



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Final

Board of Directors

Friday, October 15, 2021

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 Auditorium and will be recorded in accordance with Board Meetings Policy.

Call to Order and Roll Call

This meeting was called to order at 9:16 a.m. on October 15, 2021 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

Present: 7 - Vice President Milton Rister, President Emily Pataki, Secretary/Treasurer Mark Ekrut, Director Travis Cox, Director James Oakley, Director Paul Graf, and Director Amy Akers

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. [2021-393](#) **Friday, September 17, 2021 - Regular Meeting Minutes**

Attachments: [2021-09-17 OS Minutes draft v.3.pdf](#)

Cooperative Monthly Reports

2. [2021-143](#) **Cooperative Update - J Parsley**

Attachments: [CEO Oct Update - 2021-143-FINAL.pdf](#)

Ms. Julie Parsley, Chief Executive Officer (CEO) presented our Electric Reliability Council of Texas (ERCOT) update: The legacy ERCOT Board is officially dissolved. The ERCOT Board met on October 12, 2021 establishing new bylaws for the new independent Board members. The two new independent members appointed to the ERCOT Board are Chairman Paul Foster, and Director Carlos Aguilar, Ph.D. CEO Parsley presented a Public Utility Commission of Texas (PUC) update: Docket No. 52373 - Market Design: the PUC is proposing a market design change to reduce the wholesale pricing cap from \$9,000 to \$4,500. Docket No. 52322 - Securitization: PUC Commissioners approved the unopposed settlement regarding the procedural

plan for securitization. The opt-outs are due 30-days from signed Final Order. PEC will opt-out of the securitization.

CEO Parsley shared the 2021-22 winter preparedness enhancements as follows: One-way SMS texting alert service to message members during an emergency, prolonged power interruptions, and mandated rolling outages. The Outage Map is updated showing reported outages and restoration times. The Outage Management System (OMS) is updated showing the differences between system outages and rolling outages. The Emergency Operations Plan (EOP) has new protocols to strengthen communications and identify outages. PEC is proactive with vegetation maintenance utilizing new software to efficiently identify areas in need of maintenance. The Unmanned Aerial Vehicles (UAVs) program is strengthened and PEC increased the UAV fleet. Ms. Parsley stated the November issue of Texas Co-Op Power (TCP) magazine includes an information tear out sheet for members to use as a reference guide/checklist to prepare for winter.

CEO Parsley also discussed the following matters: October is National Cooperative Month and is an opportunity to demonstrate how cooperatives care for communities and interact with members. Ms. Parsley shared a 30-second video featuring PEC employees, which will appear on Spectrum, the PEC website, and PEC social media outlets. Ms. Parsley thanked the employees who participated in the video. She discussed the LCRA Community Development Partnership Program supporting local communities in its service area. CEO Parsley said 4 organizations in the PEC service territory together, received almost \$93,000 for projects in their respective areas. She said Customer Service Week was October 4-8, 2021 celebrating the people who serve customers. CEO Parsley thanked PEC Member Relations agents. She said PEC is finalist in the 2021 Greater Austin Business Awards in category of Customer Experience. CEO Parsley shared employee thank you messages. She recognized PEC employee, Penny Whisenant, Supervisor, Vegetation Maintenance for being elected to serve on the Board of Directors of the International Society of Arboriculture - Texas Chapter. President Pataki congratulated Ms. Whisenant. President Pataki also thanked the employees for their hard work.

Director Akers asked CEO Parsley to elaborate on the securitization docket. Ms. Parsley said the 87th Regular Session of the Texas State Legislature authorized the ability for certain companies to place their respective incurred costs from the winter storm into a securitization docket. A monthly fee will be charged to the companies' respective customers for the winter storm costs for as much as \$30 per month, for up to 30 years. She said PEC will opt-out of the securitization docket. Dr. Graf inquired whether the securitization will be at a higher interest rate. Mr. Randy Kruger, Chief Financial Officer (CFO) responded stating the securitization will be 30-year high quality debt, likely at today's market interest rate of 2.5%, while PEC's would be much lower.

3. [2021-192](#) Cooperative Financial Update - R Kruger

Attachments: [Presentation-Financial Update-2021-192 – Final](#)
[Financial Statements Aug-2021-192 - Final](#)

Mr. Randy Kruger, Chief Financial Officer (CFO) discussed the August financial

update. He said August temperatures were milder than normal, and volumes came in about 1% below where we expected. He said margins were in excess of what we expected, primarily because of sales of renewable energy credits imbedded in the margins. He said the outside services and the payroll benefits were above what we budgeted. He mentioned that later on the agenda, we will discuss revisions to the 2021 budget to account for the affects of the debt bond defeasance.

4. [2021-210](#) Cooperative Operations Update - E Dauterive

Attachments: [Operations Report - 2021-210 Final2.pdf](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) discussed the following topics including: safety, SAIDI reliability, winter preparedness, electronic self-service payments, paperless billing, and engineering projects. COO Dauterive provided an update on the AMI program and mentioned there are meter component shortages due to disruption to global supply chains. Mr. Dauterive said the new vegetation management technology now implemented is efficient and beneficial for cost savings. He said PEC teams are competing in the International Lineman's Rodeo in Overland Park, Kansas, and the results will be will be shared with the Board next month. COO Dauterive thanked the member relations customer service teams.

Director Akers thanked COO Dauterive for the efforts preparing for the winter season ensuring the membership is protected. Director Akers inquired whether SmartHub text messaging will be activated. COO Dauterive indicated there is a new texting platform in place, and the first phase of that project implemented one-way, emergency texting communication; the second phase will establish two-way texting communication to integrate with the Outage Management System (OMS) for outage notifications; the third phase is texting communication on the NSIC system for member account management and payment notifications. Ms. Julie Parsley, Chief Executive Officer (CEO) mentioned SmartHub texting was active, but when the new texting platform was implemented, SmartHub texting was deactivated. President Pataki indicated she is looking forward to the results of the rodeo team.

Member Comments (Up to 3 minute limitation or as otherwise directed by Board)

5. [2021-390](#) Member Comments

Attachments: [Decorum Policy - \(3 minute note\)](#)

Ms. Norma Laird was present at the meeting and commented on the upcoming results of the value of solar study.

Ms. Kathi Thomas was present at the meeting and commented on the upcoming results of the value of solar study.

Mr. Gregory Squires was present at the meeting and commented on the upcoming results of the value of solar study.

Mr. Patrick Schaub was present at the meeting and commented on the upcoming results of the value of solar study.

Action Items / Other Items

6. [2021-351](#) **Resolution - Review and Approval of Investment Policy - R Kruger**
- 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 Investment 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:** [Resolution-Investment Policy-2021-351-v1 Redline](#)
[Resolution-Investment Policy-2021-351-v1 Final](#)
- Mr. Randy Kruger, Chief Financial Officer (CFO) presented the resolution and asked the Board for approval.
- A motion was made by Director Oakley, seconded by Director Cox, that this item be approved. The motion carried by the following vote:**
- Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers
7. [2021-354](#) **Resolution - Review and Approval of Unclaimed Property Policy - S Houghton**
- 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 Unclaimed Property Policy, with such changes, if any, as were approved by the Board; and
- BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to take all such actions as may be necessary to implement this resolution.
- Attachments:** [Resolution - Unclaimed Property Policy Redlined 2021-354 v1](#)
[Resolution - Unclaimed Property Policy Clean 2021-354 v1](#)
- Ms. Sharon Houghton, Tax and Regulatory Accounting Manager, Finance Business Partner presented the resolution and asked the Board for approval.
- A motion was made by Director Akers, seconded by Director Graf, that this item be approved. The motion carried by the following vote:**
- Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers
8. [2021-130](#) **Resolution - Approval for Amendment to Allocation of 2020 Net Margins to Capital Credits - K Jones**
- Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative reduce the non-operating margins previously reported by \$251,954 for 2020 and increase the net margins for 2020 by such amount;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative adjust the allocation previously adopted in July 2021;

BE IT FURTHER 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, 2020, in the amount of \$33,800,592 adjusted for an unbilled revenue amount of (\$4,014,949) and adjusted for non-operating margins not related to providing electric services of \$565,129 be approved for member allocation. This amount of \$37,250,412 shall be allocated first to revenue class on the basis on contribution to gross margin and then second on the basis of total gross electric billings for the calendar year 2020 to those patrons having positive billing amounts during the year within each class.

BE IT FURTHER RESOVLED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the additional allocation factors calculated for 2020 are Residential 0.0004238369, Small Power 0.0004072205, Large Power 0.0002661764, Industrial 0.0000313760, Public Authorities 0.0002097254, and Transmission Light and Power 0.0000138084; and.

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

Ms. Kat Jones, Controller provided a summary of the resolution and asked the Board for approval.

A motion was made by Vice President Rister, 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

9. [2021-355](#) Resolution - Approval to Amend the 2021 PEC Budget, Including Winter Storm, Bond Defeasance, and Real Estate Matters - J Smith

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative adopts the Amended 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: [Presentation-2021 Amended Budget-2021-355-Final](#)

Ms. Janelle Smith, Financial Planning & Analysis Manager provided a summary presentation of the resolution and asked the Board for 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 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

10. [2021-387](#) **Resolution - Approval of Election Policy and Procedures Amendments Related to 2021 Annual Director Post-Election Analysis - S Romero**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to the Election Policy and Procedures and its regular review of Board policies, the Board has reviewed and adopts the Election Policy and Procedures presented to and discussed by the Board this day, with any amendments, as were discussed and approved by the Board; and

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

Attachments: [Election Policy and Procedures - 2021-387 - Draft v2-REDLINE.PDF](#)
[Election Policy and Procedures - 2021-387 - Draft v2-CLEAN.PDF](#)

Ms. Sylvia Romero, Governance Manager presented the resolution and asked the Board for approval.

A motion was made by Secretary/Treasurer Ekrut, 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

11. [2021-388](#) **Resolution - Approval to Establish 2022 Annual Meeting Date and Location - D Ballard**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2022 Annual Membership Meeting of the Pedernales Electric Cooperative, Inc. ("PEC") be held within the PEC service territory at the Cooperative's E. Babe Smith Headquarters in Johnson City, Texas, on Friday, June 17, 2022, at 9:00 a.m.; and

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

Mr. Don Ballard, General Counsel presented the resolution and asked the Board for approval.

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

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

12. [2021-389](#) **Resolution - Review and Approval of the Power Supply and Energy Management Policy - L Cunningham**

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 Power Supply and Energy Management Policy, with such changes, if any, as were approved by the Board; and

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

Attachments: [Power Supply and Energy Mgmt Policy Presentation 2021-389](#)
[Power Supply and Energy Mgmt Policy-2021-389 REDLINED](#)
[Power Supply and Energy Mgmt Policy-2021-389 CLEAN](#)

Mr. Lance Cunningham, Director of Power Supply and Energy Risk Management provided a summary presentation of the language revisions to the policy, as requested by Director Amy Akers at the September 17, 2021 Board Meeting, and asked the Board for approval.

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

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

13. [2021-413](#) Draft Resolution - Approval of 2022 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 2022 Rate Plan that was presented to and discussed by the Board this day, with any such changes, 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 such other actions necessary to implement this resolution.

Attachments: [Presentation - Approval 2022 Rate Plan 2021-413.pdf](#)

Ms. Natalia Mack, Rates Manager provided a summary presentation of the Rate Policy Cycle, the 2022 Rate Plan Timeline, and the Annual Rate Plan Items of the rate proposal, which will be presented in November 2021 for approval by the Board. Director Ekrut commended Ms. Mack and the team for making 2022 Rate Plan simple and easy to read. Director Akers stated that she had not seen the 2022 Rate Plan. She inquired whether the value of solar study was completed. She indicated that she did not feel adequately informed to make a decision on the rate plan, and the supporting documentation. Director Akers made a motion to publish the proposed rate plan, and the value of solar study to the membership, today. Director Cox seconded the motion. The Board had a conversation concerning the draft 2022 Rate Plan, and the supporting documentation. Mr. David Thompson, Vice President of Markets stated the value of solar study will be available with the other materials to be presented at the November 2021 PEC Board of Directors meeting and after the study is completed. Mr. Thompson also stated that the Rate Plan is the presentation as provided to the Board. The Board and General Counsel, Don Ballard had a discussion concerning consideration of the draft 2022 Rate Plan and agreed to discuss the matter further during the executive session portion of the meeting, and said the Board would take up the matter later in open session, this afternoon. Director Akers withdrew her motion, and Director Cox withdrew his

second to the motion. Director Akers suggested that the documents be made available to the membership as soon as possible.

14. [2021-403](#) Discussion of Enhancements for Vegetation Management Software - E Dauterive

Attachments: [Presentation - Vegetation Mgmt Software 2021-403 Final2.pdf](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) recognized PEC employee, George Leader, Vegetation Maintenance Manager for his service. COO Dauterive provided a summary presentation of the enhancements of the new vegetation management software, allowing for prioritized targeted trimming, cost savings in eliminating reactive trimming and other software. He said the provider's annual cost is \$750,000 for flyover, analysis, and contingency costs. He said the resolution will be presented to the Board for consideration in executive session.

Proposed Future Items / Meetings (subject to final posting)

15. [2021-394](#) List of Board Approved Future Meetings

Attachments: [Approved 2021 Board Meeting Calendar - Revised 041521.pdf](#)
 [Draft 2022 Board Meeting Calendar v2](#)

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

16. [2021-395](#) Board Planning Calendar (Written Report in Materials)

Attachments: [3-Month Outlook Planning Calendar.pdf](#)
 [PEC Annual Planning Calendars.pdf](#)

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 10:43 a.m. stated the Board would go into Executive Session.

Executive Session - Legal Matters

17. [2021-396](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services

18. [2021-397](#) Litigation and Related Legal Matters - D Ballard

19. [2021-398](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard

20. [2021-407](#) Enterprise Risk Management (ERM) Update - K Krueger

21. [2021-408](#) Annual Review of Strategic Plan - E Pataki

Executive Session - Contract and Competitive Matters

- [2021-382](#) Resolution - Approval of 2020 IRS Form 990 - S Houghton

Attachments: [2021-386 Audit Committee Resolution - Recommendation v2.pdf](#)

- [2021-377](#) Resolution - Approval of Vegetation Management Software Solution Agreement - E Dauterive

24. [2021-344](#) Update on Extreme Cold Weather Event February 2021 After-Action Review - E Dauterive

- [2021-411](#) Resolution - Approval of Construction Contract Amendment for Leander - Blockhouse - Whitestone Transmission Line - E Dauterive

26. [2021-321](#) Draft Resolution - Approval to File With Public Utility Commission Interim Update of Transmission Cost of Service Rates - B Headrick

27. [2021-392](#) Transmission Operations and Control Center Update - C Moos/J Warren/J Louis

28. [2021-405](#) Draft Resolution - Approval of 2022 Operating Budget and 2022 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/K Jones

- [2021-357](#) Resolution - Approval of 2022 Power Supply Plan and 2022 Power Supply Plan Delegation of Authority - D Thompson/L Cunningham

30. [2021-391](#) Markets Monthly Report - D Thompson

31. [2021-412](#) Discussion of Member Segmentation Study - C Porter/R Verette

Executive Session - Real Estate Matters

- [2021-399](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos

33. [2021-400](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

Executive Session - Safety and Security Matters

34. [2021-401](#) Safety and Security Matters

Executive Session - Personnel Matters

35. [2021-402](#) Personnel Matters
36. [2021-404](#) CEO Action Plan Quarterly Update - J Parsley

Reconvene to Open Session

At 2:57 p.m., the Board reconvened to the open session meeting.

Items from Executive Session

The following agenda items were discussed in executive session and set for approval in open session.

22. [2021-382](#) Resolution - Approval of 2020 IRS Form 990 - S Houghton

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Form 990 as submitted to the Board at its regular meeting held on October 15, 2021, is approved, with such changes thereto, if any, as were discussed and approved by the Board;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Financial Officer, or designee, is hereby authorized and directed to file the Form 990 with the Internal Revenue Service as the official filing of the Cooperative and make it publicly available.

Attachments: [2021-386 Audit Committee Resolution - Recommendation v2.pdf](#)

A motion was made by Director 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

23. [2021-377](#) Resolution - Approval of Vegetation Management Software Solution Agreement - E Dauterive

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board approve the execution of a five-year agreement with The Weather Company | An IBM Business for the vegetation management software not to exceed \$3,750,000.

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

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

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

25. [2021-411](#) Resolution - Approval of Construction Contract Amendment for Leander - Blockhouse -Whitestone Transmission Line - E Dauterive

Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the contract for construction services to upgrade the Leander to Blockhouse to Whitestone transmission line be amended to increase the contract amount as discussed in Executive Session of this

meeting; 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 Graf, seconded by Director Akers, that this item be approved. The motion carried by the following vote:

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

29. [2021-357](#) **Resolution - Approval of 2022 Power Supply Plan and 2022 Power Supply Plan Delegation of Authority - 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 ("CEO"), or designee, to deliver such notices as may be required by any wholesale power agreement, and to negotiate, execute, and deliver such agreements, notices, confirmations or certificates necessary or appropriate to acquire the electric capacity, energy or other products related thereto as described in the 2022 Power Supply Plan as discussed by the Board during Executive Session of this meeting, subject to the terms and conditions of the 2022 Power Supply Plan Delegation of Authority as discussed by the Board during 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 and directed to do any and all such other things, and take such other actions, as the Chief Executive Officer, or designee, deems necessary to implement this resolution.

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

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

32. [2021-399](#) **Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos**

This Executive Session - Real Estate Matters item was approved as resolution #2021-444 below.

[2021-444](#) **Resolution - Approval of Sale of Land and Release from Lien for Property in Williamson County - E Dauterive**

Body: **WHEREAS**, the Cooperative's Board of Directors has reviewed the Term Sheet for the sale of the Land with respect to the Leander Property in Williamson County as provided in Executive Session; and

WHEREAS, the Cooperative's Board of Directors hereby concludes that the Land is no longer necessary or advantageous in the business of the Cooperative; and

WHEREAS, the Cooperative's Board of Directors hereby concludes that the sale price represents the fair market value for the Land; and

WHEREAS, the Land constitutes less than all of the property in the Cooperative's possession constituting part of the Trust Estate (as defined in the Master Indenture); and

WHEREAS, the Cooperative's Board of Directors desires to obtain a release of the Lien (as defined in the Master Indenture) from the Trustee under the Master Indenture pursuant to Section 1.9(a) and a release from the Deed of Trust in order to sell the Land; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative hereby sells the Land for the amount as discussed, this day in Executive Session, with certain details of any such transaction to be publicly available upon public filing of instruments;

BE IT FURTHER RESOLVED, that the Cooperative requests that the Trustee release the Land from the Lien under the Master Indenture pursuant to Section 1.9(a) of the Master Indenture and release the Land from the Deed of Trust;

BE IT FURTHER RESOLVED, that the Chief Executive Officer or any person designated in writing 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 prepare, execute, acknowledge as appropriate, and deliver any deed, certificates, and other instruments of any nature necessary or appropriate to give effect to such sale of Land and release of the Land from the Lien, in such form and containing such terms and conditions as such officer or agent may in his sole discretion deem necessary, appropriate, or desirable; and

BE IT FURTHER RESOLVED, that any prior resolution for the sale of any portion of the Leander Property is hereby rescinded; 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 Vice President Rister, seconded by Director Graf, that this item be approved. The motion carried by the following vote:

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

[2021-413](#)

Draft Resolution - Approval of 2022 Rate Plan - N Mack/D Thompson

Attachments: [Presentation - Approval 2022 Rate Plan 2021-413.pdf](#)

President Pataki said earlier this morning, in open session, the Board had a discussion on the upcoming adoption of the 2022 rate plan and the consideration of rates that would come, as a result of that rate plan. She asked Director Akers to continue that conversation.

Director Akers provided the following statement: "Over the past month it has become clear to me that there may be a misunderstanding among the membership regarding the process by which we adopt, or change rates. The

purpose of her comments, or to shine light on those misunderstandings can lead to a misplaced belief that there is a lack of transparency, and can be caused by a multitude of things, or events to include, but not limited to, infrequent communication. To clarify, I do not believe that there has been an actual lack of transparency. My comment that I believe that we have not been transparent in relation to the rate plan and supporting documents, is purely stemmed from the limited information provided to the membership, regarding the value of solar study, and its relation to the rate plan. Since I have been on the Board, the Board has been dedicated to transparency and ensuring the membership is informed about our actions, when, and why they are occurring. This is why we have the draft resolutions. Going forward, I believe we need to keep the membership informed and updated on our processes. Starting by providing a brief explanation of the process by which we change and adopt our rates, and the role the rate plan plays, as well as, when, and how the value of solar study impacts the rate plan. Doing so will clarify the Board's current actions and, ideally, limit member misunderstanding. To verbally clarify the process for the membership at this time, the rate plan sets the parameters established by the Board, by which the tariff amendments, or rate changes are to be formulated by staff. The proposed rate as proposed today, sets the parameters for the distributed or interconnect rate to include consideration of the value of solar study, to not include the time of use, etc. Staff will be charged to formulate interconnect rates based upon the parameters set in the rate plan, including, but not limited to the value of solar study."

President Pataki stated it is great clarification and sometimes we think we see one thing on paper, and we read it one way; but it means something slightly different to others, and that leads to a lot of confusion. We have a rate plan, which is an outline, and every action that flows from that, fits back to that outline. The Board will consider this topic next month. We will have a lot more information once it's finalized and published for the membership with the other materials to be part of that discussion.

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:02 p.m.

Approved:

Mark Ekrut, Secretary

Emily Pataki, President