



Meeting Minutes - Final

Board of Directors

Friday, November 20, 2020

9:00 AM

PEC Headquarters Auditorium

201 S. Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting is held in the PEC Headquarters Auditorium and will be recorded in accordance with Board Meetings Policy. To address safety and health concerns and in compliance with federal, state, and local guidelines, this Regular Meeting is not open to member attendance.

Members may provide comments by sending the input to PECBoard@peci.com. All Board meeting comments will be provided to all Board directors and listed in the minutes of the Meeting. Board meeting dates, agendas, and supporting materials are available online at <https://pec.legistar.com/>.

Members are able to watch this meeting by livestream from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

Call to Order and Roll Call

Present: 6 - Secretary/Treasurer Milton Rister, President Emily Pataki, Director Travis Cox, Director James Oakley, Director Paul Graf, and Vice President Amy Akers
Absent: 1 - Director Mark Ekrut

(Director Ekrut arrived to the meeting at 9:30 a.m.)

1. [2020-426](#) Recognition of Veterans Day - E Pataki

President Pataki thanked all Veterans, including employees for their service to the country.

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.

2. [2020-309](#) Friday, October 16, 2020 - Regular Meeting Minutes

Attachments: [2020-10-16 - OS Meeting Minutes - draft v.4](#)

3. [2020-433](#) Friday, October 23, 2020 - Workshop Session Meeting Minutes

Attachments: [2020-10-23 - Open Session Workshop Session Meeting Minutes - draft v.4](#)

4. [2020-436](#) **Revised Conflict of Interest Form for Director Travis Cox, District 4**

Attachments: [Conflict of Interest Form - COX 11-20-2020](#)

Cooperative Monthly Reports

5. [2020-310](#) **Cooperative Update - J Parsley**

Attachments: [5 - 2020-11-20 Coop Update-FINAL.pdf](#)

Chief Executive Officer (CEO) Parsley recognized military Veterans, including employees, in honor of Veteran's Day. She stated the COVID-19 relief fund closed on November 1, 2020 and said PEC raised \$86,797.31 employees, members, and the Central Texas community. CEO Parsley mentioned: the Community Grants program; PEC holiday lights will be displayed from November 27, 2020 to January 3, 2021; PEC Holiday Home Lighting Contest for members to submit photos of their respective home holiday lights; PEC rated by the Austin American-Statesman as a Top Workplace in the Austin area; National Apprentice Week (Nov 8-14, 2020), and employee and Member thank you messages.

6. [2020-372](#) **Financial Services Monthly Report - R Kruger**

Attachments: [2020-11-20 September 2020 Financial Report to the Board - R Kruger](#)
[2020-11-20 September 2020 Financial Statements - R Kruger](#)

Chief Financial Officer (CFO) Randy Kruger reported on the September 2020 Financial Presentation. CFO Kruger said Gross Margin was \$25 million (flat to budget), Net Margin was \$6 million (flat to budget), Year To Date (YTD) Cumulative Gross Margin was \$221 million (\$3 million above of budget), YTD Net Margin was \$36 million (\$3 million above budget), and account growth continued at a steady pace. He indicated the COVID-19 total impact is \$3.6 million for the year, and net margin is \$ 1.1 million. Director Oakley mentioned the continual growth of monthly meters.

7. [2020-373](#) **Operations Report - E Dauterive**

Attachments: [2020-11-20 Operations Report](#)
[CEO Recognition 2020-11-20.pdf](#)

COO Eddie Dauterive discussed the Operations Report. He said there were no injuries to report for October, and several minor vehicle incidents. He indicated that PEC implemented a software program to track all incidents for safety, which is an important focus. COO Dauterive stated PEC was recognized by the Department of Labor (DOL) for the apprentice program. He stated there was a record of more than 2,000 line extensions. He said SAIDI was at 39 minutes. Director Oakley mentioned the line extensions trends. President Pataki pointed out the low SAIDI number. COO Dauterive said Member Relations remains in an account recovery period by continuing to work with members for billing

solutions to avoid service disconnection. Members are encouraged to contact PEC to discuss solutions and work with agents as collections efforts continue. He said engineering projects are on track. COO Dauterive mentioned that Texas CEO Magazine recognized Chief Executive Officer Julie Parsley among 26 Texas CEO's who exercised exceptional leadership this difficult year.

Member Comments - Members may provide comments by sending input to PECBoard@peci.com.

8. [2020-311](#) Member Comments

Attachments: [Decorum Policy 10 2020](#)

- [1. 102720 1039PM - Elizabeth Berko Brown - Broadband service](#)
- [2. 111120 359PM - Nathan Oxhandler - New PEC Bill.pdf](#)

President Pataki stated that member comments were submitted ahead of time, which the Board received and read. All of the members have received a response from the Cooperative.

Action Items / Other Items

9. [2020-409](#) Resolution - Approval of Distribution Poles Blanket Purchasing Agreement - B Gedrich

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve the Wood Poles Blanket Purchasing Agreement ("BPA") for system maintenance and growth, costs not to exceed \$15 million, and the term not to exceed 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.

Mr. Brian Gedrich, Vice President of Engineering presented the resolution and asked the Board for approval.

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

Yes: 6 - Rister, Pataki, Cox, Oakley, Graf, and Akers

Absent: 1 - Ekrut

10. [2020-407](#) Resolution - Approval of Cooperative Owned Lighting Services Agreement - D Southwell / D Thompson

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 designee, to execute a Lighting Services Agreement within the limits of the Delegation of Authority as discussed in Executive Session; and

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

Attachments: [2020-11-20 Cooperative Owned Lighting Services presentation - D. Southwell D Thompson](#)

Ms. Dawn A. Southwell, Director, Commercial & Industrial Accounts provided a summary of the Cooperative Owned Lighting Services Agreement resolution and asked the Board for approval.

A motion was made by Director Graf, seconded by Secretary/Treasurer Rister, that this item be approved. The motion carried by the following vote:

Yes: 6 - Rister, Pataki, Cox, Oakley, Graf, and Akers

Absent: 1 - Ekrut

11. [2020-408](#) Resolution - Approval of Software Subscription Contract - L Cunningham

Body: now, therefore, be it **RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Board approve a three (3) year software subscription and license agreement; and

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

Attachments: [2020-11-20 Approval of Software Subscription presentation - L Cunningham](#)

Mr. Lance Cunningham, PhD, Director, Power Supply & Energy Risk Management discussed the resolution and asked the Board for approval.

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

Yes: 6 - Rister, Pataki, Cox, Oakley, Graf, and Akers

Absent: 1 - Ekrut

12. [2020-410](#) Resolution - Designation of Competitive Matters Policy - D Ballard

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Designation of Competitive Matters Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-11-20 Designation of Competitive Matters \(Redline\)](#)
[2020-11-20 Designation of Competitive Matters Final \(Clean\)](#)

General Counsel Don Ballard presented the Designation of Competitive Matters Policy resolution and asked the Board for approval.

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

Yes: 6 - Rister, Pataki, Cox, Oakley, Graf, and Akers

Absent: 1 - Ekrut

13. [2020-406](#) Resolution - Review and Approval of Budget Policy Amendments - R Kruger / C Bhandari

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Budget Policy with attached amendments, and with such changes, if any, as were approved by the Board; and

BE IT FURTHER RESOLVED that the Chief Executive Officer, or designees, are authorized to take all such action as may be necessary to implement this resolution.

Attachments: [2020-11-20 Budget Policy - \(Clean\) R Kruger C Bhandari](#)
[2020-11-20 Budget policy - \(Redline\) R Kruger C Bhandari](#)

Director Ekrut arrived at the meeting at 9:30 a.m.

Chief Financial Officer (CFO) Randy Kruger discussed the Review and Approval of the Budget Policy Amendments resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

14. [2020-378](#) Resolution - Approval of 2021 Operating Budget and 2021 Capital Improvement Plan (CIP), including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - R Kruger | C Bhandari

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative adopt the 2021 Operating and Capital Improvement Plan (CIP) Budgets as presented this day; and

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

Attachments: [2020-11-20 Resolution - Approval of 2021 Operating Budget and 2021 CIP Plan - R Kruger C Bhandari v3](#)

Chief Financial Officer (CFO) Randy Kruger provided a summary of the resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

15. [2020-411](#) Resolution - Open Records Policy - D Ballard

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Open Records Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-11-20 Open Records Policy \(Redline\)](#)
[2020-11-20 Open Records Policy \(Clean\)](#)

General Counsel Don Ballard briefly discussed the Open Records Policy resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

16. [2020-412](#) **Resolution - Approval of Board of Directors Travel & Expense Reimbursement Policy - S Romero**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Board of Directors Travel & Expense Reimbursement Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-11-20 Board Directors Travel and Expense Reimbursement Policy \(Redl...](#)
[2020-11-20 Board Directors Travel and Expense Reimbursement Policy \(Clea...](#)

Governance Manager, Sylvia Romero presented the Board of Directors Travel & Expense Reimbursement Policy resolution and asked the Board for approval.

A motion was made by Vice President Akers, seconded by Secretary/Treasurer Rister, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

17. [2020-413](#) **Resolution - Membership List Policy - S Romero**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Membership List Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [2020-11-20 Membership List Policy Final \(Redline\)](#)
[2020-11-20 Membership List Policy Final \(Clean\)](#)

Governance Manager, Sylvia Romero presented the Membership List Policy resolution and asked the Board for approval.

A motion was made by Secretary/Treasurer Rister, seconded by Vice President Akers, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

18. [2020-417](#) Resolution - Approval of 2021 Rate Plan - N Mack/D Thompson

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative approves the 2021 Rate Plan that was presented to and discussed by the Board, with such changes thereto, if any, as were discussed and approved by the Board; and

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

Attachments: [2020-11-20 2021 Rate Plan presentation - N Mack D Thompson](#)

Natalia Mack, Rates Manager presented the 2021 Rate Plan resolution and asked the Board for approval.

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

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

19. [2020-343](#) Draft Resolution - Approval to Amend Tariff and Business Rules - Interconnected Generation - N Mack | D Thompson

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff and Business Rules as attached hereto with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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: [2020-11-20 Tariff and Business Rules Amendments for Interconnected Generation presentation- N Mack D Thompson](#)
[2020-11-20 Tariff and Business Rules - Interconnected Generation \(Accepted Changes\) N Mack D Thompson v2](#)
[2020-11-20 Tariff and Business Rules - Interconnected Generation \(Redline\) N Mack D Thompson v2](#)

Ms. Natalia Mack, Rates Manager provided a presentation and summary of the draft resolution and indicated next month she will present a final resolution for approval by the Board.

20. [2020-375](#) **Draft Resolution - Approval to Amend Tariff and Business Rules - Unmetered Devices Rate Option - N Mack | D Thompson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves the amendments to the Tariff and Business Rules as attached hereto with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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: [2020-11-20 Tariff and Business Rules Amendments for Unmetered Devices Rate Option presentation - N Mack D Thompson](#)
[2020-11-20 Tariff and Business Rules - Unmetered Device Rate Option \(Accepted Changes\) - N Mack D Thompson](#)
[2020-11-20 Tariff and Business Rules - Unmetered Device Rate Option \(Redline\) - N Mack D Thompson](#)

Ms. Natalia Mack, Rates Manager provided a presentation and summary of the draft resolution and indicated next month she will present a final resolution for approval by the Board.

21. [2020-430](#) **Draft Resolution - Approval to Amend Tariff and Business Rules - 2021 Rate Plan Items - N Mack | D Thompson**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approves those amendments to the Tariff and Business Rules in accordance with the 2021 Rate Plan and attached this day, with such changes, if any, as were approved by the Board, to become effective upon Board approval, unless otherwise specified in the Tariff and Business Rules; 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: [2020-11-20 Tariff and Business Rules Amendments for 2021 Rate Plan Items presentation - N Mack D Thompson](#)
[2020-11-20 Tariff and Business Rules - 2021 Rate Plan Items \(Accepted Changes\) N Mack D Thompson v2](#)
[2020-11-20 Tariff and Business Rules - 2021 Rate Plan Items \(Redline\) N Mack D Thompson v2](#)

Ms. Natalia Mack, Rates Manager provided a presentation and summary of the draft resolution and indicated next month she will present a final resolution for approval by the Board. President Pataki thanked Ms. Mack for the presentation.

22. [2020-434](#) **Draft Resolution - Approval of Contract Agreement Extension for Security Vulnerability Assessment and Master Plan - R Arellano**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approve a 3-year extension to the TRC Engineers agreement; 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.

Mr. Richard Arellano, Vice President, Support Services discussed the contract extension for security vulnerabilities assessment and master plan. Director Graf inquired about the length of the contract extension and the cost. Mr. Arellano indicated it is a 3-year extension and currently budgeted at \$416,000, of which, approximately \$197,000 is for the assessment, and approximately \$220,000 is planned for creation of the master plan and its implementation. He added that it is for the purpose of completing the planning process and its implementation. President Pataki mentioned it is standard operating procedure, and nothing out of the ordinary. Mr. Arellano said he will present a final resolution for approval by the Board next month.

23. [2020-432](#) **Draft Resolution - Approval of 2021 Cooperative Election Timeline - S Romero**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that, pursuant to Section 3.2 of the Election Procedures of Pedernales Electric Cooperative, Inc., the Election Timeline, in the form presented to the Board, with such changes approved by the Board, is adopted as the 2021 Election Timeline for the election to be held before the Annual Meeting of Members.

BE IT FURTHER RESOLVED that the General Counsel, or designee, is hereby authorized to take all such action as may be necessary to implement this resolution.

Attachments: [2020-11-20 - Election Update v2](#)
 [2021 Election Timeline - Draft v2B](#)

Sylvia Romero, Governance Manager provided a summary update including important dates and member voting information for the 2021 Annual Director Election and Timeline.

24. [2020-366](#) **Draft Resolution - Approval of 2021 Election Communications Plan - M Viesca**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that, pursuant to Section 7.3 of the Election Policy and Procedures of Pedernales Electric Cooperative, Inc., the 2021 Election Communications Plan presented, or as modified by the Board this day, is approved; and

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

Attachments: [2020-11-20 2021 PEC Election Comm Plan](#)

Executive Vice President, of Public Affairs, Mike Viesca presented the 2021 Cooperative Election Communications Plan. Mr. Viesca discussed the objectives and the timeline plans. Mr. Viesca stated that he would present a final resolution for approval next month. Director Ekrut encouraged members to pursue the opportunity of running for a Director position. He indicated the Cooperative makes it very easy to run for the role of Board Director. President Pataki thanked Mr. Viesca for the presentation.

Proposed Future Items / Meetings (subject to final posting)**25. [2020-384](#) List of Proposed Future Meetings**

Attachments: [Approved 2020 Board Meeting Calendar 091820](#)

President Pataki stated the list of proposed meetings is in the materials packet.

26. [2020-388](#) Board Planning Calendar (Written Report in Materials)

Attachments: [2020-11-20 Board Planning Calendar v.1](#)

President Pataki said the board planning calendar is a list of items planned for discussion at Board meetings throughout the year.

Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:18 a.m. stated the Board would go into Executive Session.

Recess to Executive Session

President Emily Pataki said the Board would recess a second time to discuss additional items and at 2:53 p.m. stated the Board would go back into Executive Session. President Pataki left the meeting and Vice President Akers took over the meeting.

Executive Session - Legal Matters**27. [2020-398](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services****28. [2020-421](#) Litigation and Related Legal Matters - D Ballard**

[2020-404](#) Resolution - Approval of Delegation of Authority to Chief Executive Officer to Implement Measures in Response to COVID-19 - J Parsley

30. [2020-422](#) Resolution - Approval of Authorization for Settlement of Litigation Matter(s) - D Ballard**31. [2020-420](#) Draft Resolution - Approval of 2021 Texas Legislative Positions - M Viesca/S Johnson****Executive Session - Contract and Competitive Matters**

[2020-405](#) Resolution(s) - Approval of Authorization for Short-Term and Long-Term Financing Programs - R Kruger

33. [2020-428](#) Draft Resolution - Authorization to Negotiate and Execute Agreements for Construction of Control Center - J Parsley

34. [2020-423](#) Markets Monthly Report - D Thompson

35. [2020-435](#) Annual Review of Strategic Plan - E Pataki

Executive Session - Real Estate Matters

36. [2020-414](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - R Arellano

37. [2020-415](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - R Arellano

38. [2020-425](#) Real Estate Strategic Discussion - E Dauterive

Executive Session - Safety and Security Matters

39. [2020-419](#) Emergency Operations Plan (EOP) Review - B Gedrich/B Headrick

40. [2020-424](#) Safety and Security Matters

Executive Session - Personnel Matters

41. [2020-401](#) Personnel Matters

Reconvene to Open Session

At 2:51 p.m., the Board reconvened to the open session meeting. At 2:53 p.m., the Board went back into Executive Session and President Pataki left the meeting. Vice President Akers presided over the meeting on behalf of President Pataki.

Items from Executive Session

42. [2020-418](#) Draft Resolution - Approval of Negotiation and Execution of Employment Agreement with Chief Executive Officer - E Pataki

[2020-460](#) Resolution - Approval of Negotiation and Execution of Employment Agreement with Chief Executive Officer - E Pataki

Body: NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes negotiation and approves execution of the terms of an employment agreement for the position of Chief Executive Officer; and

BE IT FURTHER RESOLVED, that the President of the Board of Directors, or designee, is authorized to take such actions as needed to implement this resolution.

President Pataki stated due to a personal scheduling commitment the Board

would vote on one item and then go back into Executive Session. President Pataki congratulated Chief Executive Officer (CEO) Parsley. Director Oakley thanked CEO Parsley and Director Akers mentioned she is pleased with CEO Parsley. President Pataki left the meeting at 2:53 p.m.

A motion was made by Secretary/Treasurer Rister, seconded by Vice President Akers, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

Reconvene to Open Session

At 3:15 p.m., the Board reconvened a second time to the open session meeting. Vice President Akers presided over the meeting on behalf of President Pataki.

Items from Executive Session

29. [2020-404](#) Resolution - Approval of Delegation of Authority to Chief Executive Officer to Implement Measures in Response to COVID-19 - J Parsley

Body: now, therefore, be it **RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that, the Cooperative delegates authority to the CEO to implement such measures as described herein in her reasonable discretion in response to COVID-19, subject to consideration of the financial health of the Cooperative;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that all actions taken prior to the effective date hereof in connection with the subject of the foregoing resolution, be and are hereby ratified, confirmed, and approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the CEO, 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 approved. The motion carried by the following vote:

Yes: 6 - Rister, Ekrut, Cox, Oakley, Graf, and Akers

Absent: 1 - Pataki

32. [2020-405](#) Resolution(s) - Approval of Authorization for Short-Term and Long-Term Financing Programs - R Kruger

2020-469 Resolution - Approval of Authorization for Short-Term Debt Financing for the Cooperative - R Kruger

Body: **WHEREAS**, to continue to fund its capital improvement budget and operating budget in the next five-years and in the best interests of the Cooperative, the Cooperative requires commitments for short-term debt financings; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes the issuance or

incurrence of short-term debt in the aggregate principal amount up to \$305,000,000, which debt may be unsecured; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the short-term debt authorized herein may include a 364-day revolving credit facility and a 3-year revolving credit facility pursuant to separate multibank or bilateral credit agreements to be entered into with Bank of America, N.A. (or an affiliate) and/or one or more other lenders selected by an Authorized Officer, the form, terms and provisions of which agreements are hereby approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the short-term debt authorized herein may include the establishment of a commercial paper program and the issuance of commercial paper notes (in one or more series or tranches) under such program, which program and notes are hereby authorized and approved; and such commercial paper notes may be offered into the market with the delivery of an offering memorandum issued by the Cooperative (the delivery of which offering memorandum is hereby approved) and may require obtaining a rating by a rating agency and certain documentation with the Depository Trust Company (including but not limited to a letter of representation), each of which is hereby approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the form, terms, and provisions of an Issuing and Paying Agent Agreement and/or a Commercial Paper Agreement (or similarly titled agreement) between the Cooperative and a Paying Agent (which Paying Agent may be selected by an Authorized Officer) and one or more Commercial Paper Dealer Agreements with BofA Securities, Inc. (or an affiliate) and/or one or more others dealers selected by an Authorized Officer, and any other documentation as may be necessary or advisable in connection with the commercial paper program, are hereby approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the form, terms, and provisions of a direct pay letter of credit issued by Bank of America, N.A. (or an affiliate) and/or one or more other lenders to provide credit support for the Cooperative's commercial paper program and the form, terms and provisions of a related reimbursement agreement with Bank of America, N.A. and/or one or more other lenders to be executed in connection with the issuance of such letter of credit are hereby approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer and the Chief Financial Officer of the Cooperative or any person designated in writing for such purpose by either of such officers (the "Authorized Officers"), are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge, the aforementioned documents, and/or any other agreements that may be required with a credit

bank, investor, dealer, agent or depository institution, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to the short-term financings described in this resolution, in each case in such form and containing such terms and conditions as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers (whether acting together or alone) shall be authorized from time to time to approve the issuance and/or repayment of commercial paper notes under the commercial paper program authorized hereunder, and such Authorized Officers are further authorized to negotiate, execute and deliver renewals, extensions, supplements and/or amendments to any of the aforementioned documents, in each case as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers are each hereby 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 in such officer'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.

A motion was made by Secretary/Treasurer Rister, seconded by Director Ekrut, that this item be approved. The motion carried by the following vote:

Yes: 6 - Rister, Ekrut, Cox, Oakley, Graf, and Akers

Absent: 1 - Pataki

[2020-463](#)

Resolution - Approval of Authorization for Long-Term Debt Financing for the Cooperative - R Kruger

Body: WHEREAS, to continue to fund its capital improvement budget and operating budget in the next five-years and in the best interests of the Cooperative, the Cooperative requires commitments for long-term debt financings; and

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative authorizes the issuance or incurrence of long-term debt in the aggregate principal amount up to \$200,000,000, which debt may be secured under the Indenture by substantially all the assets of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the long-term debt authorized herein may include the

issuance of bonds, notes or other obligations (including, without limitation, notes to be purchased by NYL Investors LLC and/or one or more affiliates ("NY Life")) in one or more series or tranches on behalf the Cooperative (the issuance of which bonds, notes or other obligations is hereby approved), with the delivery of offering memoranda by the Cooperative to be offered through limited offerings or private-placements to accredited investors or qualified institutional buyers (the form, terms, provisions, and delivery of which offering memoranda are hereby approved), and may require obtaining a rating by a rating agency and certain documentation with the Depository Trust Company, each of which is hereby approved; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that such bonds, notes or other obligations will be secured under the Indenture and require the execution and delivery by the Cooperative of one or more Supplemental Indentures of Trust (each a "Supplement") to the Indenture, and the performance by the Cooperative of the transactions contemplated by each Supplement, and the form, terms, and provisions of each Supplement between the Cooperative and the Trustee is hereby approved in all respects, and any one or more of the Authorized Officers are hereby authorized to execute and deliver such Supplements on behalf of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the form, terms, and provisions of one or more loan agreements, credit agreements, note purchase agreements (including, without limitation, a Master Note Purchase Agreement with NY Life), bond purchase agreements, or other agreements providing for (or necessary in connection with) the issuance or incurrence of long-term debt, with one or more lenders or purchasers selected and approved by any one or more of the Authorized Officers, are hereby approved in all respects, and any one or more Authorized Officers of the Cooperative are hereby authorized to negotiate the final terms of such agreements, and to execute and deliver such agreements on behalf of the Cooperative; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Chief Executive Officer and the Chief Financial Officer of the Cooperative or any person designated in writing for such purpose by either of such officers (the "Authorized Officers"), are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge the aforementioned documents and any other agreements that may be required with a credit bank, lender, purchaser, trustee, or depository institution, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to such documents or agreements or the long term financings described in this resolution, in each case in such form and containing such terms and conditions as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers (whether acting together or alone) shall be authorized from time to time to negotiate, execute and deliver renewals,

extensions, supplements and/or amendments to any of the aforementioned documents, in each case as such officer or agent may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Authorized Officers are each hereby 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 in such officer'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.

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

Yes: 6 - Rister, Ekrut, Cox, Oakley, Graf, and Akers

Absent: 1 - Pataki

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:17 p.m.

Approved:

Milton Rister, Secretary

Emily Pataki, President