the Cooperative to serve as the voting delegates of the Cooperative and to cast the vote of the Cooperative for matters pertaining to the 2019 District 10 Meeting of the National Rural Utilities Cooperative Finance Corporation:

Paul Graf, Voting Delegate; and
Mike Viesca, Alternate Voting Delegate.

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

Attachments: [CFC Delegate Voting 2019](#)

This resolution was combined with #2019-224 and was adopted as presented.

15. [2019-205](#) **Resolution - Approval of Appointment of PEC's General Assembly Representative to Capital Area Council of Governments - M Viesca**

Body: RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that Shannon Johnson, is hereby appointed and designated to serve as PEC's General Assembly Representative to the Capital Area Council of Governments effective July 19, 2019.

Attachments: [2019-07-19 CAPCOG Appointment Form](#)

Executive Vice President of Public Affairs Mike Viesca reviewed the General Assembly Representative to the Capital Area Council of Governments (CAPCOG) resolution and recommended the appointment of Shannon Johnson to the committee.

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

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

16. [2019-172](#) **Resolution - Approval to Rescind Resolutions Associated with Rural Utilities Service (RUS) Loan Programs- J Davis**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative rescind its resolutions with respect to the Energy Efficiency and Conservation Loan Program (EECLP) of the Rural Utilities Services (RUS) and any other resolution with respect to RUS programs; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is hereby authorized and directed to take all such action as may be necessary to implement this resolution.

CFO John Davis reviewed the resolution to rescind the resolutions associated with Rural Utilities Service Loan Program (RUS) and mentioned the RUS funds were not going to be utilized at this time. He also reported the resources are not needed at this time to move forward on the Advanced Metering Infrastructure (AMI) project which was associated with the RUS funds.

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

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

17. [2019-141](#) **Approval of Allocation of 2018 Net Margins to Capital Credits - J Davis**

Body:

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE

COOPERATIVE that net margins shown in the Cooperative's Audited Financial Statements for the year ended December 31, 2018, in the amount of \$60,495,798 adjusted for an unbilled revenue amount of \$1,408,028 be approved for member allocation. This amount of \$59,087,770 shall be allocated on the basis of total gross electric billings for the calendar year 2018 to those patrons having positive billing amounts during the year. The allocation factor calculated for 2018 is .0978606449.

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: [2019-07-19 Approval of Allocation to Net Margins to Capital Credit - J Davis](#)

CFO John Davis reviewed the resolution regarding allocation of 2018 net margins to capital credits and briefly mentioned \$59,087,770 is representative of the 2018 capital credits.

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

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

18. [2019-057](#) **Draft Resolution - Approval of the Power Supply and Energy Management Policy - L Cunningham**

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative adopt the Power Supply and Energy Management Policy, that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the adoption of the Power Supply and Energy Management Policy supersedes such policies and resolutions of the Cooperative and fulfills such other requirements instituted by policies of the Cooperative as described herein; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the CEO, or designee, is authorized to take all such other actions necessary to implement this resolution.

Attachments: [2019-07-19 Power Supply and Energy Management Policy - D Thompson](#)
[2019-07-19 Power Supply and Energy Management Policy Presentation - L Cunningham v2](#)

Director, Power and Energy Risk Management Lance Cunningham reviewed the PowerPoint presentation and draft resolution regarding approval of the Power Supply and Energy Management Policy. A resolution for this policy will be presented to the Board next month for consideration and approval. Director Randy Klaus mentioned this is a good plan and maintains flexibility.

19. [2019-058](#) Draft Resolution - Approval of Rate Policy - D Thompson

Body: **NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** the Cooperative acknowledges that it has considered all components of PURPA (16 USC Section 2621), as amended;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative previously considered and adopted resolutions in 2007 and in 2009 as to PURPA standards 16 USC Section 2621(d)(11), (d)(12), (d)(13), (d)(14), (d)(15), (d)(16), (d)(17), (d)(18) and (d)(19);

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, after provision of notice and consideration at an open meeting, consistent with the requirements of 16 USC Section 2621, 2622, and 2631, based on findings from cost of service analysis, the Cooperative has considered and determined it is appropriate to implement or not implement the following PURPA standards:

- The Cooperative has considered and determined it is appropriate to implement the **cost of service** standard established in PURPA 16 USC Section 2621 (d) (1) as it is in alignment with the Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate not to implement the **declining block rates** standard established in PURPA 16 USC Section 2621 (d) (2) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate to implement the **time of day rates** standard established in PURPA 16 USC Section 2621 (d) (3) as it is in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery. The Cooperative implemented Time of Use Rates in February of 2018.
- The Cooperative has considered and determined it is appropriate to implement the **seasonal rates** standard established in PURPA 16 USC Section 2621 (d) (4) as it is in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery. Seasonal Rates were implemented through the Time of Use Rates; The Cooperative implemented Time of Use Rates in February of 2018.
- The Cooperative has considered and determined it is appropriate not to implement the **interruptible rates** standard established in PURPA 16 USC Section 2621 (d) (5) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost

recovery.

- The Cooperative has considered and determined it is appropriate not to implement the **load management techniques** standard established in PURPA 16 USC Section 2621 (d) (6) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate not to implement the **integrated resource planning** standard established in PURPA 16 USC Section 2621 (d) (7) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate not to implement the **investment in conservation and demand management** standard established in PURPA 16 USC Section 2621 (d) (8) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate not to implement the **energy efficiency investment in power generation and supply** standard established in PURPA 16 USC Section 2621 (d) (9) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative has considered and determined it is appropriate not to implement the **consideration of effects of wholesale power purchases on utility cost of capital; effects of leveraged capital structures on the reliability of wholesale power suppliers and assurance of adequate fuel supplies** standard established in PURPA 16 USC Section 2621 (d) (10) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative authorizes the adoption of the attached Rate Policy which supersedes such policies as referred to therein; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, the Cooperative reserves the right to re-consider the adoption and implementation of any of these federal standards if it deems it beneficial and in alignment with the Cooperative's objectives, its Rate Policy or any other Board-approved Policy; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the CEO, or designee, is authorized to take all such other actions necessary to implement this resolution.

Attachments: [2019-07-19 - Rate Policy Presentation - D Thompson](#)
[2019-07-19 Rate Policy Draft \(Clean\) - D Thompson](#)
[2019-07-19 Rate Policy Draft \(Redline\) - D Thompson](#)

Rates Manager, Rate and Pricing Natalia Mack reviewed the PowerPoint presentation and draft resolution regarding approval of the Rate Policy. A resolution for this policy will be presented to the Board next month for consideration and approval. Director Randy Klaus asked if the Cooperative will monitor our regulated earnings on transmission assets. Ms. Mack mentioned we are monitoring our costs recovery every month. He also asked if we are ensuring that we are earning our authorized rate of return on these assets. Vice President of Markets David Thompson mentioned that we bring this in as other revenue so it is offset to overall costs. Director Klaus' concern is that we monitor our authorized earnings so that we do not leave any money on the table. David Thompson responded that we do monitor these earnings.

20. [2019-221](#) Annual Review of Conflicts of Interest Certification and Disclosure Forms from Directors - D Ballard

Attachments: [2019 D1 Director Forms-signed - M Rister](#)
[2019 D2 Director Forms-signed - E Pataki](#)
[2019 D3 Director Forms-signed - R Klaus](#)
[2019 D4 Director Forms-signed - J Powers](#)
[2019 D5 Director Forms-signed - J Oakley](#)
[2019 D6 Director Forms-signed - P Graf](#)
[2019 D7 Director Forms-signed - A Akers](#)
[2019 D1 - Revised Conflict of Interest - Rister](#)
[2019 D5 - Revised Conflict of Interest - Powers](#)
[2019 D7 - Revised Conflict of Interest - Akers](#)

General Counsel Don Ballard reviewed the Conflicts of Interest (COI) Policy and disclosure filings signed after the 2019 Annual Meeting. He noted one change to the materials in the Board package, Milton Rister has updated his COI form. The code of conduct affirmation and director affirmation will also be made a part of the minutes and was included in the July 2019 Board packet. Later in the meeting, Directors Jim Powers and Amy Akers also submitted revised conflict of interest forms which will also be made a part of the minutes.

21. [2019-197](#) Approval of Written Certification of the Election Results - D Ballard

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the election results, as certified by Survey & Ballot Systems and presented to the Board this day, are hereby accepted as the official results of the Cooperative's 2019 Election; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designee, is hereby authorized to enter the official election results into the minutes of the Cooperative and to take any other actions as necessary to implement this

resolution.

Attachments: [2018 07 19 Director Election Certified Results with Comments](#)

General Counsel Don Ballard reviewed the proposed resolution for the written certification of the 2019 election results. He also mentioned that Governance Manager, Sylvia Romero will give an update today on the voter comments included in the results.

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 - Rister, Klaus, Pataki, Akers, Graf, Oakley, and Powers

22. [2019-201](#) Update on Annual Director Election Voter Turnout - S Romero

Attachments: [2019-07-19 Director Election - v1](#)

Governance Manager Sylvia Romero reviewed the 2019 election results which included an election summary, voting by districts, historical information, survey results, and member satisfaction. She reported that in the last five years this is the highest voter turnout of 14.68%. PEC's voter turnout average rate is approximately 10.436%. During the presentation she also reported on the methods utilized by members when voting and reported a downward trend with in-person voting. The Cooperative saw an online voting member satisfaction of 96.2% who were very satisfied or satisfied with the voting process.

Director James Oakley expressed his interest with PEC reviewing the number of onsite votes, its expense, and policy impact if the Cooperative were to eliminate in-person voting. Governance Manager Sylvia Romero mentioned that we have noticed in-person voting continues to decrease each year. She also stated the elimination of in-person voting would require modifying the election policy and bylaws.

President Graf mentioned that he has reviewed some of the member comments included in the survey and noted that any member dissatisfaction is not with the election process. Director Pataki noticed that voter participation is increasing each year and thanked the team for their work. Governance Manager Sylvia Romero acknowledged the Elections Committee who helps her team with the process throughout the year.

23. [2019-229](#) Key Performance Indicator (KPI) Update of 2019 - Period 1 - B Headrick

Attachments: [23 2019-07-19 KPI P1 Performance Update Final](#)

Chief of Staff Bridget Headrick reviewed the key performance indicators (KPI) and highlighted performance by category and percent distribution which resulted in 8.16 % with a payout scheduled for July 23, 2019. Director Emily Pataki reported that she was happy to see improvement with accident incidents.

Proposed Future Items / Meetings (subject to final posting)

24. [2019-213](#) List of Proposed Future Meetings

Attachments: [2019-07-19 Proposed Future Meetings](#)

President Graf mentioned we will bring modifications to future meetings at the August Board meeting.

25. [2019-214](#) Board Planning Calendar (Written Report in Materials)

Attachments: [2019-07-19 Board Planning Calendar v4](#)

President Graf thanked the staff for the planning calendar and recognizes there is a lot going on at PEC. The planning calendar mainly helps the staff keep up with items to come before the Board.

Recess to Executive Session

President Graf read the executive session justification for meeting in executive session today. The Board recessed to executive session at 10:18 am.

Executive Session - Legal Matters

26. [2019-215](#) Litigation and Related Legal Matters

**27. [2019-216](#) Matters in Which the Board Seeks the Advice of Its Attorney as
Privileged Communications in the Rendition of Professional Legal
Services**

[2019-190](#) Resolution - Approval for Authorization to Filing Appeals - J Davis

[2019-185](#) Resolution - Approval of Authorization for Settlement of Litigation - D
Ballard

30. [2019-228](#) Ethics and Compliance Quarterly Update - J Burns

Executive Session - Contract and Competitive Matters

**31. [2019-231](#) Draft Resolution - Review and Renewal of Election Services Provider
Contract - S Romero**

32. [2019-218](#) Markets Monthly Report - D Thompson

Executive Session - Real Estate Matters

Executive Session - Safety and Security Matters

33. [2019-219](#) Safety and Security Matters

Executive Session - Personnel Matters

34. [2019-220](#) Personnel Matters

Reconvene to Open Session

The Board reconvened back to open session at 2:11pm.

Items from Executive Session**28. [2019-190](#) Resolution - Approval of Authorization to File Appeals - J Davis**

Body: **NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative file appeals with respect to its personal property taxes in Blanco and Llano Counties on the terms discussed this day in Executive Session, and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer, or designees, are hereby authorized to make such determinations as necessary with respect to the appeals and execute, acknowledge and deliver any such documents, and otherwise take any actions as needed to implement this resolution.

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

Yes: 6 - Rister, Klaus, Pataki, Akers, Graf, and Powers

Absent: 1 - Oakley

29. [2019-185](#) Resolution - Approval of Authorization for Settlement of Litigation - D Ballard

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative is authorized to settle certain litigation that involves the Cooperative on the terms discussed this day in Executive Session, and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Executive Officer, or designees, are hereby authorized to negotiate any other terms as necessary for disposition of the litigation and execute, acknowledge and deliver any such documents, and otherwise take any actions as needed to implement this resolution.

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

Yes: 6 - Rister, Klaus, Pataki, Akers, Graf, and Powers

Absent: 1 - Oakley

Adjournment

President Graf reported the next Board meeting is Friday, August 16, 2019, 9:00 am, PEC Headquarters and the September Board meeting is Friday, September 13, 2019, 9:00 am, at the Texas Tech Campus in Junction, Texas.

President Graf also mentioned that PEC will be participating tomorrow (Saturday) at the Texas Lineman Rodeo in Seguin, Texas and wished the team its very best.

There being no further business to come before the Board of Directors, the meeting was adjourned at 2:20 pm.

Approved:

Milton Rister, Secretary

Paul Graf, President