



# PEDERNALES ELECTRIC COOPERATIVE

Board of Directors Agenda - Final

03/24/2023 | 9:00 AM | PEC Headquarters Auditorium

**201 S. Ave F, Johnson City, TX 78636**

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

9:00 AM Meeting called to order on March 24, 2023 at PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, TX.

*The following agenda items may be considered in a different order than they appear.*

## Adoption of Agenda

### Consent Items

1. [2023-061](#) Friday, February 17, 2023 - Regular Meeting Minutes

Attachments: [2023-02-17 OS Meeting Minutes draft v2](#)

### Cooperative Monthly Report

2. [2023-062](#) Cooperative Update - J Parsley/R Kruger/E Dauterive/J Urban

Attachments: [CEO March Update\\_v5](#)

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

3. [2023-065](#) Member Comments

Attachments: [Decorum Policy](#)

### Action Items / Other Items

4. [2023-066](#) Resolution - Approval of Construction Contract for Leander to Nameless Transmission Line - J Treviño

5. [2023-067](#) Resolution - Approval of Construction Contract for Junction Substation Upgrade - J Treviño

6. [2023-063](#) Draft Resolution - Review and Approval of Defined Benefit Plan Funding Policy Amendments - R Kruger/N Fulmer

Attachments: [Defined Benefit Plan Funding Policy Redline - 2023-063 - Final](#)  
[Defined Benefit Plan Funding Policy Clean - 2023-063 - Final](#)

7. [2023-069](#) Draft Resolution - Approval of 2023 Cooperative Response Center (CRC) Voting Delegates - J Urban

Attachments: [2023 CRC Voting Delegate Registration Form 2023-069](#)

8. [2023-070](#) Draft Resolution - Approval and Certification of 2023 Election Ballot - D Ballard
9. [2023-071](#) Draft Resolution - Approval of 2023 Annual Membership Meeting Agenda - D Ballard  
Attachments: [Draft 2023 Annual Membership Meeting Agenda](#)
10. [2023-072](#) 2023 Election Timeline Update - D Ballard (Written Report in Materials)  
Attachments: [2023 Election Timeline FINAL BOD Approved 121622 2023-072](#)

**Proposed Future Items / Meetings (subject to final posting)**

11. [2023-073](#) List of Board Approved Future Meetings  
Attachments: [2023 Board Meeting Calendar](#)
12. [2023-074](#) Board Planning Calendar (Written Report in Materials)  
Attachments: [3-Month Outlook Calendar](#)  
[PEC Annual Board Planning Calendar](#)

**Recess to Executive Session**

**Executive Session - Legal Matters**

13. [2023-075](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services
14. [2023-076](#) Litigation and Related Legal Matters - D Ballard
15. [2023-077](#) Legislative Update - J Urban
16. [2023-078](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard

**Executive Session - Contract and Competitive Matters**

17. [2023-079](#) Discussion of Power Supply Contractual Resources - D Thompson
18. [2023-080](#) Markets Monthly Report - D Thompson
19. [2023-081](#) Transmission Operations and Control Center Update - C Moos/J Warren/J Treviño
20. [2023-064](#) Update Report and After Action Review on Extreme Cold Weather Event, February 2023 - E Dauterive

**Executive Session - Real Estate Matters**

21. [2023-082](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
22. [2023-083](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

**Executive Session - Safety and Security Matters**

23. [2023-084](#) Safety and Security Matters

**Executive Session - Personnel Matters**

24. [2023-085](#) Personnel Matters

25. [2023-086](#) Chief Executive Officer Corporate Initiative and Action Items Quarterly Update - J Parsley

**Reconvene to Open Session****Items from Executive Session****Adjournment**



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**File #:** 2023-061, **Version:** 1

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**Friday, February 17, 2023 - Regular Meeting Minutes**



# Pedernales Electric Cooperative

PO Box 1  
Johnson City, TX 78636

## Meeting Minutes - Draft

### Board of Directors

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Friday, February 17, 2023

9:00 AM

PEC Headquarters Auditorium

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201 S. Ave F, Johnson City, TX 78636

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

This meeting was called to order at 9:03 a.m. on February 17, 2023 at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

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

#### Adoption of Agenda

The agenda was adopted as posted and without objection.

#### Consent Items

1. [2023-011](#) **Friday, January 20, 2023 - Regular Meeting Minutes**

**Attachments:** [2023-01-20 OS Meeting Minutes draft v3](#)

Director Paul Graf stated for the record that there was a typographical error in Resolution 2023-007 that was approved in January regarding the Annual Interconnect Rate. Mr. Graf said the resolution is missing a zero after the decimal. The resolution for the amount of the Sustainable Power Credit should read as \$0.060005. The attached materials for that item had the correct amount listed.

**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

#### Cooperative Monthly Reports

2. [2023-033](#) **Cooperative Update - J Parsley**

**Attachments:** [2023-033 Winter Storm Mara Update](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Mr. Eddie Dauterive, Chief Operations Officer (COO), Mr. JP Urban, Executive Vice President, External Relations, and Mr. Jose Trevino, Vice President, Engineering, all shared in discussion of the Winter Storm Mara event. The extensive damage to PEC infrastructure due to ice accumulation required substantial time, crews, and materials to repair the high frequency of outages. The outage volume quickly escalated when multiple substations lost service from transmission providers. Restoration efforts required significant time-consuming construction due to icing. The operations, member relations, and external relations staff members prepared for inclement weather, prolonged outages, and communication to PEC members. The Emergency Operations Plan (EOP) was activated on February 2, 2023. Through the winter storm event, nine (9) substations were taken offline. One ERCOT mandated order resulted in a substation being temporarily taken offline for 2.5 hours. Restoration support from PEC districts, contract crews, and EOP information to employees, local officials, and communities provided relevant updates on critical issues. PEC's vegetation management program uses advanced technology to identify and prioritize vegetation pruning work by the level of risk and impact on the system. PEC uses Light Detection and Ranging (LiDAR) scanning to create three-dimensional data of vegetation near conductors. After 2021 Winter Storm Uri, PEC implemented a new Outage Management System (OMS) that was stress tested to distinguish individual outages from forced load-shed outages.

During normal operations, the OMS external mapping systems use built-in automation to provide Estimated Times for Restoration (ETR) based on sophisticated calculations of historical data. Events requiring additional restoration efforts, such as extensive reconstruction work require ETR updates from the field, which are manually entered. Due to the extensive damage to the system, manual ETR and crew status updates were necessary, and the high number of outages made the manual process extremely difficult. When it became apparent that these manual processes were inaccurate, the ETR and crew status of the outage map were changed to reflect restoration was in process. On February 3, 2023, the external relations staff coordinated with PEC district operations to establish broad ETRs for large outages implementing a manual notification process for affected members. During the event, two issues were discovered concerning the external outage map updates: unavailable estimated times for restoration due to a lack of historical data, and outages not easily seen by members on the external map. PEC staff developed a manual work-around to identify outages that remained after the larger rolled-up outages were restored. PEC maintained contact with city, county, and state officials throughout the weather event. In addition, PEC maintained consistent communications during the event from the critical load registry and commercial accounts. PEC also established a list of critical load sites with feeder designation targeting communication in affected areas.

The member relations staff assisted in wellness checks with department field technicians looking in on vulnerable members. PEC presented daily operations status updates from February 2-7, 2023 to the Texas Department of Emergency Management, the Texas Energy Reliability Council, and the State Operations Center. PEC filed a Significant Interruption Summary Report to the PUC on February 13, 2023. Following the EOP, PEC remains in recovery operations and will prepare an after-action assessment for improvements. Ms.

Parsley thanked the utility neighbors and shared kudos from members. Ms. Parsley, Messer's Dauterive, Urban, and Treviño, and the Board thanked the PEC staff for their efforts during the winter storm event. The Board had considerable discussion on the storm, event preparation, outage communications, restoration efforts, and the next steps.

3. [2023-034](#) **Cooperative Financial Update - R Kruger**

Attachments: [CFO Update Flash Report 2023-034 Final](#)

Mr. Randy Kruger, Chief Financial Officer (CFO), provided abbreviated January financial information due to financial close delays related to the Emergency Operations Plan of Winter Storm Mara. Additional details of the financial report may be found in the attached document. Mr. Kruger discussed gas storage, forward natural gas prices, forward power prices, market heat rates, the impact of inflation and commodity costs, and interest rates.

4. [2023-035](#) **Cooperative Operations Update - E Dauterive**

Attachments: [Operations Report 2023-035 Final](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO) said the operational update information was provided in the meeting materials.

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

5. [2023-036](#) **Member Comments**

Attachments: [Decorum Policy](#)

Mr. Robert Phillips was present and commented on outages. Mr. Skyler Williams was present and commented on electric vehicle charging stations. Mr. Clark Smith was present and commented on outages.

**Action Items / Other Items**

6. [2023-037](#) **Resolution - Approval of 2023 NRECA Annual Meeting Voting Delegates, 2023 CFC District Voting Delegates, and 2023 NRTC Voting Delegates - M Ekrut**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following persons are appointed as voting delegate and alternate delegate to act as designated and authorized representatives of the Cooperative at the 2023 NRECA PowerXchange (Annual Meeting) until successors are duly appointed and designated: Amy SJ Akers, Voting Delegate; and Mark Ekrut, Alternate Delegate; and

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following persons are appointed as voting delegate and alternate delegate to act as designated and authorized representatives of the Cooperative at the 2023 NRTC Annual Meeting, until successors are duly appointed and designated: Amy SJ Akers, Voting Delegate; and Mark Ekrut, Alternate Delegate; and

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following persons are hereby appointed as voting delegate and alternate delegate to act as designated and authorized representatives of the Cooperative at the 2023 District 10 Meeting of CFC, until successors are duly appointed and designated: Amy SJ Akers, Voting Delegate; and Mark Ekrut, Alternate Delegate; and

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

**Attachments:** [NRECA Voting Delegate Form 2023-01-26](#)

Voting Delegates

The Board may consider designation of voting delegates and alternates to upcoming NRECA (National Rural Electric Cooperative Association), NRTC (National Rural Telecommunications Cooperative), and CFC (National Rural Utilities Cooperative Finance Corporation) annual meetings. The NRECA PowerXchange (Annual Meeting) will be held March 3-8, 2023 in Nashville, Tennessee. NRECA requires voting delegates to cast votes for the NRECA Annual Member Business Meeting on March 7, 2023 from 11:00 a.m.-12:00 p.m. EST. Voting delegates may attend the annual member business meeting either in-person or online. The NRTC Annual Meeting will be held on March 3, 2023 from 2:00 p.m.-3:30 p.m. EST in Nashville, Tennessee. The 2023 CFC Forum will be held June 19-21, 2023 in Seattle, Washington. CFC Bylaws do permit members to cast ballot by mail.

President Mark Ekrut stated that Amy Akers will serve as the Voting Delegate, and he will serve as the Alternate Voting Delegate.

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

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

**7. [2023-038](#) Resolution - Approval for Directing the General Counsel to Prepare 2023 Proposed Non-Director Election Ballot Item(s) - D Ballard**

**Body: BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the General Counsel, or designee, of the Cooperative is directed to prepare proposed ballot wording for consideration by the Board of Directors on the following Non-Director Election matter(s) (as defined in the Cooperative's Election Procedures):

A.) \_\_\_\_\_;

B.) \_\_\_\_\_;

C.) \_\_\_\_\_;

and



**BE IT FURTHER RESOLVED** that, in accordance with Section 6.1 of the Election Procedures, the ballot wording will be presented in a way to maximize Members' understanding of the Non-Director Election matter, including any Board recommendation or position concerning the matter; and

**BE IT FURTHER RESOLVED** that the Board votes to [support/oppose] the proposed Non-Director Election matter, and the General Counsel is directed to draft proposed ballot language that reflects the Board's position; and

**BE IT FURTHER RESOLVED** that this proposed Non-Director Election matter shall not be included on the ballot unless and until a majority of the Directors votes to affirmatively place the matter on the ballot and approves the ballot wording.

Non-Director Election Ballot Item(s)

Section 6.1 of the Election Policy and Procedures provides that: "The Board may, from time-to-time, submit matters under consideration by the Board to a vote of the Members. The vote in any such Non-Director Election shall be advisory only, except in such cases where a vote of Members is required by law or the PEC Bylaws, such as a vote to amend the PEC Articles of Incorporation. No later than the Regular Board Meeting 5 months prior to an election, the Board will direct the General Counsel to prepare proposed Ballot wording for any items to be put to a vote in a Non-Director Election. Any such matters will be presented by the General Counsel in a way to enhance Member understanding of such measures, including any Board recommendation or position concerning such a vote." The Board may now wish to consider whether any Non-Director Election(s) items shall be placed on the 2023 election ballot.

Mr. Don Ballard, General Counsel, presented the resolution and said there were no Non-Director Election matters on the ballot. Since there were no items to consider for approval, there was no action taken on the resolution.

8. [2023-039](#) **Resolution - Approval of Appointments to 2023 Qualifications and Elections Committee - D Ballard**

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

**NOW, THEREFORE, BE IT RESOLVED** that the following individuals are appointed to serve on the Qualifications and Elections Committee for the 2023 Election:

1. Amy Phillips
2. Cliff Hahn
3. Richard Law
4. Chris Smith
5. Craig Magerkurth
6. Lindy Sisk
7. Chris Oliveira; and

**BE IT FURTHER RESOLVED** that the following individuals are appointed as

alternates to serve on the Qualifications and Elections Committee for the 2023 Election should an appointed member be unable to serve:

1. None
2. None
3. Kevin Nolting
4. None
5. None
6. None
7. Karleigh Stautz; and

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

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

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

**BE IT FURTHER RESOLVED** that Committee members are paid \$150 for each telephonic or live meeting lasting more than one hour; the Cooperative will reimburse mileage and reasonable meal expenses incurred by Committee members in the course of their service; and provide indemnification and protection from liability for Committee members serving in that capacity as provided for in the PEC Bylaws; and

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

Qualifications and Election Committee

PEC's Bylaws Article 3 Section 3 provides the following: Qualifications and Elections Review Committee.

(a) At least ninety (90) days before any Membership vote for Election of a Director, the Board of Directors shall, appoint, by resolution, a qualifications and election review committee ("Qualifications and Elections Committee") consisting of no less than three (3) nor more than seven (7) members who are not existing Cooperative officers, employees, Directors or known candidates for Directors, or close relatives or members of the same household thereof. The Qualifications and Elections Committee shall elect its own chairman and secretary and shall be dissolved without further action required at the conclusion of the fifth day following the Member Meeting for which the Qualifications and Elections Committee was appointed, or upon the conclusion of any business before the Qualifications and Elections Committee, whichever is later. The Board may set compensation, reimbursement, allowances for telephonic meetings, and any other terms for the Qualifications and Elections Committee not otherwise specified by these Bylaws.

(b) It shall be the responsibility of the Qualifications and Elections Committee to

verify the qualifications of Director Nominees.

(c) In the exercise of its responsibility, the Qualifications and Elections Committee shall have available to it the assistance of staff and the advice of legal counsel provided by the Cooperative, and shall be subject to the limits of Article III, Sec. 2 (p) of these Bylaws.

(d) The Qualifications and Elections Committee's decisions (as reflected by a majority of those actually present and voting) on all matters covered by this Section shall be final.

(e) In all matters, the Qualifications and Elections Committee shall assume the truth of matters asserted by Director Nominees, and act accordingly, unless the Committee has identified a reasonable and specific basis for acting otherwise.

PEC's Election Policy and Procedures Section 6.2.1.6 provides the following: Qualifications and Elections Committee. At least a week before the Regular Board meeting 4 months prior to an election, each Director may submit to the Governance Team the name of a person or persons residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee, as described in the Bylaws. At the Regular Board meeting 4 months before an election, the Board will appoint the Qualifications and Elections Committee, with no less than three (3) nor more than seven (7) members, preferably with one member from each Director District. The resolution will set compensation, if any, deadlines, reimbursement, allowances for telephonic meetings, and any other terms specified by the Board, and will specify that the Committee shall operate in accordance with the Bylaws and these Election Procedures. Members of the Qualifications and Elections Committee will have access to personal candidate information. The Qualifications and Elections Committee will use personal candidate information only as needed for service on the Qualifications and Elections Committee and will not further disclose the information unless required as a matter of law.

Mr. Don Ballard, General Counsel, presented the resolution, indicating that an appointee name changed for District 4 to the Qualifications Elections Committee (QEC). Mr. Ballard asked the Board for approval.

**A motion was made by Vice President Rister, 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

**9. [2023-042](#) 2023 Election Timeline Update - D Ballard (Written Report in Materials)**

**Attachments:** [2023 Election Timeline FINAL BOD Approved 121622 2023-042](#)

Mr. Don Ballard, General Counsel, said the Nomination Petition Application materials are due at or before 5 p.m. on March 27, 2023 in Johnson City, Texas at PEC's Headquarters.

**10. [2023-057](#) Key Performance Indicator (KPI) of 2022 Period 2 Results - E Dauterive/B Porter**

**Attachments:** [KPI 2022 P2 Performance 2023-057 Final](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO), presented the Key Performance Indicator (KPI) 2022 Period 2 Results.

**Proposed Future Items / Meetings (subject to final posting)****11.     [2023-043](#)     List of Board Approved Future Meetings**

**Attachments:**   [2023 Board Meeting Calendar](#)

President Mark Ekrut said there is a date change for the March Board 2023 meeting.

**12.     [2023-060](#)     Resolution - Approval to Amend the 2023 Board of Directors List of Proposed Future Meetings - M Ekrut**

**Attachments:**   [Proposed Meetings](#)

President Mark Ekrut said that due to conflicting schedules the amended date of the March 2023 Board meeting is March 24, 2023.

**A motion was made by Director Pataki, 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

**13.     [2023-044](#)     Board Planning Calendar (Written Report in Materials)**

**Attachments:**   [3 Month Outlook Calendar](#)  
                      [PEC Annual Board Planning Calendar](#)

President Mark Ekrut said the planning calendars are provided in the meeting materials.

**Recess to Executive Session**

President Mark Ekrut announced the items to be discussed in Executive Session and at 11:09 a.m., stated the Board would go into Executive Session.

**Executive Session - Legal Matters****14.     [2023-045](#)     Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services****15.     [2023-046](#)     Litigation and Related Legal Matters - D Ballard****16.     [2023-047](#)     Legislative Update - J Urban****[2023-048](#)     Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard****Executive Session - Contract and Competitive Matters****18.     [2023-049](#)     Discussion of Power Supply Contractual Resources - D Thompson**

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19. [2023-050](#) Markets Monthly Report - D Thompson
- [2023-041](#) Resolution - Approval of 2022 Budget Amendments for Capital Improvement Plan Expenditures - J Smith/K Jones
21. [2023-040](#) Draft Resolution - Approval of Construction Contract for Leander to Nameless Transmission Line - J Treviño
22. [2023-058](#) Draft Resolution - Approval of Construction Contract for Junction Substation Upgrade - J Treviño
23. [2023-059](#) Draft Resolution - Approval of Materials Purchase for Paleface to Marshall Ford Transmission Line Project - J Treviño
24. [2023-051](#) Transmission Operations and Control Center Update - C Moos/J Warren/J Treviño

**Executive Session - Real Estate Matters**

- [2023-052](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
26. [2023-053](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

**Executive Session - Safety and Security Matters**

27. [2023-054](#) Safety and Security Matters
28. [2023-055](#) Cyber Security Biannual Update - S Stoppelmoor

**Executive Session - Personnel Matters**

29. [2023-056](#) Personnel Matters

**Reconvene to Open Session**

At 2:26 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.

20. [2023-041](#) Resolution - Approval of 2022 Budget Amendments for Capital Improvement Plan Expenditures - J Smith/K Jones

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Board approve an amendment to the Cooperative's 2022 Capital Improvement Plan and Operating Budgets as described herein; 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.

Amendments

The Budget Policy requires amendments for certain levels of variances. The additional \$4.2 Million in capital spend in category 500 (Substations - Change) resulted from alternative project completions, offset by projects unable to be completed in category 400 (Substations - New) in the amount of \$3.4 Million, resulting in a net budget amendment of \$0.8 Million Required. Additionally, capital spend in category 600 (Distribution - Miscellaneous Equipment) requires a budget amendment of \$2.0 Million due to additional costs related to meters, road widenings, and reclosers.

**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

**17.     [2023-048](#)     **Resolution - Approval of Authorization for Settlement of Litigation Matter(s)****

**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 matters and execute, acknowledge and deliver any such documents, and otherwise take any actions as needed to implement this resolution.

Blanco County

In January 2019, Pedernales Electric Cooperative, Inc. (the "Cooperative") initiated condemnation proceedings in Blanco County with respect to the Wirtz to Mountain Top transmission line. The Cooperative may consider settlement of these litigation matters on the terms discussed this day in Executive Session and permit the Chief Executive Officer or designees to negotiate any other terms as may be necessary.

**A motion was made by Director Pataki, 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

**25.     [2023-052](#)     **Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos****

The Executive Session - Real Estate Matters items were approved below as resolution numbers **#2023-087**, **#2023-088**, and **#2023-089**.

**2023-087      Resolution - Approval of Purchase of Land in Burnet County - E Dauterive**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the purchase of real property, subject to satisfaction of any terms as discussed by the Board during Executive Session of this meeting, with certain details of any such purchase to be publicly available upon public filing of instruments memorializing the transfer; 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.

Burnet County Property

The Cooperative will consider authorizing the purchase of real property located in Burnet County, Texas on such terms and conditions as further described in Schedule 1 as provided in Executive Session.

**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

**2023-088      Resolution - Approval of Purchase of Land in Hays County - E Dauterive**

**Body:** **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the purchase of land in Hays County, subject to satisfaction of any terms as discussed by the Board during Executive Session of this meeting, with certain details of any such purchase to be publicly available upon public filing of instruments memorializing the transfer; 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.

Hays County Property

The Cooperative will consider authorizing the purchase of real property located in Hays County, Texas on such terms and conditions as further described in Schedule 1 as provided in Executive Session.

**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

**2023-089      Resolution - Approval of Sale of Improvements and Release from Lien in Blanco County - E Dauterive**

**Body:** **WHEREAS**, the Cooperative's Board of Directors has reviewed the Term Sheet for the sale/removal with respect to the Improvements in Blanco County as provided in Executive Session; and

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

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

**WHEREAS**, the Improvements 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 Improvements; and

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve the sale of the Improvements, subject to satisfaction of any terms as discussed by the Board during Executive Session of this meeting, with certain details of any such purchase to be publicly available upon public filing of instruments memorializing the transfer; and

**BE IT FURTHER RESOLVED** that the Cooperative requests that the Trustee release the Improvements from the Lien under the Master Indenture pursuant to Section 1.9(a) of the Master Indenture and release the Improvements 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, bill of sale, and other instruments of any nature necessary or appropriate to give effect to such sale of Improvements and release of the Improvements 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 the Chief Executive Officer or designee is authorized to take all such actions as needed to implement this resolution.

Sale & Removal of improvements in Blanco County

The Cooperative will consider authorizing the sale & removal of Improvements located in Blanco County, Texas as further described in the Term Sheet provided in Executive Session. PEC owns a mobile home taxed as improvements on real property by the appraisal district (the "Improvements"). The Improvements is subject to the Lien (as defined in the Master Indenture) of the Master Indenture of Trust (effective as of January 1, 1993, and as supplemented from time to time (the "Master Indenture")) between the Cooperative and The Bank of New York, as successor to Frost National Bank of San Antonio (the "Trustee") and of the Deed of Trust, Security Agreement, Assignment of Rents and Leases, Fixture Filing and Financing Statement (the "Deed of Trust"). The Cooperative will also consider the release of the Improvements from the Lien.



**A motion was made by Secretary/Treasurer Graf, 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

### **Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:29 p.m.

Approved:

\_\_\_\_\_  
Paul Graf, Secretary

\_\_\_\_\_  
Mark Ekrut, President



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**File #:** 2023-062, **Version:** 1

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**Cooperative Update - J Parsley/R Kruger/E Dauterive/J Urban**

**Submitted By:** Julie Parsley  
**Department:** Chief Executive Officer  
**Financial Impact and Cost/Benefit Considerations:** N/A



# Cooperative Update

Julie C. Parsley | Chief Executive Officer  
Eddie Dauterive | Chief Operations Officer  
Randy Kruger | Chief Financial Officer  
JP Urban | EVP, External Relations

# March 2023 Cooperative Update

- I. CEO Report
- II. Operations Report
- III. Financial Report
- IV. Community and Member Engagement
- V. Appreciation and Look Ahead
- VI. Appendix





# Winter Storm Mara Follow Up

- Every PEC department and the EOP Incident Command Team has provided feedback and recommendations for future events
- Executive Team has reviewed feedback and organized into specific categories with key areas of focus
- Staff will concentrate on these action items over the next six to nine months
- Members will be updated through a dedicated webpage on our site, [www.pec.coop](http://www.pec.coop)



# Winter Storm Mara Follow Up

Through post-event discussions across the cooperative, staff have provided areas for improvement:

Category	Item Groupings		Brief Description
EOP	<ul style="list-style-type: none"><li>EOP Amendments</li><li>EOP Drills</li></ul>		Formalize best practices discovered during Mara and enhance and increase frequency of drill exercises.
OMS	<ul style="list-style-type: none"><li>Control Center Processes</li><li>Operations Processes</li><li>Training</li></ul>		Improve information flow and dispatch management, expand training on systems and new processes.
Comm.	<ul style="list-style-type: none"><li>Public Outage Map</li><li>Targeted Messaging</li><li>System Modifications</li><li>Engagement</li></ul>		Identify all available improvements for current and future outage map. Build upon targeted messaging through multiple channels, engaging with key accounts, critical load, and vulnerable members.
Safety	<ul style="list-style-type: none"><li>Practices</li><li>Equipment</li></ul>		Continue oversight and messaging provided by Safety staff in the field and offices.
Contractor Support	<ul style="list-style-type: none"><li>Onboarding</li><li>Field Guidance</li></ul>	<ul style="list-style-type: none"><li>Provisions</li><li>Invoicing</li></ul>	Create a point-of-entry process into the PEC system with guidance from Safety, Finance, and Operations.
Compliance	<ul style="list-style-type: none"><li>Pole Contacts</li><li>Transmission Reliability</li></ul>		Engage with transmission providers to understand and improve reliability factors.



# Legislative Update

- Actively tracking more than 120 bills
- Senator Charles Schwertner will again chair Senate Business and Commerce Committee
- Representative Todd Hunter will chair House State Affairs Committee
- Staff attended TEC Rally Day to meet with representatives, advocate for cooperatives, and to explain the Cooperative Difference
- Eight Lunch and learns hosted, plus office drop ins to all 24 House and Senate offices



# Regulatory Update

- Update coming after March 3 and 15 meetings





# 2023 Capital Credits Distribution

PEC has distributed  
**\$6 million** in capital credits to  
current and former PEC  
members who accumulated  
capital credits in 2021 and 1995.

**\$147.8 million** has been  
returned to PEC members as  
capital credit distributions!



# Apply for a PEC Grant!

- Local nonprofits are encouraged to apply for PEC Community Grants
- Deadline to apply is Monday, April 3
- Grants of up to \$5,000 available
- More than \$330,000 invested in our communities
- Funded through voluntary Power of Change Program

## THE POWER OF **HOME**

AUSTIN HABITAT FOR HUMANITY: POWER OF CHANGE GRANT RECIPIENT



# Showing Our Employees Some Love

- Total compensation statements sent to all employees
- Combines value of benefits and compensation
  - Wages with midpoint scale of 75% or higher
  - Affordable, high-quality health care
  - Tuition reimbursement and financial support tools
  - Retirement savings with generous matching

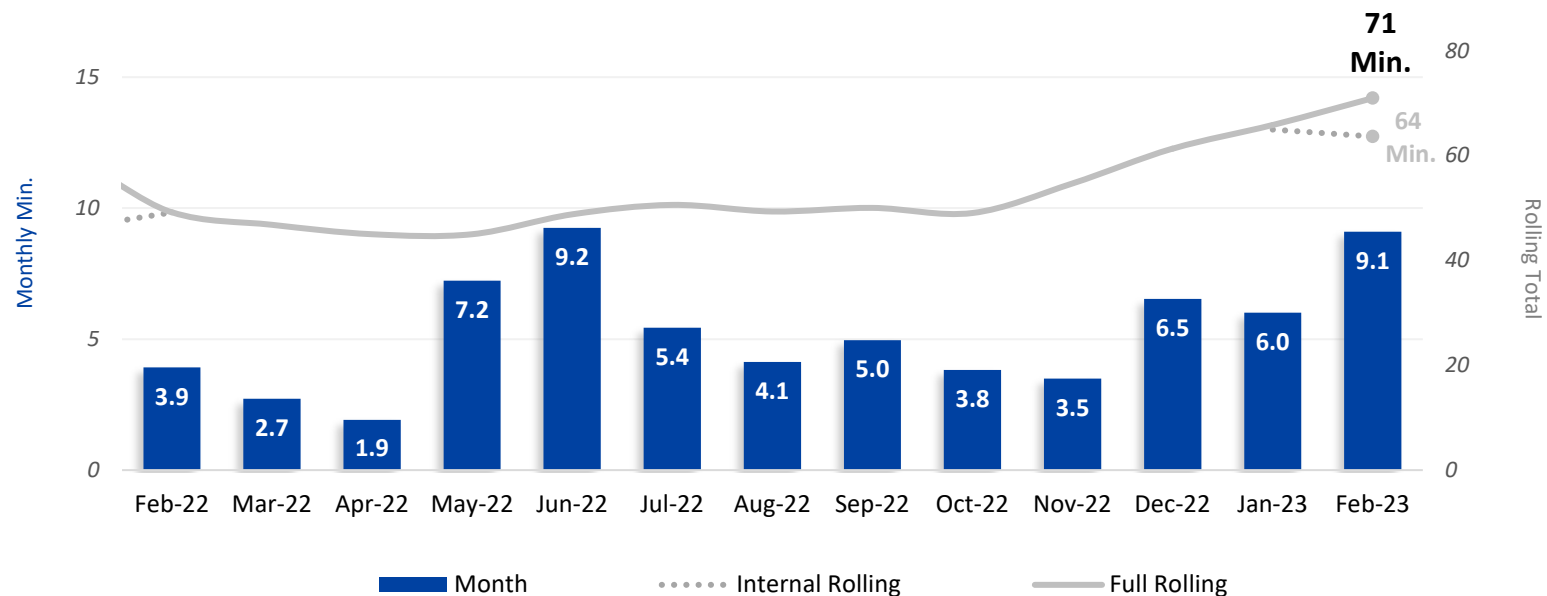


# Operations Report

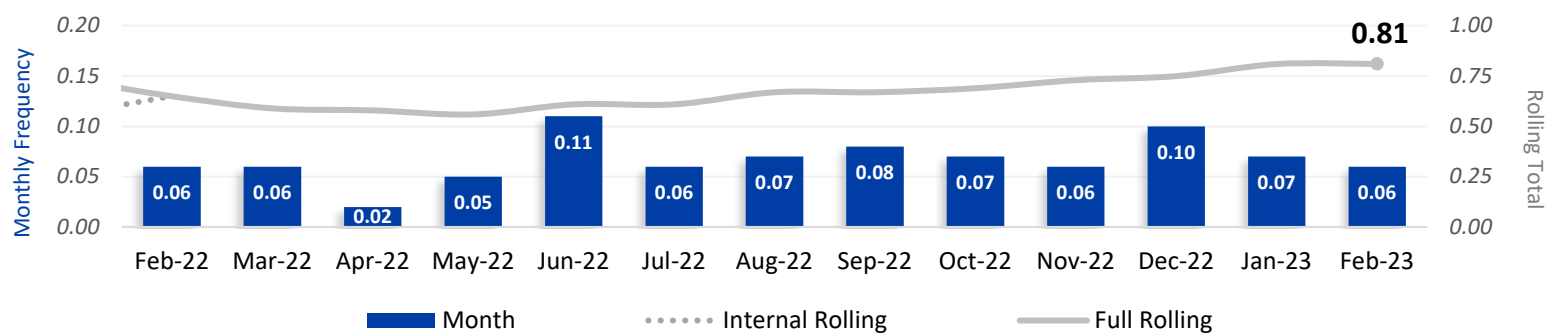
Eddie Dauterive | Chief Operations Officer

# Reliability

## System Average Interruption Duration Index (SAIDI)

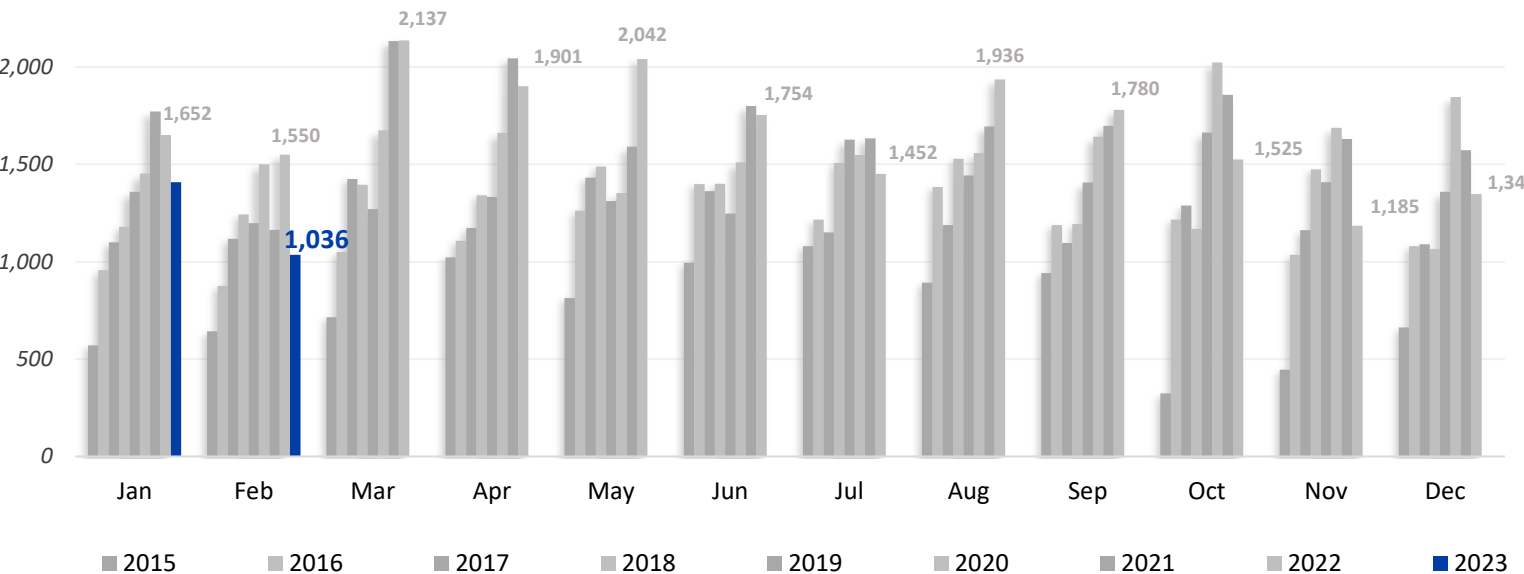


## System Average Interruption Frequency Index (SAIFI)

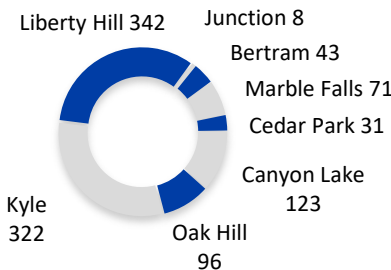


# System Growth

Line Extensions Completed 2019: 16,640 2020: 19,458 2021: 20,592 2022: 20,262 2023 YTD: 2,444



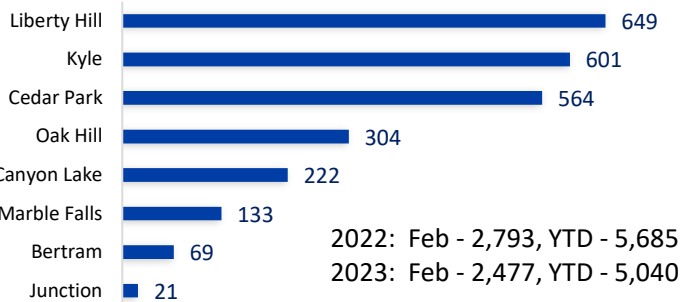
Line Extensions Per District (1,036)



Miles of Distribution Line:  
Underground: 6,826 (28%)  
Overhead: 17,625 (72%)  
Total: 24,451

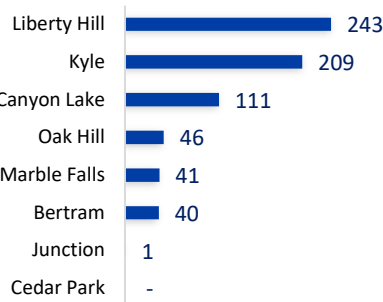


Member Applications (2,477)



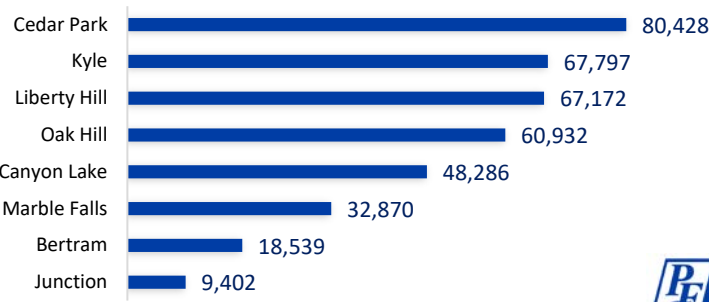
2022: Feb - 2,793, YTD - 5,685  
2023: Feb - 2,477, YTD - 5,040

Meter Growth (668)



2022: Feb - 1,349, YTD - 2,753  
2023: Feb - 668, YTD - 1,571

Meter Totals (385,426)





# Cranes Mill Conversion

**Phase 1: March 14 -15**

**Phase 2: March 28 - 29**

## **Goals for System Improvement:**

- Upgrade and convert the Cranes Mill T2 transformer at the substation from 7,200-14.4KV.
- This will increase the voltage and overall system reliability.

## **Schedule:**

- March 14: convert 474 Transformers
- March 15: convert 506 Transformers
- Daily schedule: 5:00 am - 5:00 pm
- Conversions will commence at 9:00 am

## **Support Crews:**

- 8 service districts and Technical Services will send teams of 11-16 linemen to assist during both phases.
- All together, roughly 125-150 linemen participate, along with the Canyon Lake staff providing additional support.
- M&S Engineering is also supporting field work and base setup.

## **Impact to membership**

- Scheduled outages will occur during this time.
- Members have been notified through several communications; letters, reminder notices, robo-calls, emails, and SMS.

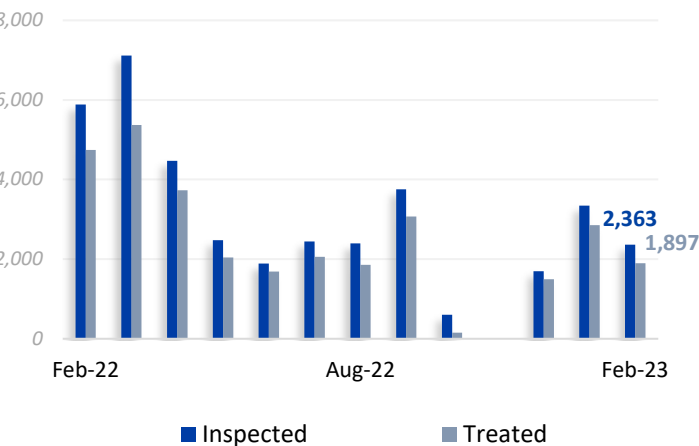


# Distribution Maintenance

## Pole Testing & Treatment (PTT)

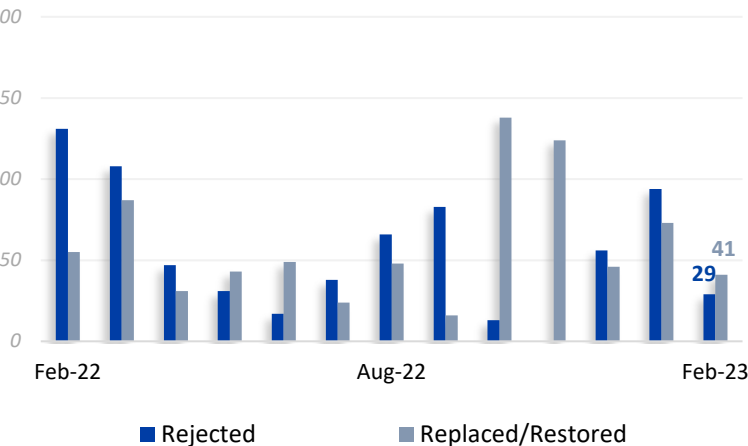
### Poles Inspected & Treated

2022 YTD: Inspections - 10,214    Treated - 7,971  
2023 YTD: Inspections - 5,707    Treated - 4,752



### Poles Rejected & Replaced/Restored

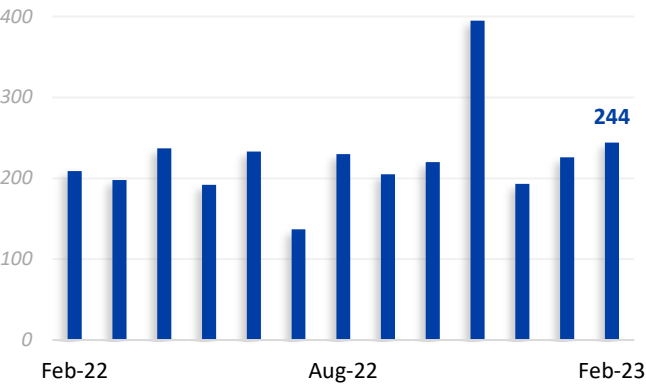
2022 YTD: Rejected - 200, Restored - 77  
2023 YTD: Rejected - 123, Restored - 114



## Underground Equipment

### URD Pad Restorations

2022 YTD: Restorations - 463  
2023 YTD: Restorations - 470



## Vegetation Management

### Wildland Urban Interface (WUI) Audits:

Type	Total C&D	2022	Jan	Feb
C&D WUI 3 Phase	2,259	272	99	420
C&D WUI 1 Phase	12,513	1,456	401	116
C&D Other 3 Phase	2,404	167	66	35
C&D Other 1 Phase	12,590	1,227	454	228
All C&D	29,768	3,122	1,021	799

C&D WUI  
3 Phase

32%  
Complete

1,542  
Remaining





# February 2023 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

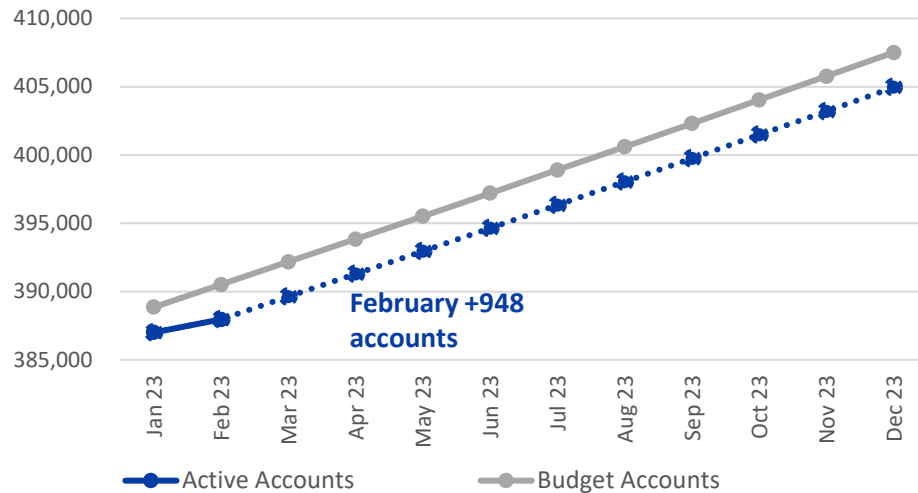
# Finance at a Glance – February 2023

	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>MWH Sold</b>	508,396	519,929	(11,533)	1,047,184	1,149,715	(102,531)
<b>Gross Margins</b>	\$ 27.6	\$ 26.8	\$ 0.8	\$ 57.2	\$ 56.3	\$ 0.9
<b>Net Margins</b>	\$ (6.4)	\$ 1.2	\$ (7.6)	\$ (0.8)	\$ 5.4	\$ (6.2)
<b>EBIDA</b>	\$ 5.0	\$ 14.0	\$ (9.0)	\$ 22.2	\$ 31.1	\$ (8.9)
<b>Revenue O/(U)</b>	\$ 3.0	\$ (2.3)	\$ 5.3	\$ (1.9)	\$ (2.3)	\$ 0.4
<b>EBIDA(X)</b>	\$ 8.0	\$ 11.7	\$ (3.6)	\$ 20.3	\$ 28.8	\$ (8.5)
<b>Long-Term Debt</b>				\$ 1,068.0	\$ 1,071.6	\$ 3.5

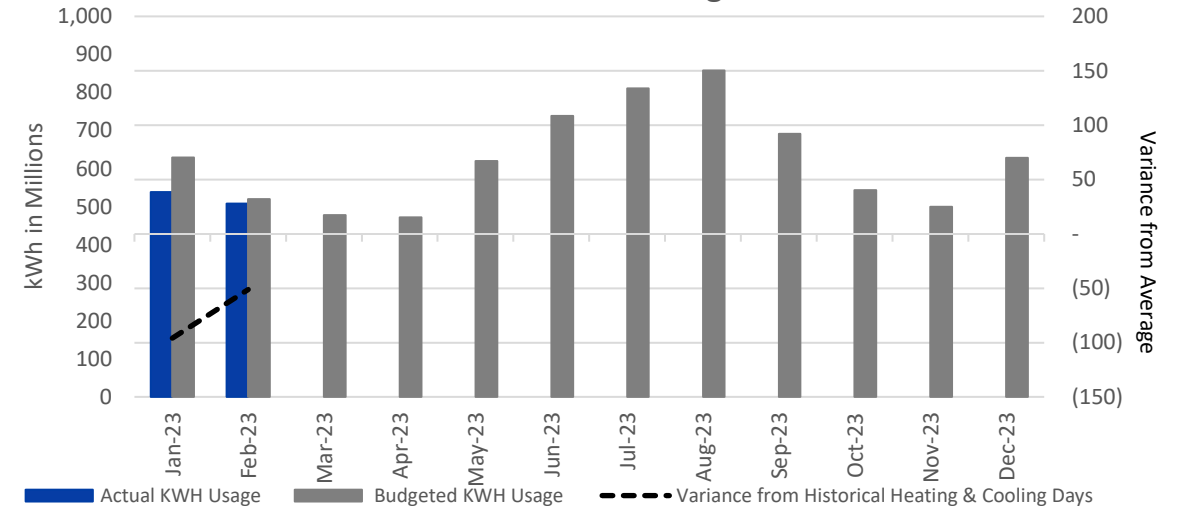
	Liquidity Coverage
Cash & Marketable Securities	\$ 10,173,516
Short Term Facilities	505,000,000
Less: Short Term Borrowings	17,968,225
Available Liquidity	\$ 497,205,291
<b>Liquidity Coverage (Days)</b>	<b>260</b>

February includes an estimated \$10.8M in additional operating expense and \$3.7M in capital expenditure related to Winter Storm Mara. Amounts will be trued up in March.

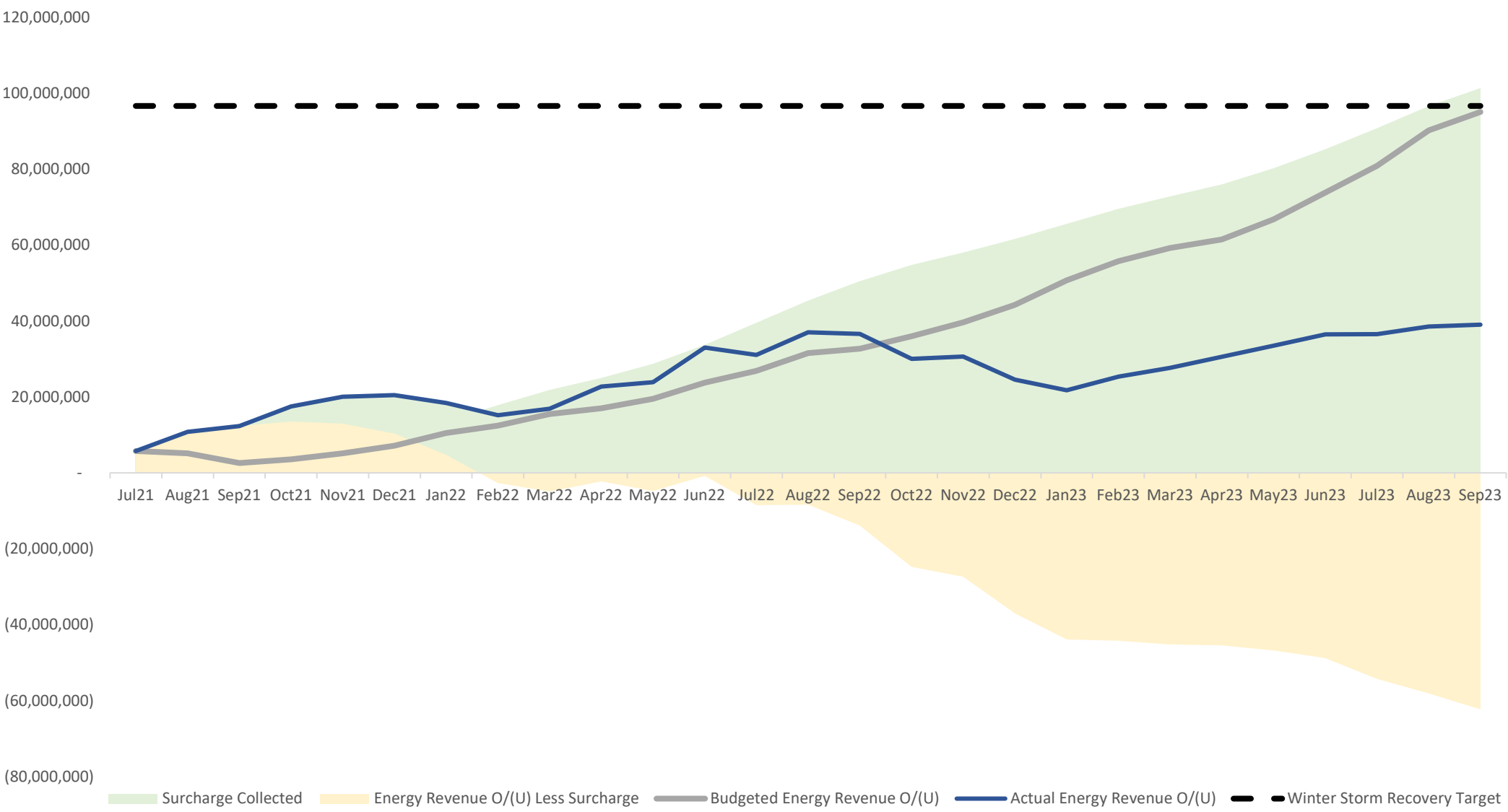
Active Account Growth



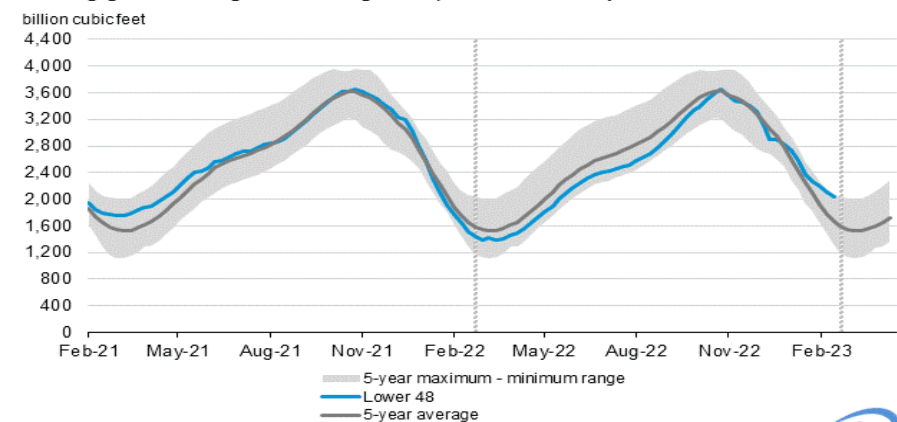
Weather and kWh Usage



# Energy Revenue O/(U) Winter Storm Recovery



Working gas in underground storage compared with the 5-year maximum and minimum



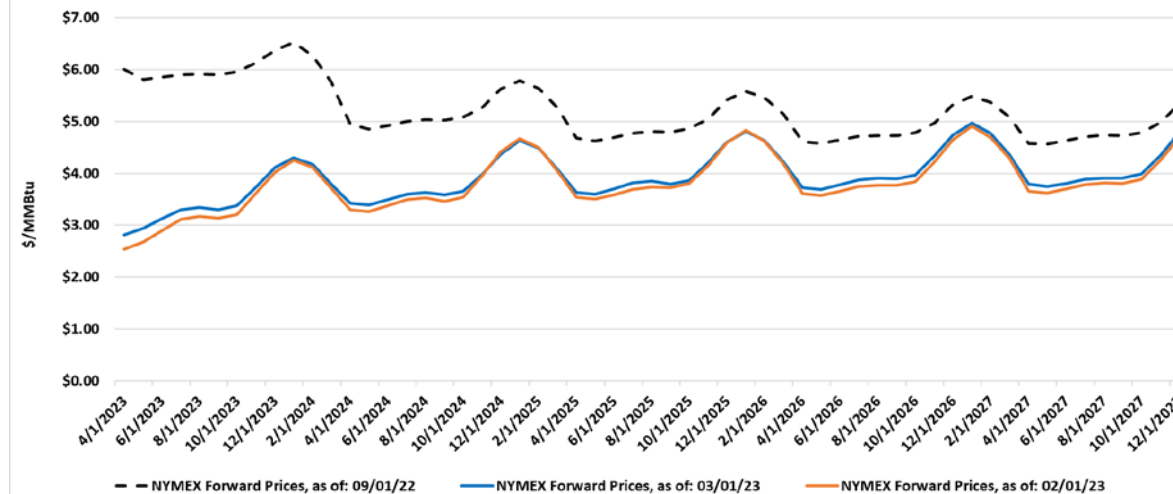
Data source: U.S. Energy Information Administration

Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2018 through 2022. The dashed vertical lines indicate current and year-ago weekly periods.

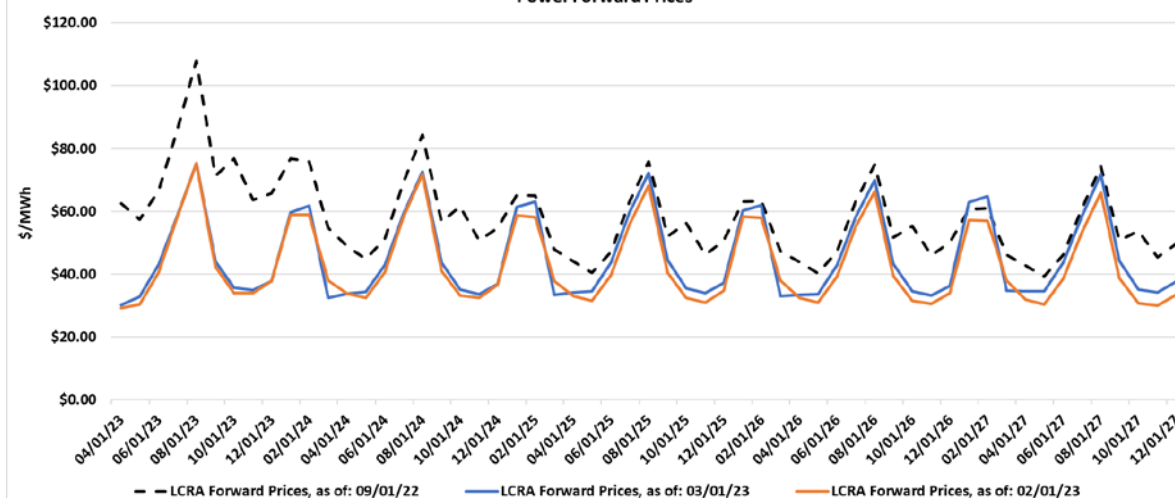


As of March 3, 2023

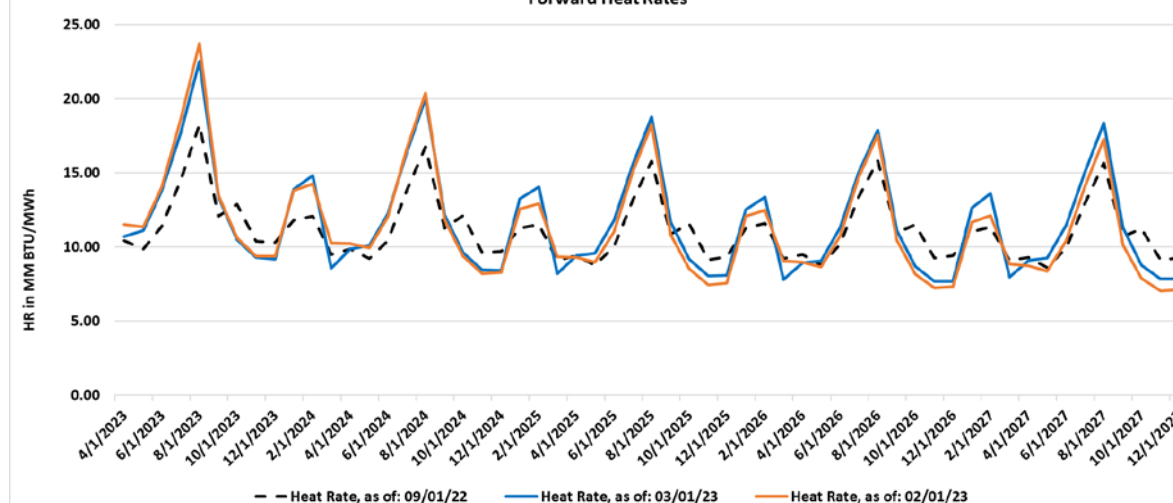
Natural Gas Forward Prices



Power Forward Prices



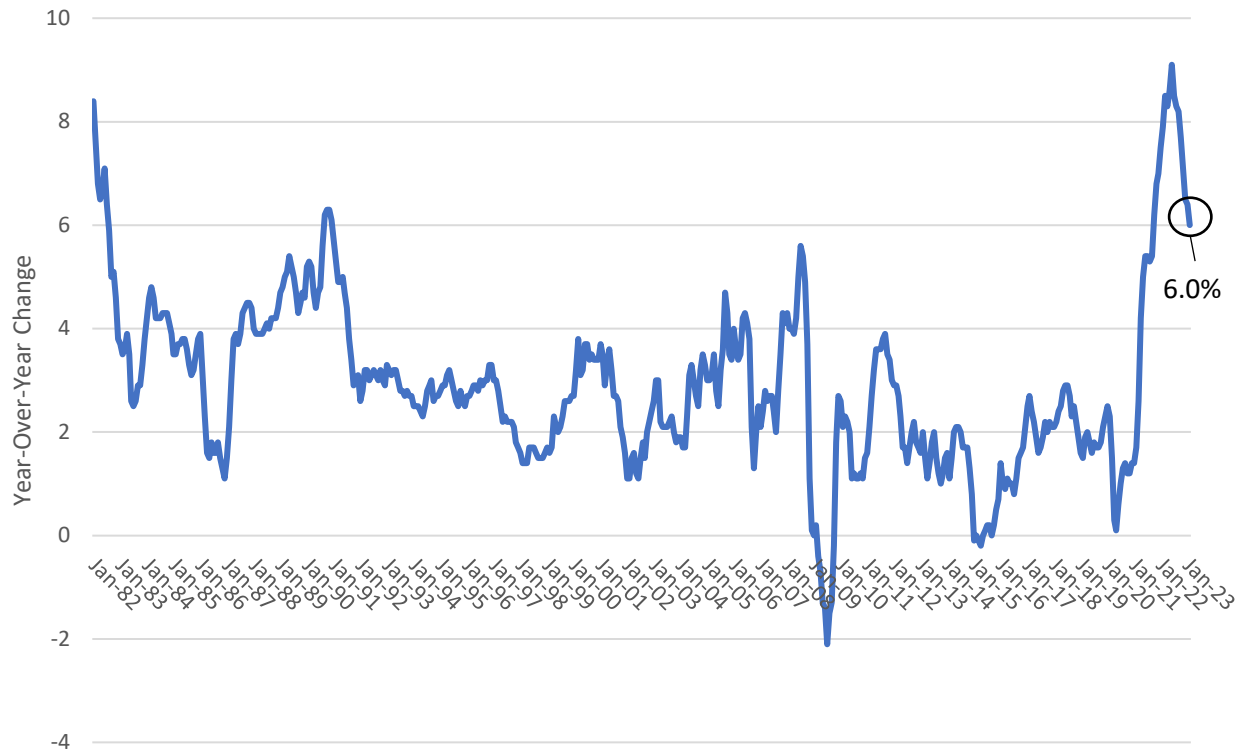
Forward Heat Rates



# Inflation

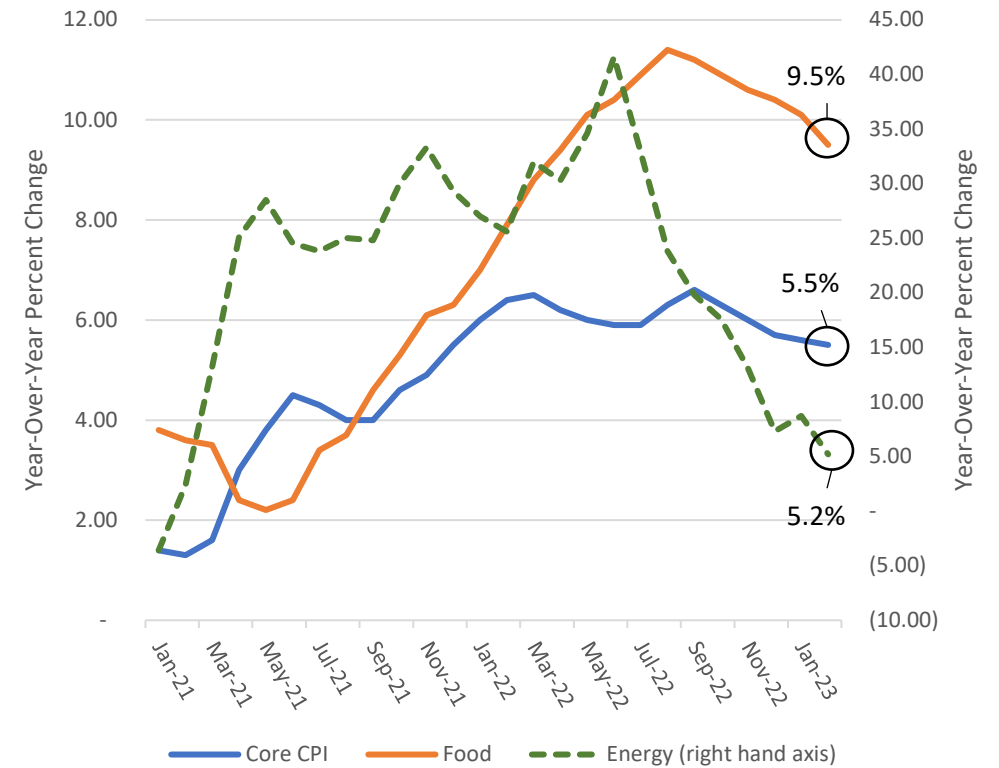
Overall CPI down but home heating cost up significantly this winter: electricity 12.9%, utility gas 14.3%, and fuel oil 9.2%

CPI Jan 1982 to Feb 2023



Source: U.S. Bureau of Labor Statistics

Core CPI, Food and Energy  
Jan 2021 to Feb 2023



Source: U.S. Bureau of Labor Statistics

# Stronger Together: ERP Gap Analysis

The March feature is an employee podcast featuring Finance and IT leadership discussing next steps for PEC's ERP



# Community and Member Engagement

**John Paul Urban** | Executive Vice President, External Relations

# Member Payment Options Update

- ✓ PEC Staff member available in person
- PEC Secure Pay Stations
  - ✓ Delivery to all front offices complete
  - ✓ Electrical and communications wiring for all front offices complete
- SmartHub “Ways to Pay”
  - ✓ SmartHub iPads installed
- Direct phone line to Member Relations
  - ✓ Sitting area complete
  - ✓ Direct phone line installed
- Member K-Cup coffee machines in all lobbies
  - ✓ Complete





# New and Improved Website Coming

- PEC is partnering with Steel Advertising to redesign [www.pec.coop](http://www.pec.coop)
- Member-focused design will enhance user experience
  - Setting up or changing service
  - Paying bill
  - Reporting outage
  - Chat
- New design on schedule to launch Q4 2023

UPGRADE LOADING...



# Read Across America with PEC!



As part of our Cooperative Principle "Concern for Community," PEC employees read to students across the service territory

- Read at four elementary schools
- Created five read along opportunities featuring special guest readers



# Employee Kudos\*



**Dale Guthrie**  
Journeyworker  
*Junction*



**Bryan Quick**  
Journeyworker  
*Kyle*



**Andrea Calzoncit**  
Member Relations  
Control Center  
Specialist  
*Johnson City*



**Jill Peake**  
Member Relations  
Agent  
*Oak Hill*



**Hannah Rubio**  
Member Relations  
Agent 2  
*Marble Falls*

*\*These were selected from the hundreds of kudos PEC receives each month*



# Offices Closed April 7 for Good Friday

- Report an outage 24/7 by calling 888-88303379
- Make a payment 24/7 by calling 844-886-9798
- Pay online 24/7 at [pec.smarthub.coop](http://pec.smarthub.coop)
- SmartHub mobile app



**APPENDIX PAGES  
FROM  
OPERATIONS REPORT  
AND  
FINANCE REPORT**



# Operations Report - Appendix

Eddie Dauterive | Chief Operations Officer

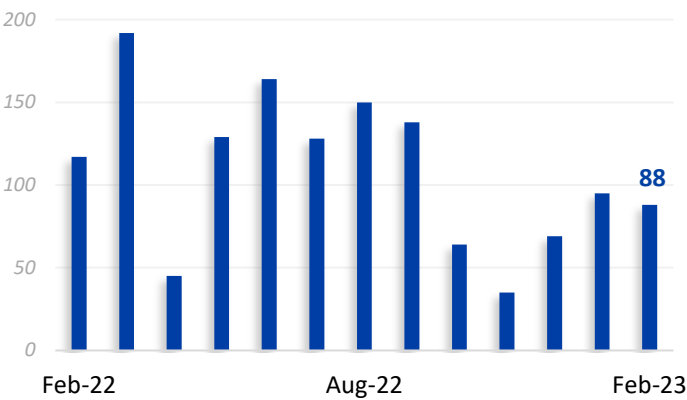


# Distribution Maintenance

## Technical Services

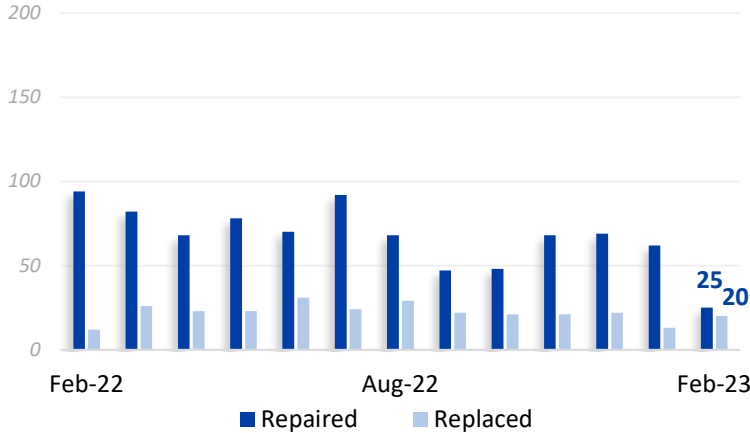
### Equipment Inspections

2022 YTD: 162  
2023 YTD: 183



### Equipment Repaired & Replaced

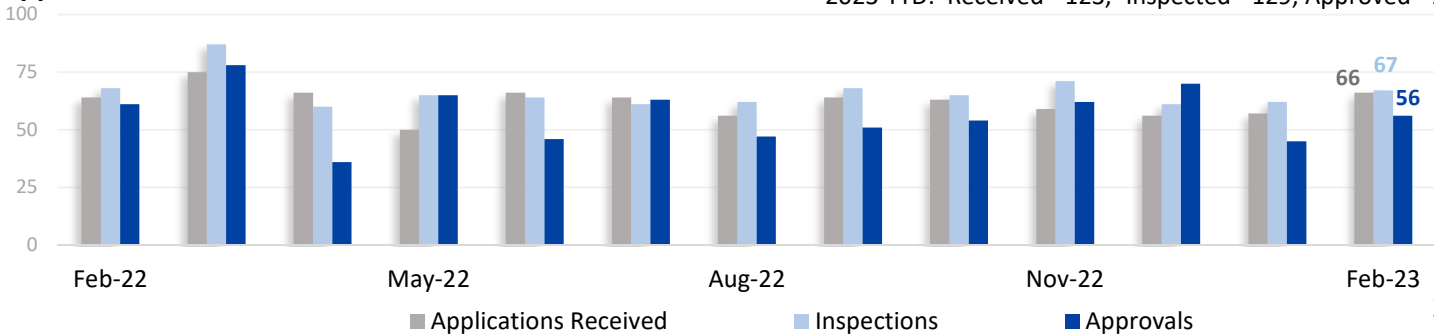
2022 YTD: Repaired - 136, Replaced - 33  
2023 YTD: Repaired - 87, Replaced - 33



## Pole Contacts

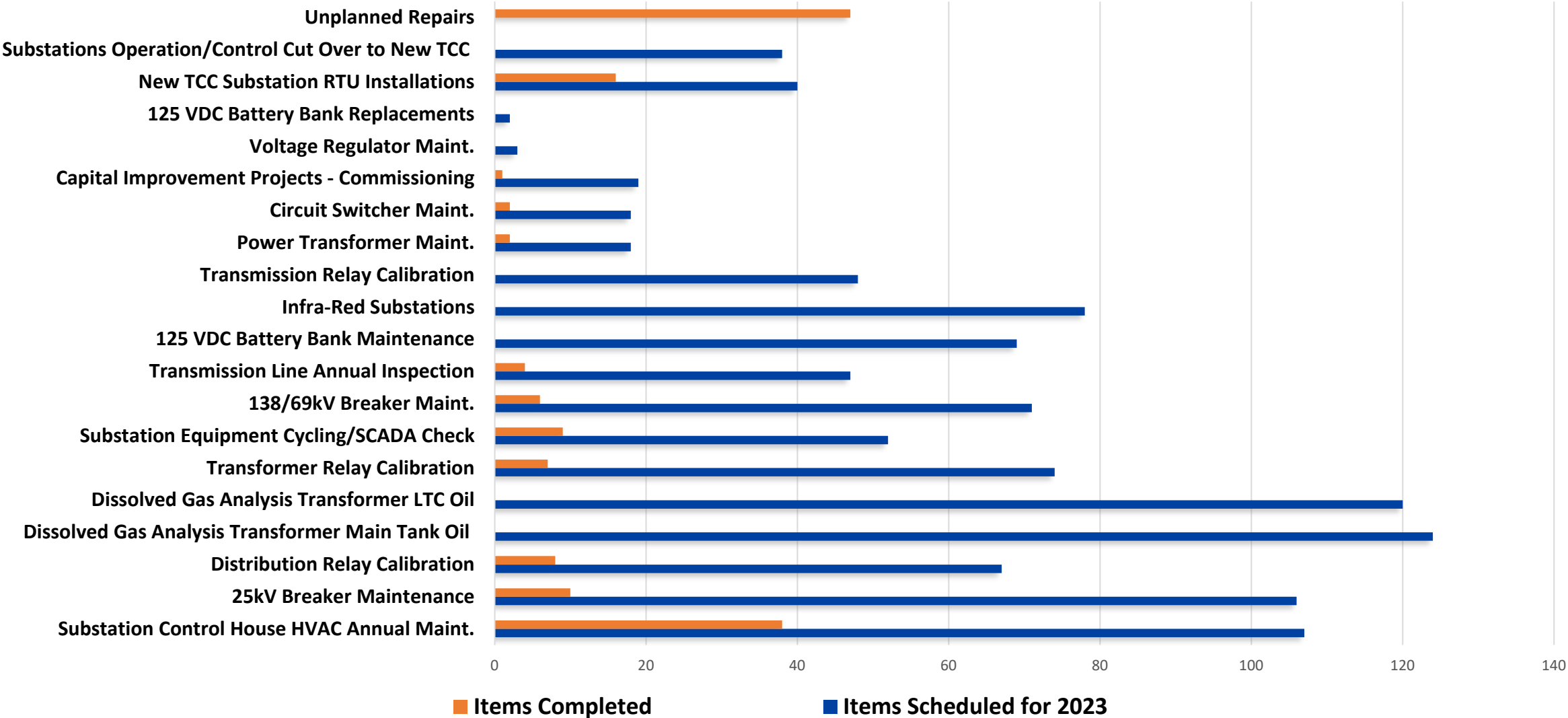
### Applications Received & Permits Issued

2022 YTD: Received - 129, Inspected - 124, Approved - 126  
2023 YTD: Received - 123, Inspected - 129, Approved - 101



# Substation & Transmission Maintenance

## 2023 Itemized Maintenance By Equipment





# Planning Engineering Projects

## Overall Status

Project	Completion Date	Percent Complete
Load Projections Study	Jan 2023	100%
2023 CIP Project Maps	Feb 2023	100%
Capacitor Settings	Mar 2023	45%
20 Year Plan	Apr 2023	92%
4CP Study	Apr 2023	10%
Summer Contingency	May 2023	0%
UFLS Study	May 2023	0%
CIP (1st draft) Study	Jun 2023	1%
CIP Study Completed	Aug 2023	0%
Mock UFLS Study	Dec 2023	0%
Winter Contingency	Dec 2023	0%
2 Year System Protection Coordination Review	Dec 2023	65%

# Substation Engineering Projects

## Overall Status

District	Phase		Completion Date	Percent Complete
Cedar Park	Construction	Upgrade bus to double-breaker	Apr-23	93%
Cedar Park	Engineering	Make improvements to ground grid for reliability	Apr-23	88%
Kyle	Construction	Add third power transformer	May-23	78%
Liberty Hill	Construction	Add third power transformer	Jun-23	75%
All Districts	Construction	Upgrade circuit switchers and relay protection on three mobile substations	Jun-23	80%
All Districts	Engineering	Develop transmission protection philosophy for protective settings	Sep-23	21%
Bertram	Engineering	Upgrade power transformer	Sep-23	60%
Junction	Engineering	Upgrade transformer and add line breakers	Oct-23	75%
Liberty Hill	Engineering	Construct new substation	Dec-23	0%
All Districts	Engineering	Develop configuration for engineering to have access to RTU settings/events	Dec-23	60%
Oak Hill	Construction	Upgrade line protection relay panels	May-24	62%
Liberty Hill	Engineering	Upgrade power transformer	May-24	6%
Cedar Park	Engineering	Add third power transformer	Nov-24	4%
Kyle	Engineering	Construct new substation	Dec-24	5%
Oak Hill	Engineering	Upgrade power transformers	Jan-25	4%

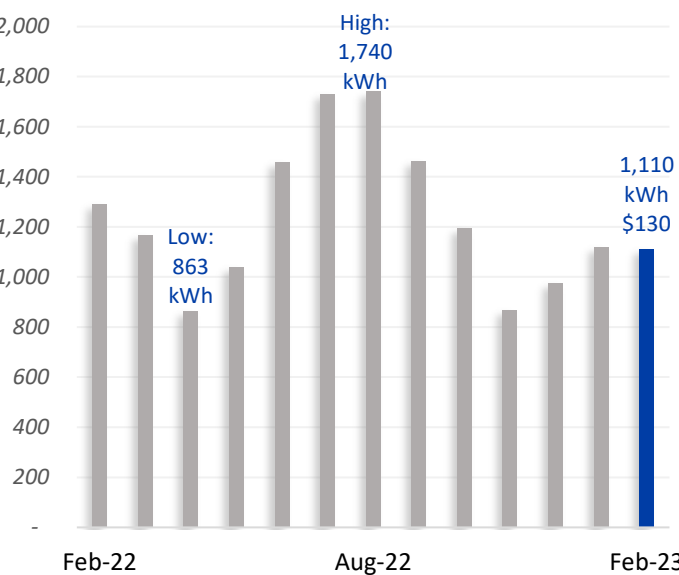
# Transmission Projects

## Overall Status

District	Phase	Description	Completion Date	Percent Complete
Canyon Lake	Construction	Increase clearance to meet USACE requirements	Dec 2022	99%
Marble Falls and Oak Hill	Construction	Respacing shield wire and conductor to reduce outage vulnerability during extreme weather	Jan 2023	99%
All Districts	Planning	NERC required annual planning assessment	Feb 2023	60%
Kyle	Engineering	Harden transmission line to meet severe weather requirements	Apr 2023	49%
Oak Hill	Construction	Harden transmission line to meet severe weather requirements	May 2023	87%
Oak Hill	Engineering	Developer funded transmission line relocation	Dec 2023	25%
Liberty Hill	Engineering	Add Fiber to existing transmission line	Dec 2023	15%
Liberty Hill	Engineering	Harden transmission line to meet severe weather requirements	Dec 2023	40%
Liberty Hill	Engineering	Harden transmission line to meet severe weather requirements	May 2024	40%
Oak Hill	Engineering	Harden transmission line to meet severe weather requirements	Dec 2024	25%
Marble Falls and Cedar Park	Construction	Reconductor (Phase 1)	Dec 2024	15%
Cedar Park	Engineering	Harden transmission line to meet severe weather requirements	Dec 2025	20%
Marble Falls and Cedar Park	Engineering	Overhaul (Phase 2)	Dec 2025	20%

# Member Relations

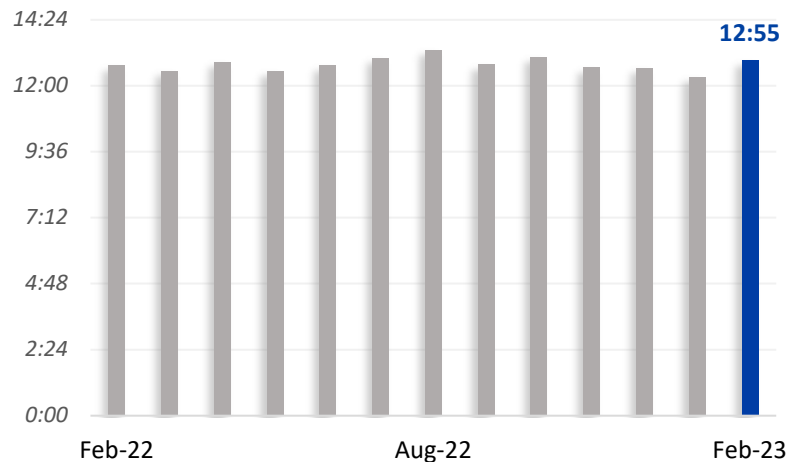
## Average Residential Usage



## Member Contacts

### Average Handle Time

Feb. Phone Contacts: 24,856  
Feb. Office Contacts: 1,935

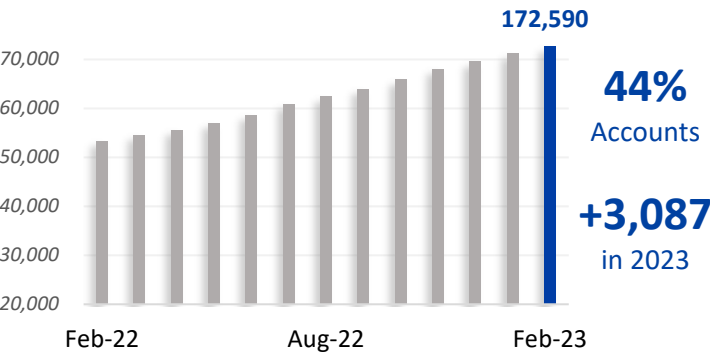


## Contact Types

2022: 376,659 Contacts

Main Contact Types	Feb. Totals	
Service Request	8,906	31%
Outage	6,641	23%
Billing Inquiry	4,561	16%
Account Update	1,310	5%
Payment Arrangement	1,308	5%
Payment	1,098	4%

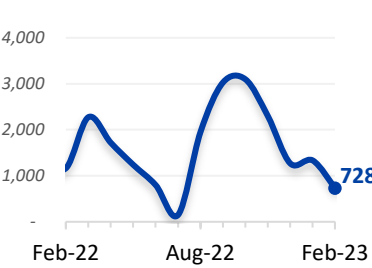
## Paperless Enrollments



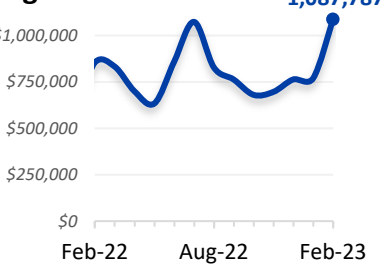
## Collections

9 days with no collection activity.

### Remote Disconnects



### Aged Balances



## Energy Services

2022 YTD: Audits - 56, Insp. - 313  
2023 YTD: Audits - 40, Insp. - 433



# Facilities

<b>Cedar Park</b>	New fuel tanks have been installed for better emergency preparedness, the project is 100% complete.
<b>Johnson City</b>	Begun development of a master plan for the Haley Rd site, which includes the newly acquired property adjacent to the site.
<b>Junction</b>	Contract completed for yard renovations, contractor to mobilize first week in of February.
<b>Leander Development</b>	Building construction is in-progress and on schedule.
<b>Marble Falls</b>	Finalizing design, resolving encroachments, gathering bids and obtaining city approval for yard renovations.
<b>Oak Hill Fuel Island</b>	Finishing up design, expect to go out to bid end of February

# Fleet Update

## **Ongoing supply chain issues for ordering and receiving fleet equipment has been challenging:**

- Vehicle orders have been cancelled multiple times without notice.
- Some specialty equipment cannot be ordered because the vendor isn't able to provide a quote due to the lack of inventory.
- PEC has reserved build slots in order to get the equipment as timely as possible.
  - Ford has restricted heavy-duty orders to 10 units per quarter.
  - Placing orders as early as possible with all vendors and have slots for specialty equipment through 2027.
- Now deferring to used vehicle sales to accommodate additional crews and repair jobs.

## **Cost-saving initiatives for rising vehicle costs:**

- Changed the standard large bucket truck from a custom-built AM 60 to a stock-built AM55, cutting lead time and saving approximately \$75K per unit.
- Changed several F-150s to Ford Rangers, saving \$10K per unit and seeing a 20% increase in fuel mileage.
- Changed from custom-built derricks to stock builds, cutting lead time and saving approximately \$80K per unit.

# Fleet Budget Items

## 2022 Items Received:

- 1 DT 85' transmission digger truck
- 24 Ford Rangers
- 2 Kawasaki Mules
- 2 utility-bed trucks
- 1 Ford Expedition
- 2 skid steer attachments
- 1 forklift
- 6 trailers

## 2022 Items Carrying into 2023:

- 10 AT 41' bucket trucks
- 1 AT 48' bucket truck
- 10 one-ton utility-bed truck
- 2 all-terrain forklifts
- 1 pole trailer
- 3 Ford Transits
- 1 Ford Ranger

## 2023 Items Received:

- 1 forklift

## Expecting to receive in 2023:

- 2 Ford Rangers
- 10 Ford F150s
- 1 pressure digger truck
- 9 one-ton utility bed trucks
- 2 pole trailers
- 1 three-quarter-ton truck
- 3 pool vehicle replacements (type TBD)

## 2023 Items Expected to Carry into 2024:

- 6 AT 41' bucket trucks
- 3 AM 55' bucket truck
- 10 one-ton utility bed
- 2 derrick digger trucks
- 1 panel-body truck
- 1 AM 125' transmission bucket truck
- 6 pole trailers
- 8 fleet mechanic trucks

AT 41' Bucket



DT 85' Digger Derrick



Pressure Digger







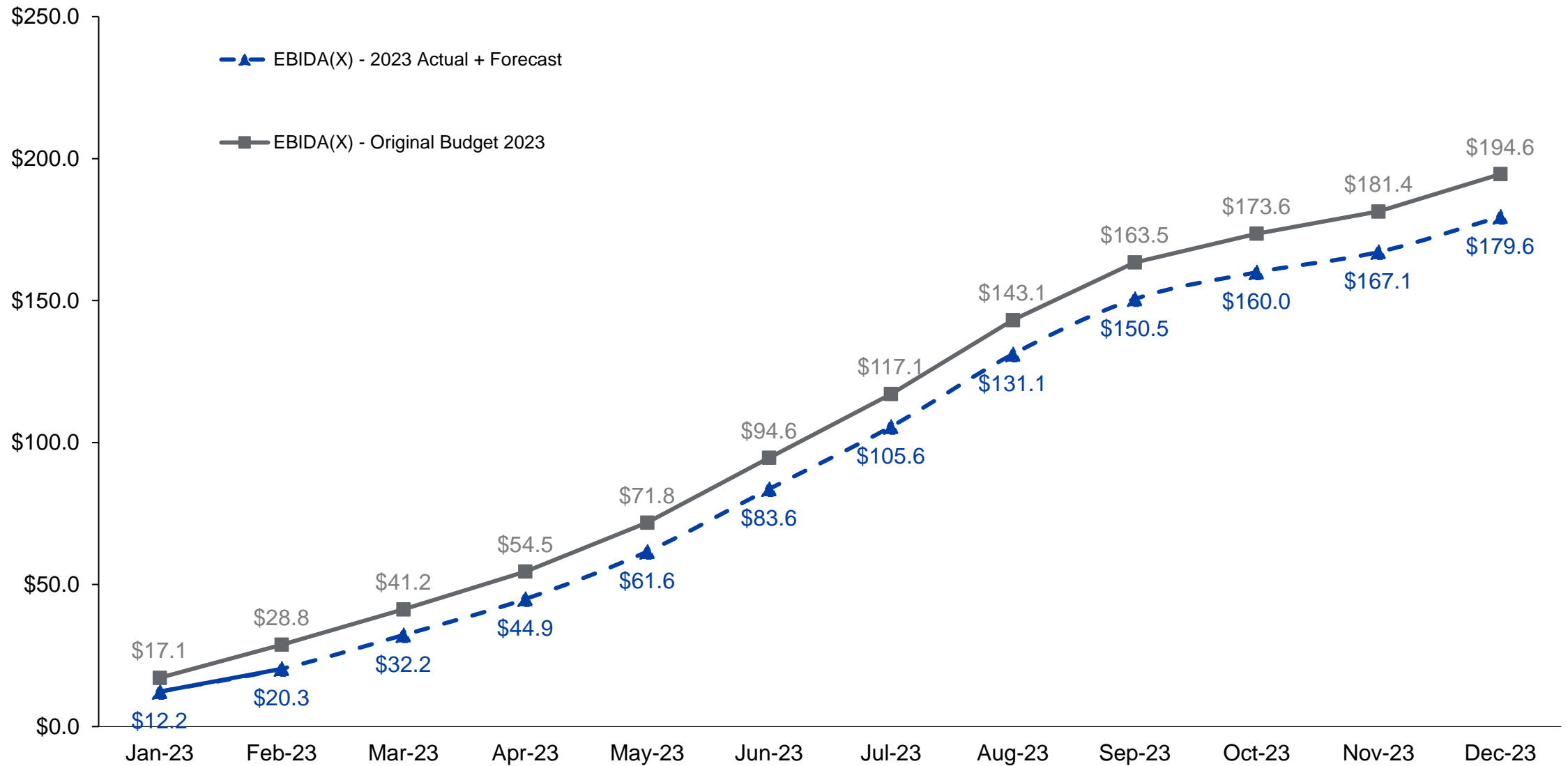
# Appendix to February 2023 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

# Financial Performance

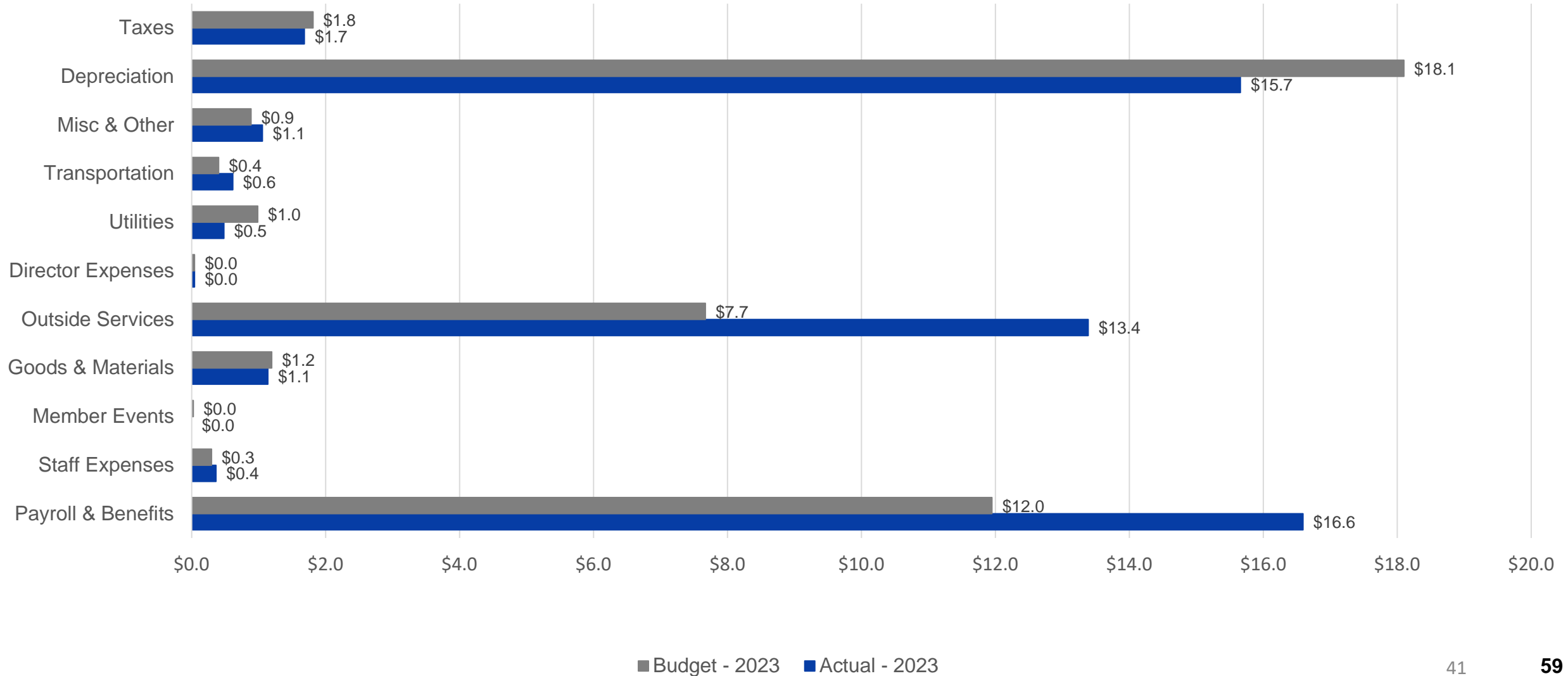
	MTD			YTD			Annual	2022 to 2023 % Change
	Actual	Budget	Prior Year	Actual	Budget	Prior Year	Budget	
<b>Gross Margins</b>	<b>\$ 27,585,747</b>	<b>\$ 26,815,921</b>	<b>\$ 27,730,326</b>	<b>\$ 57,234,925</b>	<b>\$ 56,312,099</b>	<b>\$ 54,145,203</b>	<b>\$ 352,088,225</b>	5.71%
Operating Expenses Ex. Depreciation	22,699,258	12,875,522	10,838,876	35,368,763	25,278,595	22,482,337	166,658,781	57.32%
Depreciation	7,825,810	9,086,706	9,941,535	15,659,620	18,100,294	19,881,930	108,552,698	
Interest Expense	3,560,123	3,674,046	3,664,382	7,263,298	7,538,589	7,340,967	45,173,483	
Other Income	(113,280)	(12,200)	(85,624)	(304,342)	(24,800)	(106,683)	(5,371,928)	
<b>Net Margins</b>	<b>\$ (6,386,164)</b>	<b>\$ 1,191,847</b>	<b>\$ 3,371,157</b>	<b>\$ (752,414)</b>	<b>\$ 5,419,420</b>	<b>\$ 4,546,652</b>	<b>\$ 37,075,192</b>	
<b>EBIDA</b>	<b>\$ 4,999,769</b>	<b>\$ 13,952,599</b>	<b>\$ 16,977,074</b>	<b>\$ 22,170,504</b>	<b>\$ 31,058,303</b>	<b>\$ 31,769,549</b>	<b>\$ 190,801,372</b>	-30.21%
Over (Under) Collected Revenues	3,047,147	(2,278,563)	(3,536,532)	(1,880,809)	(2,268,189)	(5,949,043)	3,749,120	
<b>EBIDA(X)</b>	<b>\$ 8,046,916</b>	<b>\$ 11,674,036</b>	<b>\$ 13,440,542</b>	<b>\$ 20,289,695</b>	<b>\$ 28,790,114</b>	<b>\$ 25,820,506</b>	<b>\$ 194,550,492</b>	
Total Long-Term Debt							\$ 1,114,322,192	
Debt Service							65,690,519	
Debt Service Coverage Ratio							2.96	
Equity as Percent of Assets							39.6%	
Net Plant in Service							\$ 1,985,228,388	
Capital Improvement Spend							\$ 202,863,100	
Energy Sales kWh	508,396,213	519,929,091	596,536,675	1,047,183,634	1,149,714,963	1,193,625,098	7,500,307,799	-12.27%
Energy Purchases kWh	543,442,274	555,810,978	637,678,898	1,118,268,864	1,228,588,043	1,279,089,244	8,019,713,349	-12.57%
Active Accounts				387,967	390,522	370,148	407,506	4.81%

# EBIDA(X) Year to Date (in millions)



# Cost of Service (in millions)

## YTD Actual vs Budget through February 2023

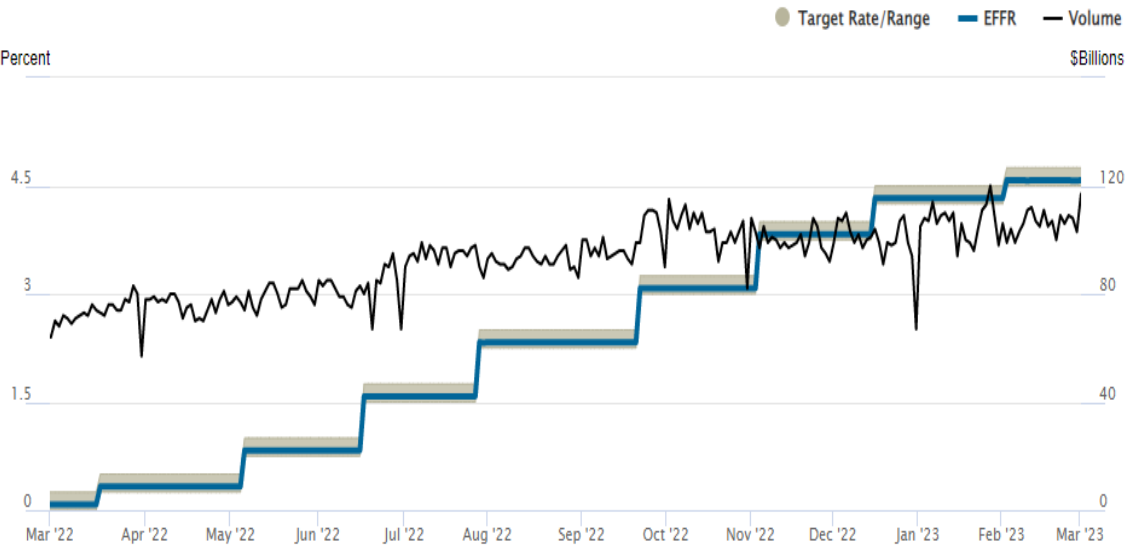


# CIP Spend

Construction Category & Description		YTD Actuals	YTD Budget	Variance (Over)/Under Budget	Annual Budget
<b><u>Distribution</u></b>					
100	New Lines (Line Extensions for new primary, secondary and service lines)	\$ 2,671,622	\$ -	\$ (2,671,622)	\$ -
200	Tie Lines (new construction between existing lines)	785,040	1,725,791	940,751	9,608,071
300	Conversions or Line Changes	1,452,760	4,558,505	3,105,745	27,514,015
600	Miscellaneous Distribution Equipment	8,322,289	6,910,739	(1,411,550)	51,775,582
700	Other Distribution Items	4,831	86,667	81,836	520,000
<b>Distribution Total</b>		<b>\$ 13,236,542</b>	<b>\$ 13,281,702</b>	<b>\$ 45,160</b>	<b>\$ 89,417,668</b>
<b><u>Substation</u></b>					
400	New Substations, Switching Stations and Meter Points	\$ 189,634	\$ 2,810,052	\$ 2,620,418	\$ 20,798,652
500	Substations, Switching Stations and Meter Point changes	2,013,384	4,470,843	2,457,459	24,856,760
<b>Substation Total</b>		<b>\$ 2,203,018</b>	<b>\$ 7,280,895</b>	<b>\$ 5,077,877</b>	<b>\$ 45,655,412</b>
<b><u>Transmission</u></b>					
800	New Transmission Lines	\$ 100,464	\$ 293,543	\$ 193,079	\$ 2,030,593
1000	Line and Station Changes	1,499,326	2,176,636	677,310	19,698,276
<b>Transmission Total</b>		<b>\$ 1,599,790</b>	<b>\$ 2,470,179</b>	<b>\$ 870,389</b>	<b>\$ 21,728,869</b>
<b><u>General Plant</u></b>					
2000	Facilities	\$ 353,694	\$ 7,153,522	\$ 6,799,828	\$ 29,346,563
3000	Information Technology	239,866	1,701,821	1,461,955	7,776,588
4000	Tools & Equipment	85,327	142,166	56,839	438,000
5000	Vehicles	521,961	1,416,667	894,705	8,500,000
<b>Total General Plant</b>		<b>\$ 1,200,848</b>	<b>\$ 10,414,176</b>	<b>\$ 9,213,328</b>	<b>\$ 46,061,151</b>
<b>Accrued WIP</b>		<b>\$ 5,647,483</b>	<b>\$ -</b>	<b>\$ (5,647,483)</b>	<b>\$ -</b>
<b>Total Capital Improvement Plan Spend</b>		<b>\$ 23,887,681</b>	<b>\$ 33,446,951</b>	<b>\$ 9,559,271</b>	<b>\$ 202,863,100</b>

# Interest Rates

## Federal Funds Rate



Source: Federal Reserve Bank of New York

## 10-Year Note



Source: The Wall Street Journal 3/2/2023







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**File #:** 2023-065, **Version:** 1

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## Member Comments

**Submitted By:** Don Ballard

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** N/A

All Cooperative Members have the right to speak up to 3 minutes limitation or as otherwise directed by the Board, and attend any meetings called by the Board of Directors as defined in the Cooperative's Articles of Incorporation.

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

Board meeting dates, agendas and supporting materials are available online <https://pec.legistar.com/Calendar.aspx>.

Members may also provide input by using the following methods. Comments are provided to all board directors.

- Members may submit comments and requests to the board by email or U.S. mail.
- Please direct board meeting email messages to: [PECBoard@peci.com](mailto:PECBoard@peci.com) [<mailto:PECBoard@peci.com>](mailto:PECBoard@peci.com).

### Articles of Incorporation, Article IX, Section 3, Member Bill of Rights - Open Meetings:

A Member has the right to attend every regular, special, or called meeting of the Board of Directors and its committees, except for executive sessions as allowed by policy or law. All meetings shall be called with proper notice, and any final action, decision, or vote on a matter shall be made in an open meeting.

### Articles of Incorporation, Article IX, Section 5, Member Bill of Rights - Right to Speak:

A Member has the right to speak at every regular, special, or called meeting of the Board of Directors and its committees, except for executive sessions, on any PEC matter at a time designated by the Board.

Members' attendance and their right to speak at all meetings called by the Board of Directors is further outlined in the Decorum Meetings Policy.

### Decorum Meetings Policy, Purpose:

As a democratically-controlled and Member-owned Cooperative, Member participation in Pedernales Electric Cooperative ("Cooperative" or "PEC") affairs is valued and respected and individuals should be allowed to state opinions. Meetings or functions of the Cooperative whether conducted on or off premises shall be conducted in a professional and courteous manner.



## DECORUM POLICY

Effective Date: October 16, 2020

### 1. PURPOSE

As a democratically-controlled and Member-owned Cooperative, Member participation in Pedernales Electric Cooperative ("Cooperative" or "PEC") affairs is valued and respected and individuals should be allowed to state opinions. Meetings or functions of the Cooperative, whether conducted on or off premises, shall be conducted in a professional and courteous manner.

### 2. SCOPE

This Policy applies to all Participants at meetings of PEC Board of Directors ("Board") and any other business meeting or function of the Cooperative, whether on or off PEC premises.

### 3. POLICY AND IMPLEMENTATION

- 3.1. PEC Business Meetings or Functions. Participants in any business meeting or function shall maintain an environment free of abusive, slanderous, or bullying behavior. To protect the security and safety of persons attending such meetings, all Participants shall respect an individual's physical space and refrain from any form of physical intimidation or abuse. Any behavior demonstrating or threatening violence, attack, or physical abuse is not tolerated.
  - 3.1.1. Meeting Participants may not display placards, bumper stickers, signs, or other campaigning, or political advocacy materials within the premises of a meeting or function, other than those materials displayed on the individual Participants' body or clothing. Campaigning and electioneering for PEC elections is governed by the Cooperative's Election Policy and Procedures.
  - 3.1.2. Meeting Participants shall refrain from disruptive or distracting behavior. Personal or character attacks, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive or distracting behavior.
- 3.2. Board Meetings. PEC Board meetings are conducted in accordance with the [Board Meetings Policy](#) and the current edition of Robert's Rules of Order Newly Revised, as practicable, and "Procedure for Small Boards" (for example, Robert's Rules of Order Newly Revised § 49 (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)).
  - 3.2.1. All Participants wishing to address the Board during the designated portion of a Board meeting shall sign a registry identifying themselves prior to speaking, and shall open their remarks by stating their name and whether they are a Cooperative Member. Time allotted by the Board for each speaker cannot be shared or allotted with other speakers. The allotted time shall include and commence from the



beginning of the speaker's remarks and include any time that passes during questioning or colloquy between the speaker and the Board. Additional time may be granted to a person by the Board President, or upon a majority vote of the Board.

- 3.2.2.** When any Member or Participant wishes to provide written or demonstrative materials to the Board or others, such Member or Participant must, prior to the meeting's start, provide the information to the Board Secretary or their designee for distribution.
- 3.2.3.** Participants shall refrain from disruptive or distracting behavior. Personal or character attacks, speaking out of turn, approaching or standing at the Board meeting dais without the permission of the Presiding Officer, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive behavior.

## **4. DEFINITIONS**

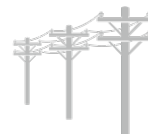
- 4.1. Participants** – Collectively includes Cooperative Board Directors, employees, Members, or any other attendees at PEC business meetings or functions.

## **5. PROCEDURE RESPONSIBILITIES**

- 5.1.** PEC Business Meetings or Functions. Directors and Employees shall maintain order and preserve the decorum of any business meeting or function conducted on or off the Cooperative premises.
- 5.2.** Board Meetings. The Presiding Officer shall maintain order and preserve the decorum of Board meetings as provided in this Policy. Each Board Director shall cooperate with the Presiding Officer in preserving order and decorum, and no Participant shall, by conversation or otherwise, delay or interrupt the proceedings of the Board, nor disturb any person while speaking.

## **6. POLICY ENFORCEMENT**

- 6.1.** When Member or Participant behavior violates this Policy, is severe, or threatens physical safety or property, the Presiding Officer, CEO, or responsible Cooperative employee may require the Member or Participant to leave the PEC premises, meeting, function, or discussion.
- 6.2.** Repeated or Severe Violation
  - 6.2.1.** PEC Business Meetings or Functions. Upon repeated or severe violation of this Policy, the Board, CEO, or their designee, may prohibit a person from attendance at PEC meetings, functions, or discussions. The duration of the prohibition shall be based upon the severity and nature of the violation.
  - 6.2.2.** Board Meetings. Upon repeated or severe violation of this Policy, the Board may prohibit a person from attendance at PEC Board meetings. The duration of the prohibition shall be based upon the severity and nature of the violation.

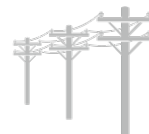


## 7. REFERENCES AND RELATED DOCUMENTS

### Board Meetings Policy

Robert's Rules of Order Newly Revised (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)

Date adopted:	March 15, 2010
Last reviewed:	October 16, 2020
Review frequency:	Every Five Years
Amendment dates:	September 21, 2015, October 16, 2020
Effective date:	October 16, 2020
Approver:	Board of Directors
Applies to:	All Participants at meetings of the Board of Directors, any other business meeting or function of the Cooperative whether on or off PEC premises.
Administrator:	Board of Directors and CEO
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





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**File #:** 2023-066, **Version:** 1

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**Resolution - Approval of Construction Contract for Leander to Nameless Transmission Line - J Treviño**

**Submitted By:** Jose Treviño

**Department:** Engineering

**Financial Impact and Cost/Benefit Considerations:** As discussed in Executive Session.

Recommendation to approve the contract for transmission line construction services for the reconstruction of the Leander to Nameless Transmission Line in Williamson County, Texas.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer, or designee, is hereby authorized and directed to negotiate, execute, and deliver a contract for construction services to reconstruct the transmission line as described herein, 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.



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**File #:** 2023-067, **Version:** 1

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**Resolution - Approval of Construction Contract for Junction Substation Upgrade - J Treviño**

**Submitted By:** Jose Treviño

**Department:** Engineering

**Financial Impact and Cost/Benefit Considerations:** As discussed in Executive Session.

The Junction Substation will be relocated adjacent to the existing substation. As part of PEC's Junction Substation project, PEC will enter into an agreement with a substation construction contractor to actually construct the substation.

In December 2022, the Board previously approved an agreement with AEP Texas, Inc. with respect to the Junction Substation.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve an agreement to construct the Junction Substation as described herein; 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.



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**File #:** 2023-063, **Version:** 1

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**Draft Resolution - Review and Approval of Defined Benefit Plan Funding Policy Amendments - R Kruger/N Fulmer**

**Submitted By:** Randy Kruger and Nathan Fulmer

**Department:** Chief Financial Officer

**Financial Impact and Cost/Benefit Considerations:** None

Pursuant to the Board's Policy on Policies, the Board routinely reviews all Board policies as part of its policy management. Under the Board's review schedule, the Board may consider review of the Defined Benefit Plan Funding Policy. The purpose of the Defined Benefit Plan Funding Policy is to establish the manner and objectives for which the assets of PEC Employees' Defined Benefit Plan shall be managed. The Board previously approved a Defined Benefit Plan Funding Policy on April 19, 2010 and approved subsequent amendments.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Defined Benefit Plan Funding 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.





## DEFINED BENEFIT PLAN FUNDING POLICY

Effective Date: ~~November 22, 2019~~TBD

### POLICY AT A GLANCE

PEC is committed to upholding our Value of **Accountability** by responsibly managing the funds contributed to, and invested by, the PEC employee Defined Benefit Plan.

#### Contributions

- Should be timely and in amounts adequate to meet the minimum funding standards.
- The CEO may recommend adjustments to avoid a significant increase or decrease in the annual contribution for a given year compared to the contribution amounts for other years.

#### Investments

- Negative investment returns should minimally impact assets available to fund accrued benefit liabilities.
- The long-term horizon should be kept in mind.
- Sufficient liquidity should be maintained to provide, at a minimum, \$400,000 - \$500,000 per month, over a minimum 12 to 24 month period.



## 1. PURPOSE

- 1.1. The purpose of the Defined Benefit Plan Funding Policy ("Policy") is to establish the manner and objectives for which the assets of the Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative") Employees' Defined Benefit Retirement Plan ("the Plan") shall be managed.

## 2. SCOPE

- 2.1. ~~The Defined Benefit Plan Funding Policy ("Policy")~~ This Policy applies to the Board of Directors ("Board"), PEC as the Plan Sponsor, all PEC employees that participate in the Plan Administration Committee, and all the funds allocated to the Plan.

## ~~3.1. DEFINITIONS~~

~~3.1.1.1. Plan Administration Committee A committee appointed by the Plan Sponsor, comprised of qualified management employees or other qualified senior level employees, to which the Board of Directors ("Board") has expressly delegated the authority to make only fiduciary decisions for the Pedernales Electric Cooperative, Inc. Employees' 401(K) Savings Plan and Employees' Defined Benefit Retirement Plan.~~

~~3.2.1.1. Plan Sponsor Pedernales Electric Cooperative, Inc.~~

## 4.3. POLICY AND IMPLEMENTATION

4.1.3.1. The Plan's Adjusted Funding Target Attainment Percentage ("AFTAP"), as required by the Pension Protection Act of 2006 ("PPA"), for any given plan year will be maintained at a level sufficient to avoid most or all "funding based" restrictions on benefit accruals or payouts pursuant to Internal Revenue Code ("IRC") Section 436. Therefore, the Plan's AFTAP shall be maintained at a minimum of 85%.

4.2.3.2. Contributions will be made timely and in amounts adequate to meet the minimum funding standards for single employer defined benefit pension plans per IRC Section 430 and guidance issued thereunder.

4.3.3.3. In order to reduce fluctuations in the annual contributions from year to year, the Chief Executive Officer ("CEO") may recommend the contribution amount under this Section 4.3 be adjusted for the purpose of avoiding a significant increase or decrease in the annual contribution for a given year compared to the contribution amounts for other years.

4.4.3.4. Plan assets should be invested such that negative investment returns will minimally impact assets available to fund accrued benefit liabilities.

4.5.3.5. Plan assets should be invested with the long-term horizon in mind, though the Board may elect to modify aspects of the Plan and the corresponding time horizon at its discretion.

4.6.3.6. Plan assets should be invested so as to maintain sufficient liquidity to provide, at a minimum, \$400,000 - \$500,000 per month, over a minimum 12 to 24 month period, to support additional benefit payments and other plan expenses.

## 5. PROCEDURE RESPONSIBILITIES



**5.1.3.7.** This Policy is effective immediately upon adoption by the Board and shall continue in effect until such time as it may be revised in writing by the Board. Upon its adoption, this Policy shall be delivered to the Plan Administration Committee which shall be guided by it in the development and execution of an the Plan Administration Committee's investment investment Policy policy for the Plan.

#### **4. DEFINITIONS**

**4.1. Plan – PEC's Employees' Defined Benefit Retirement Plan.**

**4.2. Plan Administration Committee –** A committee appointed by the Plan Sponsor, comprised of qualified management employees or other qualified senior-level employees, to which the Board of Directors ("Board") has expressly delegated the authority to make only fiduciary decisions for both the Pedernales Electric Cooperative, Inc. Employees' 401(K) Savings Plan and Employees' Defined Benefit Retirement Plan. (Only the Plan Administration Committee's obligations with respect to the Plan are referred to in this Policy).

**4.3. Plan Sponsor –** Pedernales Electric Cooperative, Inc. as plan sponsor of the Plan.

#### **6.5. POLICY ENFORCEMENT**

**6.1.5.1.** The CEO, through the Finance department, shall enforce this Policy and consult with the Plan Administration Committee.

#### **7. ~~SUPERSEDING EFFECT~~**

**7.1.** ~~This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.~~

#### **8.6. REFERENCES AND RELATED DOCUMENTS**

Pedernales Electric Cooperative, Inc. Employees' Defined Benefit Retirement Plan

Date adopted:	April 19, 2010
Last reviewed:	<u>November 22, 2019TBD</u>
Review frequency:	Every <del>Five</del> <u>Five-Three</u> Years
Amendment dates:	June 16, 2014; June 18, 2016; November 22, 2019; <u>TBD</u>
Effective date:	<u>TBD</u> <del>November 22, 2019</del>
Approver:	Board of Directors
Applies to:	PEC, as Plan Sponsor of the PEC Employees' Defined Benefit Retirement Plan <u>and members of the Plan Administration Committee</u>
Administrator:	<u>Chief Financial Officer</u> <del>Finance</del>
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





## DEFINED BENEFIT PLAN FUNDING POLICY

Effective Date: TBD

### POLICY AT A GLANCE

PEC is committed to upholding our Value of **Accountability** by responsibly managing the funds contributed to, and invested by, the PEC employee Defined Benefit Plan.

#### Contributions

- Should be timely and in amounts adequate to meet the minimum funding standards.
- The CEO may recommend adjustments to avoid a significant increase or decrease in the annual contribution for a given year compared to the contribution amounts for other years.

#### Investments

- Negative investment returns should minimally impact assets available to fund accrued benefit liabilities.
- The long-term horizon should be kept in mind.
- Sufficient liquidity should be maintained to provide, at a minimum, \$400,000 - \$500,000 per month, over a minimum 12 to 24 month period.



## 1. PURPOSE

- 1.1. The purpose of the Defined Benefit Plan Funding Policy ("Policy") is to establish the manner and objectives for which the assets of the Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative") Employees' Defined Benefit Retirement Plan ("the Plan") shall be managed.

## 2. SCOPE

- 2.1. This Policy applies to PEC as the Plan Sponsor, all PEC employees that participate in the Plan Administration Committee, and all funds allocated to the Plan.

## 3. POLICY AND IMPLEMENTATION

- 3.1. The Plan's Adjusted Funding Target Attainment Percentage ("AFTAP"), as required by the Pension Protection Act of 2006 ("PPA"), for any given plan year will be maintained at a level sufficient to avoid most or all "funding based" restrictions on benefit accruals or payouts pursuant to Internal Revenue Code ("IRC") Section 436. Therefore, the Plan's AFTAP shall be maintained at a minimum of 85%.
- 3.2. Contributions will be made timely and in amounts adequate to meet the minimum funding standards for single employer defined benefit pension plans per IRC Section 430 and guidance issued thereunder.
- 3.3. In order to reduce fluctuations in the annual contributions from year to year, the Chief Executive Officer ("CEO") may recommend the contribution amount under this Section be adjusted for the purpose of avoiding a significant increase or decrease in the annual contribution for a given year compared to the contribution amounts for other years.
- 3.4. Plan assets should be invested such that negative investment returns will minimally impact assets available to fund accrued benefit liabilities.
- 3.5. Plan assets should be invested with the long-term horizon in mind, though the Board may elect to modify aspects of the Plan and the corresponding time horizon at its discretion.
- 3.6. Plan assets should be invested so as to maintain sufficient liquidity to provide, at a minimum, \$400,000 - \$500,000 per month, over a minimum 12 to 24 month period, to support additional benefit payments and other plan expenses.
- 3.7. This Policy is effective immediately upon adoption by the Board and shall continue in effect until such time as it may be revised in writing by the Board. Upon its adoption, this Policy shall be delivered to the Plan Administration Committee which shall be guided by it in the development and execution of the Plan Administration Committee's investment policy for the Plan.

## 4. DEFINITIONS

- 4.1. **Plan** – PEC's Employees' Defined Benefit Retirement Plan.
- 4.2. **Plan Administration Committee** – A committee appointed by the Plan Sponsor, comprised of qualified management employees or other qualified senior-level employees, to which the Board of Directors ("Board") has expressly delegated the authority to make



only fiduciary decisions for both the Pedernales Electric Cooperative, Inc. Employees' 401(K) Savings Plan and Employees' Defined Benefit Retirement Plan. (Only the Plan Administration Committee's obligations with respect to the Plan are referred to in this Policy).

**4.3. Plan Sponsor** – Pedernales Electric Cooperative, Inc. as plan sponsor of the Plan.

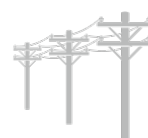
## **5. POLICY ENFORCEMENT**

**5.1.** The CEO, through the Finance department, shall enforce this Policy and consult with the Plan Administration Committee.

## **6. REFERENCES AND RELATED DOCUMENTS**

Pedernales Electric Cooperative, Inc. Employees' Defined Benefit Retirement Plan

Date adopted:	April 19, 2010
Last reviewed:	TBD
Review frequency:	Every Five Years
Amendment dates:	June 16, 2014; June 18, 2016; November 22, 2019; TBD
Effective date:	TBD
Approver:	Board of Directors
Applies to:	PEC, as Plan Sponsor of the PEC Employees' Defined Benefit Retirement Plan and members of the Plan Administration Committee
Administrator:	Chief Financial Officer
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.







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**File #:** 2023-069, **Version:** 1

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**Draft Resolution - Approval of 2023 Cooperative Response Center (CRC) Voting Delegates - J Urban**

**Submitted By:** JP Urban

**Department:** Member Relations

**Financial Impact and Cost/Benefit Considerations:**

PEC participates in the Cooperative Response Center. The Board may designate an authorized representative to cast their vote on PEC's behalf in the affairs of CRC. The Cooperative must return the completed designating form before May 1, 2023. The Cooperative will submit ballots via email or mail and the attendance by voting delegate(s) is not required at the CRC Annual Meeting.

The 2022 CRC delegates were Amy SJ Akers - voting delegate; Eddie Dauterive - alternate voting delegate.

**RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the following persons are appointed and designated as authorized representatives of the Cooperative to serve as a voting delegate and alternate delegate to act at meetings of the 2023 Cooperative Response Center (CRC), or until successors are duly appointed and designated: voting delegate \_\_\_\_\_ and alternate delegate \_\_\_\_\_.

February 3, 2023

Pedernales Electric Co-op, Inc.  
Tim Nance, Vice President of Member Relations  
PO Box 1  
Johnson City, TX 78636

Dear Tim:

Ballots for Cooperative Response Center, Inc.'s (CRC's) upcoming Board of Directors election will be mailed to you in May 2023 (with CRC's annual membership meeting materials). As in past years, the election will be completed entirely prior to the annual membership meeting which is currently scheduled for Sunday, June 18, 2023, in Seattle, Washington (held in conjunction with NRUCFC's 2023 Forum).

In accordance with Article 2, Section 2.5 of CRC's Amended and Restated Bylaws, "each member must designate an authorized representative to cast their vote in the affairs of the Cooperative. The designation must be in writing, must be properly authorized by the member, and must be provided to the Secretary of the Cooperative. Such a written designation will remain effective until it is superseded by a more recent written designation meeting the same criteria."

To ensure your participation in CRC's upcoming Board of Directors election, enclosed is a CRC 2023 Voting Delegate Registration Form for your use in designating your organization's voting representative(s). The individual(s) previously authorized as a voting delegate(s) for your organization is/are listed on the form. If a change in voting delegate and/or alternate delegate for your organization is desired, please complete the bottom portion of the form and return it to CRC by May 1, 2023. If no change in voting delegate(s) is desired, no action is necessary. Only those delegates who have been properly documented as authorized by their cooperatives shall be permitted to vote in a CRC election.

Once completed, please return the form to CRC in one of three ways:

**E-mail**  
delegateregistration@crc.coop

**U.S. Mail**  
CRC  
Attn: Voting Delegate Registration  
2000 8<sup>th</sup> St. NW  
Austin, MN 55912

**Fax**  
Fax number: 507-437-2099  
Attn: Voting Delegate Registration

Please contact myself or Julie Schramek, executive assistant, at 507-437-2400 if you have any questions about the voting delegate process, the upcoming election, or CRC's annual membership meeting.

Thank you for your participation in CRC's upcoming Board of Directors election. Best wishes for a happy and healthy 2023.

Sincerely,



Brad Fjelsta  
President and CEO

enc.



**Focusing on the Human Side of Technology<sup>®</sup>**

2000 8th Street NW | Austin, MN 55912 | 800-892-1578  
Fax: 507-437-2031 | info@crc.coop | www.crc.coop



## 2023 Voting Delegate Registration Form

The individual(s) listed below has/have previously been designated as the authorized representative(s) on behalf of Pedernales Electric Cooperative, PO Box 1, Johnson City, Texas to cast a vote in the affairs of Cooperative Response Center, Inc. (CRC), representing the CRC member in the order specified.

**Voting Delegate Name:** Amy Lea SJ Akers, Director District 7

**Alternate Voting Delegate Name:** Eddie Dauterive, Chief Operations Officer

**Authorization Date:** February 18, 2022

In accordance with Article 2, Section 2.5 of CRC's Amended and Restated Bylaws, "Such a written designation will remain effective until it is superseded by a more recent written designation meeting the same criteria." If a change in voting delegate and/or alternate delegate for your organization is desired, please complete the information requested below and return this form to CRC by May 1, 2023. If no change in voting delegate(s) is desired, no action is necessary.

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The undersigned has been authorized to cast a vote on the member cooperative's behalf for CRC's 2023 Board of Directors election. Voting by proxy is not permitted in accordance with CRC's Amended and Restated Bylaws.

**Voting Delegate Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Alternate Voting Delegate Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_  
(Please print delegates' names)

\_\_\_\_\_  
**Signature of Board President**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature of Board Secretary**

\_\_\_\_\_  
**Date**

Please return this voting delegate registration form to CRC via U.S. mail, e-mail, or electronic facsimile **no later than May 1, 2023.**

Cooperative Response Center, Inc.  
Attention: Voting Delegate Registration  
2000 8<sup>th</sup> Street NW  
Austin, MN 55912

E-mail: [delegateregistration@crc.coop](mailto:delegateregistration@crc.coop)  
Fax: 507-437-2099



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File #: 2023-070, Version: 1

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## Draft Resolution - Approval and Certification of 2023 Election Ballot - D Ballard

**Submitted By: Don Ballard**

**Department: General Counsel**

**Financial Impact and Cost/Benefit Considerations:** Expenditure of Cooperative funds estimated in the amount of \$0 currently included in the Cooperative's 2023 operating budget; expenditures of staff time estimated in amount of 0 hours (other than ordinary processing requirements).

Pursuant to Article II, Section 4 of the Cooperative's Bylaws, and Section 6.2.1.10 of the Cooperative's Election Procedures, the Board of Directors approves and certifies the 2023 Election Ballot, including the Director Election Ballot and any Non-Director Election items.

Information how to voluntarily participate in the PEC Power of Change program will be included alongside any ballot items.

Members will also be provided directions on changing or updating their contact information in the election booklet materials.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the 2023 Election Ballots are approved and certified as presented this day, including the Qualified Candidates for Director Election in their respective Director Districts; and

**BE IT FURTHER RESOLVED** that the Board approves the following Non-Director Election item to be included with the 2023 Election Ballots:

**Members' option to voluntarily participate in PEC Power of Change program**

*Please mark the circle if you wish to participate:*

*Yes, I want to enroll in the PEC Power of Change and round up my electric bill for all accounts to the nearest whole dollar to support local nonprofit organizations, PEC's educational support program and PEC's member payment assistance program. Participation is voluntary, and I can withdraw at any time. Learn more at [pec.coop/power-of-change](http://pec.coop/power-of-change).*

**BE IT FURTHER RESOLVED** that the General Counsel is directed to take all necessary actions to implement this resolution and prepare the 2023 Election Ballots with the Election Services Provider.



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**File #:** 2023-071, **Version:** 1

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**Draft Resolution - Approval of 2023 Annual Membership Meeting Agenda - D Ballard**

**Submitted By:** Don Ballard  
**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** Expenditure of Cooperative funds estimated in the amount of \$0 currently included in the Cooperative's 2023 operating budget; expenditures of staff time estimated in amount of 0 hours (other than ordinary processing requirements).

The Annual Membership Meeting of the Cooperative's members will be on June 16, 2023. The Cooperative's Bylaws require that the Board of Directors (the "Board") of the Cooperative determine the agenda, program, and order of business for the Annual Membership Meeting.

The Board may now consider an Annual Membership Meeting agenda for approval.

**BE IT RESOLVED BY THE BOARD** that the Board approves the agenda for the 2023 Annual Membership Meeting as submitted to and discussed by the Board at its regular meeting for April 2023, with such changes as were discussed and approved by the Board;

**BE IT FURTHER RESOLVED BY THE BOARD** that the Chief Executive Officer, or designee, is hereby authorized to publish the approved agenda to all members, and the President of the Board is authorized and directed to conduct the order of business at the Annual Membership Meeting in accordance with the approved agenda.



## **PEDERNALES ELECTRIC COOPERATIVE**

Annual Membership Meeting Agenda - Draft

06/16/2023 | 9:00 AM | PEC Headquarters Auditorium

**201 S. Ave F, Johnson City, TX 78636**

Annual Membership Meeting is held in the PEC Headquarters Auditorium and will be recorded.

Members are able to watch this meeting by livestream from the PEC website at

<https://pec.legistar.com/Calendar.aspx>.

### **1. Call to Order**

*9:00 AM Annual Membership Meeting called to order on June 16, 2023 at PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, TX.*

*The following agenda items may be considered in a different order than they appear.*

### **2. Pledge of Allegiance**

### **3. Introduction of Directors**

### **4. Certificate of Secretary-Treasurer Regarding Member Quorums**

### **5. Approve Minutes of 2022 Annual Membership Meeting**

### **6. Announce Voting Program Prizes**

### **7. Announcement of Election Results**

### **8. President's Report**

### **9. CEO's Report**

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

### **11. June 16, 2023 Regular Board Meeting upon conclusion of Annual Membership Meeting at the PEC Headquarters Auditorium**

### **12. Adjournment**





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**File #:** 2023-072, **Version:** 1

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## **2023 Election Timeline Update - D Ballard (Written Report in Materials)**

**Submitted By:** Don Ballard

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** Expenditure of Cooperative funds is estimated in the amount of \$0 to process the election timeline. Responsibilities required of staff time are part of ordinary governance operations.

Section 3.2 of the Election Policy and Procedures provides that the Board will consider, amend (if desired), and approve an Election Timeline at least 5 months prior to each Annual Meeting of Members. The timeline sets out the key dates relative to the election to be held before the Annual Meeting.

**2023 ELECTION TIMELINE**  
**DIRECTOR ELECTION BALLOTS, DISTRICTS 2 and 3**  
**NOTE: All due dates apply to all election ballots.**

#	Item	EPP or Other Policy	Responsible Party	Due Date	2022 - 2023 Deadline**
1	Draft Resolution - Approval of Annual Election Services Provider Contract	4.1	BOD / GC / GT	At or before the August Regular Board Meeting	6/16/2022
2	Final Resolution - Approval of Annual Election Services Provider Contract	4.1	BOD / GC / GT	At or before the August Regular Board Meeting	7/21/2022
3	Draft Resolution - Establish Annual Meeting Date and Location	3.1	BOD / GC / GT	At or before the August Regular Board Meeting but no later than December each year	9/15/2022
4	Final Resolution - Establish Annual Meeting Date and Location	3.1	BOD / GC / GT	At or before the August Regular Board Meeting but no later than December each year	10/20/2022
5	Present Draft Election Timeline	3.2	GT	At least 6 months prior to Annual Meeting	11/18/2022
6	Communications Draft Plan overview presented to the Board of Directors	7.3	External Relations	At or before Regular Board Meeting 5 months before an election	11/18/2022
7	Approve Election Timeline	3.2	BOD	At least 6 months prior to Annual Meeting	12/16/2022
8	Final Communications Plan to be approved by the Board of Directors	7.3	BOD	At or before Regular Board Meeting 5 months before an election	12/16/2022
9	Conduct Internal Coordination Meeting and Establish PEC Election Team	3.3	GC / GT / ER / Mapping / IT / Member Relations / SBS	Upon approval of the Election Timeline (meeting set after approval of election timeline)	12/19/2022
10	Retain Background Verifier	6.2.1.7	GC / GT	As specified in this timeline	1/3/2023
11	Post and make available Nomination Application and Ballot Materials	6.2.1.1.1	BRS / GT / ER / Member Relations / Mapping	At least 5 months prior to Annual Meeting	1/17/2023
12	Direct the General Counsel to prepare proposed Non-Director Election items	6.1	GC / BOD	No later than the Regular Board Meeting 5 months prior to an election	1/20/2023
13	Membership List Availability	7.7	GT / IT / MR	2 months before the deadline for candidate application as specified in Section 6.2.1.4.	1/27/2023
14	Directors requested to submit the name(s) of a person or persons (including an alternate) residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee	6.2.1.6	BOD / GT	As specified in this timeline	2/1/2023
15	Director submits the name(s) of a person or persons (including an alternate) residing in the Director's District eligible and willing to serve on the Qualifications and Elections Committee	6.2.1.6	BOD / GT	At least a week before the Regular Board meeting 4 months prior to an election	2/10/2023
16	Election Services Provider to Present Quality Control steps to the General Counsel	7.12	SBS / GC / GT	Four (4) months prior to the member meeting, the Election Services provider shall provide PEC a list of quality-control steps to be taken before the Member Meeting, including process for the release and announcement of election results	2/17/2023
17	Board appoints the Qualifications and Elections Committee	6.2.1.6	BOD / QC	At the Regular Board meeting 4 months before an election	2/17/2023
18	Nomination Application and Ballot Materials Deadline - Candidate Application to be delivered to the Governance Team at PEC Headquarters in Johnson City	6.2.1.4	Candidate Applicants / Governance Team	At or before 5 p.m. on the last business day falling 82 days or more before the date of the Member Meeting	3/27/2023
20	Member Record Date for Petition Signatures	5.1	Governance Team / Member Relations	At or before 5 p.m. on the Record Date for a Member to be eligible to sign a nomination petition is the date of the verification of the signatures by PEC	3/27/2023

**2023 ELECTION TIMELINE**  
**DIRECTOR ELECTION BALLOTS, DISTRICTS 2 and 3**  
**NOTE: All due dates apply to all election ballots.**

#	Item	EPP or Other Policy	Responsible Party	Due Date	2022 - 2023 Deadline**
19	Qualifications and Elections Committee Meeting Date	6.2.1.6	QEC / GC / EC / GT	The QEC reviews all candidate material and then makes recommendation to the board of the candidates' slate	4/5/2023 & 4/6/2023
22	Candidate Orientation and Candidate Photographs	7.1, 7.5	Candidate Applicants / Governance Team / External Relations	The week preceding the April Regular Meeting of the Board	4/10/2023
23	Election withdrawal deadline for removal from Ballot	7.2	Candidate Applicants	Before Board approval of Ballot	4/21/2023
25	Presentation and approval of Candidate slate, Ballot, and any Non-Director Election items	6.2.1.9, 6.2.1.10	Qualifications and Elections Committee / GC	At least 2 months prior to an election	4/21/2023
26	Written Notice of Annual Member Meeting	TX Utilities Code 161.068	GC / GT	Between 30 and 10 days before the date of the Annual Meeting	5/16/2023
27	Mailing of Ballots*	7.4.1	SBS	Delivered between 25 and 30 days before the Annual Meeting	5/16/2023
28	Online voting site goes live	7.4.2	SBS	30 days before the Annual Meeting	5/16/2023
29	Electronic voting devices available to membership at PEC offices		Elections Committee / Governance Team	Devices are set up in each district office up for election, by 5:00pm, on the business day prior to online voting going live	5/16/2023
30	Initial voting email notifications	7.4.3	SBS	Between 25 and 30 days before the Annual Meeting	5/16/2023
31	Initial PEC Corporate Fact Sheet emailed to all PEC Members	7.3	External Relations	As approved in the Communications plan	5/16/2023
32	Update on voter turnout (totals by each director election district)	7.11	GC / GT	Once weekly after ballots are initially mailed	5/22/2023
33	Supplemental mailing of ballots to Members since previous mailing	7.4.1	SBS / IT	As specified in this timeline	5/22/2023
34	Second - voting email notifications	7.4.3	SBS	As specified in this timeline	5/22/2023
35	Second - PEC Corporate Fact Sheet emailed to all PEC Members	7.3	External Relations	As approved in the Communications plan	5/22/2023
36	Update on voter turnout (totals by each director election district)	7.11	GC / GT	Once weekly after Ballots are initially mailed	5/30/2023
37	Supplemental mailing of ballots to Members since previous mailing	7.4.1	SBS / IT	No later than 16 days before the Member Meeting at which Election Results are Announced	5/30/2023
38	Third - voting email notifications	7.4.3	SBS	As specified in this timeline	5/30/2023
39	Third - PEC Corporate Fact Sheet emailed to all PEC Members	7.3	External Relations	As approved in the Communications plan	5/30/2023
40	Update on voter turnout (totals by each director election district)	7.11	GC / GT	Once weekly after ballots are initially mailed	6/5/2023
41	Final - Reminder voting emails	7.4.3	SBS	As specified in this timeline	6/5/2023
42	Final - PEC Corporate Fact Sheet emailed to all PEC Members	7.3	External Relations	As approved in the Communications plan	6/5/2023
43	Supplemental mailing of ballots to Members since previous mailing	7.4.1	SBS / IT	As specified in this timeline	6/5/2023
44	Record Date for Casting Ballot	5.2 Bylaws, Art. II, § 9	IT / GT	Close of business, at least eight (8) business days before Annual Meeting	6/8/2023, 5:00pm
45	Deadline for Mailing or Casting Online Ballots; Ballots must be received by Election Services Provider	8.2, 8.4 Bylaws Art. II, § 8	SBS	No later than seven (7) days prior to the Member Meeting at which the Elections Results are announced	6/9/2023, 5:00 p.m.

**2023 ELECTION TIMELINE**  
**DIRECTOR ELECTION BALLOTS, DISTRICTS 2 and 3**  
**NOTE: All due dates apply to all election ballots.**

#	Item	EPP or Other Policy	Responsible Party	Due Date	2022 - 2023 Deadline**
46	Pre-Announcement and Pre-Results Delivery Quality Control; Post-Tabulation Quality Control	7.13, 8.2, 8.4 & 8.7 Bylaws Art. II, § 8	SBS / GC	No later than four (4) days prior to the Member Meeting at which pre-announcement and pre-results delivery quality control and pre / post-tabulation quality control is performed by SBS	6/12/2023
47	Election Services Provider Certifies Election Results and Provides Results to PEC	7.11 8.4 8.8	GC / GT	No later than four (4) days prior to the Member Meeting at which Election Results are announced	6/12/2023
48	Candidates and Board Advised of Election Results immediately before Results Released to Membership	7.11 8.4	GC / GT	Three (3) days prior to the Member Meeting at which Election Results are announced	6/13/2023
49	Election Results Released to PEC Membership	7.11 8.4	GC / GT / External Relations	No later than three (3) days prior to the Member Meeting at which Election Results are released	6/13/2023
50	Announcement of Certified Election Results at Annual Meeting	8.4 8.8	SBS, or as designated by BOD	On the date of Member Meeting and as specified in this timeline election results are announced	6/16/2023
51	Post-Election Director Acknowledgements	8.90	BOD	On the date of Member Meeting after the Meeting has concluded	6/16/2023
52	Final Election Results: District-by-District Results	9.1	SBS	Within five business days of the Annual Meeting, SBS will provide district-by-district results	6/23/2023
53	Post-Election Analysis	9.2	GC / GT	Within two months after the Annual Meeting	8/18/2023
<p><b>* Ballots are mailed for intended delivery to Members on the first day of voting period. It is anticipated that U.S. addresses will be mailed 3 days in advance and international addresses 10-15 days in advance of the first day of voting.</b></p>					
<p><b>** Dates listed on this timeline are subject to change with Board of Directors' Meeting dates.</b></p>					

**LEGEND:**

Board of Directors	BOD	Election/Board Counsel	EC
Board Reporting Secretary	BRS	Qualifications & Election Committee	QEC
Governance Team	GT	Survey & Ballot Systems (Election Services Provider)	SBS (ESP)
General Counsel	GC	Information Technology Department	IT
External Relations	ER	Articles of Incorporation	Art.
		Election Policy and Procedures	EPP



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**File #:** 2023-073, **Version:** 1

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## List of Board Approved Future Meetings

**Submitted By:** Don Ballard

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** N/A

From time to time, the Board may set the annual Board meetings schedule as attached to this agenda item. Further, the Cooperative's Bylaws describe the types of meetings, notice requirements, and Board quorum as outlined below.

**BYLAWS ARTICLE IV - Meetings of Directors Section 1. Regular Board Meetings:** A regular meeting of the Board of Directors shall be held on the third Monday of each month at the E. Babe Smith Headquarters Building of the Cooperative in Blanco County, Texas, unless another meeting location, time and/or date is set by the Board of Directors ("Regular Board Meeting").

**Section 2. Special Board Meetings:** Special meetings of the Board of Directors ("Special Board Meetings") may be called by the President or any four (4) Directors. The person or persons authorized to call a Special Board Meeting may fix the time and place for the holding of any Special Board Meeting called by them.

**Section 3. Telephonic or Electronic Participation in Board Meetings:** For good cause and with approval of the Board of Directors, a Regular Board Meeting or Special Board Meeting (each a "Board Meeting") may be conducted with Directors participating but not physically present but deemed present in person through a means of communication by which all Directors participating in the Board Meeting may simultaneously hear, reasonably and verifiably identify themselves, and generally simultaneously and instantaneously communicate with each other during the Board Meeting. Directors that are not physically present may deliberate and vote on the question of approving telephonic or electronic participation. A vote to approve telephonic or electronic participation in any Board Meeting is exempt from the notice requirements herein specified. Such Board Meeting shall be compliant with the Cooperative's Open Meetings Policy, and Members shall have the opportunity to monitor the Board Meeting electronically or in person. A Director may be compensated for a Board Meeting at which that Director participated but was not physically present only with Board approval.

**Section 4. Notice:** Notice of the time, place and purpose of any Regular Board Meeting shall be given at least seventy-two (72) hours previous thereto, by written notice, delivered personally, electronically, or by mail, to each Director at the Director's last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Meeting notices and agendas will be posted on the Cooperative's website at least seventy-two (72) hours before each Regular Board Meeting. In an emergency or when there is an urgent necessity, the notice of a Board Meeting or the supplemental notice of a subject added as an item to the agenda for a Board Meeting for which notice has been posted in accordance with this Section is sufficient if it is posted for at least two (2) hours before the Board Meeting is convened. An emergency or an urgent necessity exists only if immediate action is required because of a reasonably unforeseeable situation. The Board of Directors shall clearly identify the emergency or urgent necessity in the notice or supplemental notice under this Section.

**Section 5. Board Quorum:** Four (4) or more Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, except in the case when four (4) or more vacancies exist on the Board, in which case a majority of the Board shall constitute a quorum ("Board Quorum").

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## *2023 Board Meeting Calendar*

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- January 20, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- February 17, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- March 24, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- April 21, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- May 19, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- June 16, 2023 Regular Meeting immediately following the conclusion of the 2023 Annual Membership Meeting on Friday at the PEC Headquarters
- July 21, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- August 18, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- September 15, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- October 20, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- November 17, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- December 15, 2023 Regular Meeting at 9:00 am on Friday at the PEC Headquarters





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**File #:** 2023-074, **Version:** 1

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**Board Planning Calendar (Written Report in Materials)**

**Submitted By:** Don Ballard

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** N/A

In connection with agenda planning and strategy, the Cooperative provides an annual calendar of all agenda items to ensure compliance and governance matters. The annual calendar also includes ad hoc items.

### 3-Month Outlook Planning Calendar - April 2023 through June 2023

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
<b>APR</b>						
55	4	2022 Financial Audit	Audit Committee	April Audit Committee Meeting	Compliance	Reoccurring
56	4	Approval Resolution – Recommendation of Acceptance of the Selection of Independent Auditor and Tax Services for Fiscal Years 2023-2025	Audit Committee	April Audit Committee Meeting	Compliance	Ad-hoc
57	4	Approval Resolution – Recommendation for Approval of Review and Amendments to Audit Committee Charter	Audit Committee	April Audit Committee Meeting	Compliance	Ad-hoc
58	4	Presentation of 2022 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss	Audit Committee	April Audit Committee Meeting	Compliance	Reoccurring
59	4	Review of Internal Audit Report Provided by Sirius Solutions	Audit Committee	April Audit Committee Meeting	Compliance	Ad-hoc
60	4	2023 Election Timeline Update	General Counsel	April Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
61	4	Approval Resolution – Approval and Certification of 2023 Election Ballot	General Counsel	April Regular BOD Meeting		Reoccurring
62	4	Approval Resolution – Approval of 2022 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	Chief Financial Officer	April Regular BOD Meeting	Compliance	Reoccurring
63	4	Approval Resolution – Approval of 2023 Annual Membership Meeting Agenda	General Counsel	April Regular BOD Meeting	Strategic	Reoccurring
64	4	Approval Resolution – Approval of 2023 Cooperative Response Center (CRC) Voting Delegates	VP, External Relations	April Regular BOD Meeting	Compliance	Reoccurring
65	4	Approval Resolution – Approval of Director Candidates for 2023 Pedernales Electric Cooperative Board of Director's Election Ballot	General Counsel	April Regular BOD Meeting	Compliance	Reoccurring
66	4	Approval Resolution – Approval of Review and Amendments to Audit Committee Charter	Chief Financial Officer	April Regular BOD Meeting	Compliance	Ad-hoc
67	4	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
68	4	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
69	4	Approval Resolution - Review and Approval of Defined Benefit Plan Funding Policy Amendments	Chief Financial Officer	April Regular BOD Meeting	Compliance	Reoccurring
70	4	Audit Plan Report 2023	Chief Financial Officer	April Regular BOD Meeting	Strategic	Reoccurring
71	4	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	April Regular BOD Meeting	Strategic	Reoccurring
72	4	Corporate Insurance Policy Update	Compliance & Regulatory	April Regular BOD Meeting	Strategic	Annual
73	4	Distribution System Planning Update	VP, Engineering	April Regular BOD Meeting	Strategic	April/ September
74	4	Draft Resolution - Approval of Construction Contract for Trading Post to Cedar Valley	Engineering	April Regular BOD Meeting	Strategic	Ad-hoc
75	4	Markets Monthly Report	VP, Markets	April Regular BOD Meeting	Strategic	Reoccurring
76	4	Personnel Matters	VP, Workforce & Safety Operations	April Regular BOD Meeting	Strategic	Reoccurring
77	4	Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates - QEC Rep.	General Counsel	April Regular BOD Meeting	Compliance	Reoccurring
78	4	Safety / Security	VP, Workforce & Safety Operations	April Regular BOD Meeting	Strategic	Reoccurring
79	4	Transmission Operations and Control Center Update	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
<b>MAY</b>						
80	5	2023 Election Timeline Update	General Counsel	April Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
81	5	Approval Resolution - Approval of Construction Contract for Trading Post to Cedar Valley	Engineering	May Regular BOD Meeting		Ad-hoc
82	5	Approval Resolution - Review and Approval of 2023 CEO Performance Evaluation and Compensation	Board of Directors	May Regular BOD Meeting	Compliance	Reoccurring

### 3-Month Outlook Planning Calendar - April 2023 through June 2023

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
<b>MAY</b>						
83	5	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
84	5	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
85	5	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	May Regular BOD Meeting	Strategic	Reoccurring
86	5	Draft Resolution – Review and Approval of Privacy Policy	General Counsel	May Regular BOD Meeting	Compliance	Reoccurring
87	5	Ethics and Compliance Update	Ethics & Compliance Officer	May Regular BOD Meeting	Strategic	Biannual
88	5	Markets Monthly Report	VP, Markets	May Regular BOD Meeting	Strategic	Reoccurring
89	5	Moment of Silence in Commemoration of Memorial Day	Board President	May Regular BOD Meeting	Strategic	Reoccurring
90	5	Personnel Matters	VP, Workforce & Safety Operations	May Regular BOD Meeting	Strategic	Reoccurring
91	5	Safety / Security	VP, Workforce & Safety Operations	May Regular BOD Meeting	Strategic	Reoccurring
92	5	Transmission Operations and Control Center Update	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
<b>JUN</b>						
93	6	Conduct Annual Membership Meeting	Chief Executive Officer	June Annual Membership Meeting	Compliance - Bylaws	Reoccurring
94	6	Receipt of Conflict of Interest Disclosure Form, Director Affirmation and Directors' Code of Conduct Acknowledgement	General Counsel	At conclusion of June Annual Membership Meeting	Compliance - Code of Conduct, Conflict of Interest Policies	Reoccurring
95	6	Acknowledgement and Seating of Directors Elected at Annual Membership Meeting	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
96	6	Election - Office of President	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
97	6	Election - Office of Secretary and Treasurer	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
98	6	Election - Office of Vice President	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
99	6	Approval Resolution - Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting	General Counsel	June Regular BOD Meeting	Compliance - TEC	Reoccurring
100	6	Approval Resolution – Review and Approval of Privacy Policy	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
101	6	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
102	6	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
103	6	Approval to Review and Reaffirm/Amend Audit Committee Charter	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
104	6	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	June Regular BOD Meeting	Compliance	Quarterly
105	6	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	June Regular BOD Meeting	Strategic	Reoccurring
106	6	Draft Resolution - Approval of Award to Negotiate Contract for Election Services Provider	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
107	6	Markets Monthly Report	VP, Markets	June Regular BOD Meeting	Strategic	Reoccurring
108	6	Personnel Matters	VP, Workforce & Safety Operations	June Regular BOD Meeting	Strategic	Reoccurring
109	6	Resolution – Approval of the Appointment of Audit Committee and Audit Committee Chairperson	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
110	6	Safety / Security	VP, Workforce & Safety Operations	June Regular BOD Meeting	Strategic	Reoccurring
111	6	Transmission Operations and Control Center Update	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
112	6	CFC Forum 2023 (Seattle, WA)	General Counsel	Jun 17-19, 2023	Informational	Reoccurring

## PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
1	1	2023 Election Timeline Update	General Counsel	January Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
2	1	Approval Resolution – Approval of 2023 Key Performance Indicators Plan Methodology	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
3	1	Approval Resolution – Approval of 2023 NRECA Annual Membership Dues	Chief Executive Officer	January Regular BOD Meeting	Compliance	Reoccurring
4	1	Approval Resolution - Approval of Amendments to the Tariff and Business Rules - Dual Feed Rider	VP, Markets	January Regular BOD Meeting	Strategic	Ad-hoc
5	1	Approval Resolution - Approval of Amendments to the Tariff and Business Rules - Industrial Rate Annual Update	VP, Markets	January Regular BOD Meeting	Strategic	Ad-hoc
6	1	Approval Resolution - Approval of Amendments to the Tariff and Business Rules - Interconnect Rate Annual Update	VP, Markets	January Regular BOD Meeting	Strategic	Ad-hoc
7	1	Approval Resolution - Approval of Construction Contract for Hero Way Substation	Engineering	January Regular BOD Meeting	Strategic	Ad-hoc
8	1	Approval Resolution – Approval of TEC Annual Membership Dues	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
9	1	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
10	1	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
11	1	Cooperative Financial Update	Chief Financial Officer	January Regular BOD Meeting	Strategic	Reoccurring
12	1	Cooperative Operations Update	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
13	1	Cooperative Update	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
14	1	Draft Resolution – Approval of 2023 NRECA Annual Meeting Voting Delegates, 2023 CFC District Voting Delegates, and 2023 NRTC Voting Delegates	General Counsel	January Regular BOD Meeting	Strategic	Reoccurring
15	1	Draft Resolution – Approval for Directing the General Counsel to Prepare 2023 Proposed Non-Director Election Ballot Item(s)	General Counsel	January Regular BOD Meeting	Strategic	Reoccurring
16	1	Draft Resolution – Approval of Appointments to 2023 Qualifications and Elections Committee	General Counsel	January Regular BOD Meeting	Compliance	Reoccurring
17	1	Markets Monthly Report	VP, Markets	January Regular BOD Meeting	Strategic	Reoccurring
18	1	Personnel Matters	VP, Workforce & Safety Operations	January Regular BOD Meeting	Strategic	Reoccurring
19	1	Safety / Security	VP, Workforce & Safety Operations	January Regular BOD Meeting	Strategic	Reoccurring
20	1	Transmission Operations and Control Center Update	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
21	2	2023 Election Timeline Update	General Counsel	February Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
22	2	Approval Resolution – Approval for Directing the General Counsel to Prepare 2023 Proposed Non-Director Election Ballot Item(s)	General Counsel	February Regular BOD Meeting	Strategic	Reoccurring
23	2	Approval Resolution - Approval of 2022 Capital Budget Amendment	Finance	February Regular BOD Meeting	Compliance	Ad-hoc
24	2	Approval Resolution – Approval of Appointments to 2023 Qualifications and Elections Committee (QEC)	General Counsel	February Regular BOD Meeting	Compliance	Reoccurring
25	2	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
26	2	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
27	2	Cooperative Financial Update	Chief Financial Officer	February Regular BOD Meeting	Strategic	Reoccurring
28	2	Cooperative Operations Update	Chief Operations Officer	February Regular BOD Meeting	Compliance	Reoccurring
29	2	Cooperative Update	Chief Executive Officer	February Regular BOD Meeting	Strategic	Reoccurring
30	2	Cyber Security Biannual Update	Compliance & Regulatory Engineering	February Regular BOD Meeting	Strategic	Biannual
31	2	Draft Resolution - Approval of Construction Contract for Junction Substation Upgrade	Engineering	February Regular BOD Meeting	Strategic	Ad-hoc
32	2	Draft Resolution - Approval of Construction Contract for Leander to Nameless Transmission Line	Engineering	February Regular BOD Meeting	Strategic	Ad-hoc
33	2	Draft Resolution - Approval of Materials Purchase for Paleface to Marshall Ford Transmission Line Project	Engineering	February Regular BOD Meeting	Strategic	Ad-hoc
34	2	Key Performance Indicator (KPI) of 2022 Period 2 Results	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
35	2	Markets Monthly Report	VP, Markets	February Regular BOD Meeting	Strategic	Reoccurring

## PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
36	2	Personnel Matters	VP, Workforce & Safety Operations	February Regular BOD Meeting	Strategic	Reoccurring
37	2	Real Estate Update	Chief Operations Officer	February Regular BOD Meeting	Strategic	Bi-Annual
38	2	Safety / Security	VP, Workforce & Safety Operations	February Regular BOD Meeting	Strategic	Reoccurring
39	2	Transmission Operations and Control Center Update	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
40	3	2023 Election Timeline Update	General Counsel	March Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
41	3	Approval Resolution - Approval of Construction Contract for Junction Substation Upgrade	Engineering	March Regular BOD Meeting	Strategic	Ad-hoc
42	3	Approval Resolution - Approval of Construction Contract for Leander to Nameless Transmission Line	Engineering	March Regular BOD Meeting	Strategic	Ad-hoc
43	3	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
44	3	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
45	3	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	March Regular BOD Meeting	Compliance	Quarterly
46	3	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	March Regular BOD Meeting	Strategic	Reoccurring
47	3	Draft Resolution – Approval and Certification of 2023 Election Ballot	General Counsel	March Regular BOD Meeting	Compliance	Reoccurring
48	3	Draft Resolution - Approval of 2023 Annual Membership Meeting Agenda	General Counsel	March Regular BOD Meeting	Compliance	Reoccurring
49	3	Draft Resolution – Approval of 2023 Cooperative Response Center (CRC) Voting Delegates	VP, External Relations	March Regular BOD Meeting	Compliance	Reoccurring
50	3	Draft Resolution - Review and Approval of Defined Benefit Plan Funding Policy Amendments	Chief Financial Officer	March Regular BOD Meeting	Compliance	Reoccurring
51	3	Markets Monthly Report	VP, Markets	March Regular BOD Meeting	Strategic	Reoccurring
52	3	Personnel Matters	VP, Workforce & Safety Operations	March Regular BOD Meeting	Strategic	Reoccurring
53	3	Safety / Security	VP, Workforce & Safety Operations	March Regular BOD Meeting	Strategic	Reoccurring
54	3	Transmission Operations and Control Center Update	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
55	4	2022 Financial Audit	Audit Committee	April Audit Committee Meeting	Compliance	Reoccurring
56	4	Approval Resolution – Recommendation of Acceptance of the Selection of Independent Auditor and Tax Services for Fiscal Years 2023-2025	Audit Committee	April Audit Committee Meeting	Compliance	Ad-hoc
57	4	Approval Resolution – Recommendation for Approval of Review and Amendments to Audit Committee Charter	Audit Committee	April Audit Committee Meeting	Compliance	Ad-hoc
58	4	Presentation of 2022 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss	Audit Committee	April Audit Committee Meeting	Compliance	Reoccurring
59	4	Review of Internal Audit Report Provided by Sirius Solutions	Audit Committee	April Audit Committee Meeting	Compliance	Ad-hoc
60	4	2023 Election Timeline Update	General Counsel	April Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
61	4	Approval Resolution – Approval and Certification of 2023 Election Ballot	General Counsel	April Regular BOD Meeting	Compliance	Reoccurring
62	4	Approval Resolution – Approval of 2022 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	Chief Financial Officer	April Regular BOD Meeting	Compliance	Reoccurring
63	4	Approval Resolution – Approval of 2023 Annual Membership Meeting Agenda	General Counsel	April Regular BOD Meeting	Strategic	Reoccurring
64	4	Approval Resolution – Approval of 2023 Cooperative Response Center (CRC) Voting Delegates	VP, External Relations	April Regular BOD Meeting	Compliance	Reoccurring
65	4	Approval Resolution – Approval of Director Candidates for 2023 Pedernales Electric Cooperative Board of Director's Election Ballot	General Counsel	April Regular BOD Meeting	Compliance	Reoccurring
66	4	Approval Resolution – Approval of Review and Amendments to Audit Committee Charter	Chief Financial Officer	April Regular BOD Meeting	Compliance	Ad-hoc
67	4	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
68	4	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
69	4	Approval Resolution - Review and Approval of Defined Benefit Plan Funding Policy Amendments	Chief Financial Officer	April Regular BOD Meeting	Compliance	Reoccurring
70	4	Audit Plan Report 2023	Chief Financial Officer	April Regular BOD Meeting	Strategic	Reoccurring

## PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
71	4	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	April Regular BOD Meeting	Strategic	Reoccurring
72	4	Corporate Insurance Policy Update	Compliance & Regulatory	April Regular BOD Meeting	Strategic	Annual
73	4	Distribution System Planning Update	VP, Engineering	April Regular BOD Meeting	Strategic	April/ September
74	4	Draft Resolution - Approval of Construction Contract for Trading Post to Cedar Valley	Engineering	April Regular BOD Meeting	Strategic	Ad-hoc
75	4	Markets Monthly Report	VP, Markets	April Regular BOD Meeting	Strategic	Reoccurring
76	4	Personnel Matters	VP, Workforce & Safety Operations	April Regular BOD Meeting	Strategic	Reoccurring
77	4	Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates - QEC Rep.	General Counsel	April Regular BOD Meeting	Compliance	Reoccurring
78	4	Safety / Security	VP, Workforce & Safety Operations	April Regular BOD Meeting	Strategic	Reoccurring
79	4	Transmission Operations and Control Center Update	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
80	5	2023 Election Timeline Update	General Counsel	April Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
81	5	Approval Resolution - Approval of Construction Contract for Trading Post to Cedar Valley	Engineering	May Regular BOD Meeting	Strategic	Ad-hoc
82	5	Approval Resolution - Review and Approval of 2023 CEO Performance Evaluation and Compensation	Board of Directors	May Regular BOD Meeting	Compliance	Reoccurring
83	5	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
84	5	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
85	5	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	May Regular BOD Meeting	Strategic	Reoccurring
86	5	Draft Resolution – Review and Approval of Privacy Policy	General Counsel	May Regular BOD Meeting	Compliance	Reoccurring
87	5	Ethics and Compliance Update	Ethics & Compliance Officer	May Regular BOD Meeting	Strategic	Biannual
88	5	Markets Monthly Report	VP, Markets	May Regular BOD Meeting	Strategic	Reoccurring
89	5	Moment of Silence in Commemoration of Memorial Day	Board President	May Regular BOD Meeting	Strategic	Reoccurring
90	5	Personnel Matters	VP, Workforce & Safety Operations	May Regular BOD Meeting	Strategic	Reoccurring
91	5	Safety / Security	VP, Workforce & Safety Operations	May Regular BOD Meeting	Strategic	Reoccurring
92	5	Transmission Operations and Control Center Update	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
93	6	Conduct Annual Membership Meeting	Chief Executive Officer	June Annual Membership Meeting	Compliance - Bylaws	Reoccurring
94	6	Receipt of Conflict of Interest Disclosure Form, Director Affirmation and Directors' Code of Conduct Acknowledgement	General Counsel	At conclusion of June Annual Membership Meeting	Compliance - Code of Conduct, Conflict of Interest Policies	Reoccurring
95	6	Acknowledgement and Seating of Directors Elected at Annual Membership Meeting	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
96	6	Election - Office of President	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
97	6	Election - Office of Secretary and Treasurer	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
98	6	Election - Office of Vice President	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
99	6	Approval Resolution - Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting	General Counsel	June Regular BOD Meeting	Compliance - TEC	Reoccurring
100	6	Approval Resolution – Review and Approval of Privacy Policy	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
101	6	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
102	6	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
103	6	Approval to Review and Reaffirm/Amend Audit Committee Charter	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
104	6	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	June Regular BOD Meeting	Compliance	Quarterly
105	6	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	June Regular BOD Meeting	Strategic	Reoccurring
106	6	Draft Resolution - Approval of Award to Negotiate Contract for Election Services Provider	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring



## PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
107	6	Markets Monthly Report	VP, Markets	June Regular BOD Meeting	Strategic	Reoccurring
108	6	Personnel Matters	VP, Workforce & Safety Operations	June Regular BOD Meeting	Strategic	Reoccurring
109	6	Resolution – Approval of the Appointment of Audit Committee and Audit Committee Chairperson	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
110	6	Safety / Security	VP, Workforce & Safety Operations	June Regular BOD Meeting	Strategic	Reoccurring
111	6	Transmission Operations and Control Center Update	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
112	6	CFC Forum 2023 (Seattle, WA)	General Counsel	Jun 17-19, 2023	Informational	Reoccurring
113	7	Approval Resolution - Approval of Written Certification of the Election Results	General Counsel	Annual Membership Meeting Minutes and for first Regular or Special Board Meeting Minutes after Annual Membership Meeting	Compliance - Election Policy and Procedures	Reoccurring
114	7	Annual Review of Conflicts of Interest Certification and Disclosure Forms from Directors	General Counsel	July Regular BOD Meeting	Compliance - Bylaws	Reoccurring
115	7	Approval Resolution – Approval to Appoint CFC Voting Delegates for CFC District Meeting	General Counsel	July Regular BOD Meeting	Compliance - CFC	Reoccurring
116	7	Approval Resolution – Proposal for Allocation of 2023 Net Margins to Capital Credits	Chief Financial Officer	July Regular BOD Meeting	Strategic	Reoccurring
117	7	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
118	7	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
119	7	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	July Regular BOD Meeting	Compliance	Quarterly
120	7	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	July Regular BOD Meeting	Strategic	Reoccurring
121	7	Draft Resolution - Approval of Amendments to PEC Bylaws	General Counsel	July Regular BOD Meeting	Compliance	Reoccurring
122	7	Election Update - Annual Voter Turnout	General Counsel	July Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
123	7	Key Performance Indicator (KPI) Update of 2023 Period 1 Results	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
124	7	Markets Monthly Report	VP, Markets	July Regular BOD Meeting	Strategic	Reoccurring
125	7	Personnel Matters	VP, Workforce & Safety Operations	July Regular BOD Meeting	Strategic	Reoccurring
126	7	Review of 2023 CEO Action Items	Chief Executive Officer	July Regular BOD Meeting	Strategic	Reoccurring
127	7	Safety / Security	VP, Workforce & Safety Operations	July Regular BOD Meeting	Strategic	Reoccurring
128	7	Transmission Operations and Control Center Update	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
129	7	Texas Public Power Association Annual Meeting (Westin Riverwalk, San Antonio, TX)	General Counsel	Jul 24-26, 2023	Informational	Reoccurring
130	7	TEC Annual Meeting (Kalahari Resort, Round Rock, TX)	General Counsel	Jul 30, 2023-Aug 2, 2023	Informational	Reoccurring
131	8	Approval Resolution - Approval of Award to Negotiate Contract for Election Services Provider	General Counsel	August Regular BOD Meeting	Compliance	Reoccurring
132	8	2023 Property (Real and Personal) Tax Appraisal and Assessment Update	Controller	August Regular BOD Meeting	Strategic	Reoccurring
133	8	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring
134	8	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring
135	8	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	August Regular BOD Meeting	Strategic	Reoccurring
136	8	Cyber Security Biannual Update	Compliance & Regulatory	August Regular BOD Meeting	Strategic	Biannual
137	8	Directors' Conflict of Interest Training and Directors' Code of Conduct Training	Board Counsel	August Regular BOD Meeting	Compliance	Reoccurring
138	8	Draft Resolution - Approval for Renewal of 2024 Medical Insurance Benefits	VP, Workforce & Safety Operations	August Regular BOD Meeting	Compliance	Reoccurring
139	8	Markets Monthly Report	VP, Markets	August Regular BOD Meeting	Strategic	Reoccurring
140	8	Personnel Matters	VP, Workforce & Safety Operations	August Regular BOD Meeting	Strategic	Reoccurring
141	8	Post Member-Election Analysis and Annual Review	General Counsel	August Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
142	8	Safety / Security	VP, Workforce & Safety Operations	August Regular BOD Meeting	Strategic	Reoccurring
143	8	Transmission Operations and Control Center Update	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring

## PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
144	9	Approval Resolution - Recommend Approval by Board of Directors of 2022 IRS Form 990 - Bollinger, Sears, Gilbert & Moss, LLP	Audit Committee	September Audit Committee Meeting	Compliance	Reoccurring
145	9	Approval Resolution - Recommendation of Acceptance of the Selection of Independent Auditor and Tax Services	Audit Committee	September Audit Committee Meeting	Compliance	Reoccurring
146	9	Approval Resolution - Approval for Renewal of 2024 Medical Insurance Benefits	Benefits & Compensation Manager	September Regular BOD Meeting	Compliance	Reoccurring
147	9	Approval Resolution – Approval of Directive(s) for Delegates Regarding Upcoming NRECA Regional Meeting	External Relations	September Regular BOD Meeting	Strategic	Reoccurring
148	9	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
149	9	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
150	9	CEO Action Plan Quarterly Update	Chief Executive Officer	September Regular BOD Meeting	Strategic	Reoccurring
151	9	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	September Regular BOD Meeting	Compliance	Quarterly
152	9	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	September Regular BOD Meeting	Strategic	Reoccurring
153	9	Distribution System Planning Update	VP, Engineering	September Regular BOD Meeting	Strategic	April/ September
154	9	Draft Resolution – Approval of Election Policy and Procedures Amendments Related to 2023 Annual Director Post-Election Analysis	General Counsel	September Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
155	9	Draft Resolution - Approval to Establish 2024 Annual Membership Meeting Date and Location	General Counsel	September Regular BOD Meeting	Strategic	Reoccurring
156	9	Markets Monthly Report	VP, Markets	September Regular BOD Meeting	Strategic	Reoccurring
157	9	Personnel Matters	VP, Workforce & Safety Operations	September Regular BOD Meeting	Strategic	Reoccurring
158	9	Safety / Security	VP, Workforce & Safety Operations	September Regular BOD Meeting	Strategic	Reoccurring
159	9	Transmission Operations and Control Center Update	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
160	10	Annual Review of Strategic Plan	Board President	October Regular BOD Meeting	Strategic	Reoccurring
161	10	Approval Resolution - Approval of 2022 IRS Form 990	Tax & Regulatory Accounting Manager	October Regular BOD Meeting	Compliance	Reoccurring
162	10	Approval Resolution - Approval of Acceptance of the Selection of Independent Auditor and Tax Services	Controller	October Regular BOD Meeting	Compliance	Reoccurring
163	10	Approval Resolution – Approval of Election Policy and Procedures Amendments Related to 2023 Annual Director Post-Election Analysis	General Counsel	October Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
164	10	Approval Resolution – Approval to Establish 2024 Annual Membership Meeting Date and Location	General Counsel	October Regular BOD Meeting	Compliance	Reoccurring
165	10	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring
166	10	Approval Resolution(s) – Approval Resolution of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring
167	10	Audit Plan Report 2024	Chief Financial Officer	October Regular BOD Meeting	Strategic	Reoccurring
168	10	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	October Regular BOD Meeting	Compliance	Quarterly
169	10	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	October Regular BOD Meeting	Strategic	Reoccurring
170	10	Draft Resolution – Approval of 2024 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	Chief Financial Officer	October Regular BOD Meeting	Compliance	Reoccurring
171	10	Draft Resolution – Approval of 2024 Rate Plan	VP, Markets	October Regular BOD Meeting	Strategic	Reoccurring
172	10	Enterprise Risk Management (ERM) Update	VP, Compliance & Regulatory	October Regular BOD Meeting	Strategic	Annual
173	10	Markets Monthly Report	VP, Markets	October Regular BOD Meeting	Strategic	Reoccurring
174	10	Personnel Matters	VP, Workforce & Safety Operations	October Regular BOD Meeting	Strategic	Reoccurring
175	10	Plan Administration Committee (PAC) Update - Michael Hansen, Drew McCorkle, CAPTRUST Advisors	VP, Workforce & Safety Operations	October Regular BOD Meeting	Compliance	Reoccurring
176	10	Safety / Security	VP, Workforce & Safety Operations	October Regular BOD Meeting	Strategic	Reoccurring
177	10	Transmission Operations and Control Center Update	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring

## PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic/ Compliance	Reoccurring/ Ad-hoc
178	10	CFC Meeting Districts 8&10 (New Orleans, LA)	General Counsel	Oct 18-20, 2023	Informational	Reoccurring
179	10	NRECA Regional Meetings 8&10 (New Orleans, LA)	General Counsel	Oct 18-20, 2023	Informational	Reoccurring
180	11	Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings	Board President	November Regular BOD Meeting	Compliance	Reoccurring
181	11	Approval Resolution – Approval of 2024 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	Chief Financial Officer	November Regular BOD Meeting	Compliance	Reoccurring
182	11	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
183	11	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
184	11	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	November Regular BOD Meeting	Strategic	Reoccurring
185	11	Draft Resolution – Approval of 2024 Election Communications Plan	External Relations	November Regular BOD Meeting	Compliance	Reoccurring
186	11	Draft Resolution – Approval of 2024 Election Timeline	General Counsel	November Regular BOD Meeting	Compliance	Reoccurring
187	11	Draft Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2024	Chief Financial Officer	November Regular BOD Meeting	Compliance	Reoccurring
188	11	Ethics and Compliance Update	Ethics & Compliance Officer	November Regular BOD Meeting	Compliance	Biannual
189	11	Markets Monthly Report	VP, Markets	November Regular BOD Meeting	Strategic	Reoccurring
190	11	Personnel Matters	VP, Workforce & Safety Operations	November Regular BOD Meeting	Strategic	Reoccurring
191	11	Recognition of Veterans Day	Board President	November Regular BOD Meeting	Compliance	Reoccurring
192	11	Safety / Security	VP, Workforce & Safety Operations	November Regular BOD Meeting	Strategic	Reoccurring
193	11	Transmission Operations and Control Center Update	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
194	12	Approval Resolution – Approval of 2024 Board of Directors List of Proposed Future Meetings	Board President	December Regular BOD Meeting	Compliance	Reoccurring
195	12	Approval Resolution – Approval of 2024 Election Communications Plan	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
196	12	Approval Resolution – Approval of 2024 Election Timeline	General Counsel	December Regular BOD Meeting	Compliance	Reoccurring
197	12	Approval Resolution - Approval of 2024 Rate Plan	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
198	12	Approval Resolution – Approval of Appointment of Members to PEC Plan Administration Committee (PAC)	VP, Workforce & Safety Operations	December Regular BOD Meeting	Strategic	Reoccurring
199	12	Approval Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2024	Chief Financial Officer	December Regular BOD Meeting	Compliance	Reoccurring
200	12	Approval Resolution – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
201	12	Approval Resolution - Review and Approval of 2023 CEO Action Items and Bonus Evaluation	Board Vice President	December Regular BOD Meeting	Strategic	Reoccurring
202	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
203	12	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	December Regular BOD Meeting	Compliance	Quarterly
204	12	Cooperative Update	CEO/CFO/COO/EVP, EXTERNAL AFFAIRS	December Regular BOD Meeting	Strategic	Reoccurring
205	12	Draft Resolution – Approval of 2024 Key Performance Indicators Plan Methodology	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
206	12	Draft Resolution – Approval of Directive for Delegates Regarding Upcoming Regional & National Meetings	External Relations	December Regular BOD Meeting	Strategic	Reoccurring
207	12	Markets Monthly Report	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
208	12	Personnel Matters	VP, Workforce & Safety Operations	December Regular BOD Meeting	Strategic	Reoccurring
209	12	Report on NRCEA 2023 Compendium of Proposed Resolutions	External Relations	December Regular BOD Meeting	Strategic	Reoccurring
210	12	Review of 2024 CEO Action Items	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
211	12	Safety / Security	VP, Workforce & Safety Operations	December Regular BOD Meeting	Strategic	Reoccurring
212	12	Transmission Operations and Control Center Update	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring



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**File #:** 2023-075, **Version:** 1

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**Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

**Submitted By:** Don Ballard

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** If any, as discussed in executive session.



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**File #:** 2023-076, **Version:** 1

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**Litigation and Related Legal Matters - D Ballard**

**Submitted By:** Don Ballard

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** N/A



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**File #:** 2023-077, **Version:** 1

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**Legislative Update - J Urban**

**Submitted By:** JP Urban

**Department:** External Relations

**Financial Impact and Cost/Benefit Considerations:** N/A



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**File #:** 2023-078, **Version:** 1

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**Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard**

**Submitted By:** Don Ballard

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** If any, as discussed in executive session.





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**File #: 2023-079, Version: 1**

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**Discussion of Power Supply Contractual Resources - D Thompson**

**Submitted By: David Thompson**

**Department: Markets**

**Financial Impact and Cost/Benefit Considerations: As discussed in executive session.**



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**File #:** 2023-080, **Version:** 1

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**Markets Monthly Report - D Thompson**

**Submitted By:** David Thompson

**Department:** Markets

**Financial Impact and Cost/Benefit Considerations:** If any, as discussed in executive session.



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**File #: 2023-081, Version: 1**

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**Transmission Operations and Control Center Update - C Moos/J Warren/J Treviño**

**Submitted By: Cody Moos/John Warren/Jose Treviño**

**Department: Operations**

**Financial Impact and Cost/Benefit Considerations: As discussed in executive session.**



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**File #:** 2023-064, **Version:** 1

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**Update Report and After Action Review on Extreme Cold Weather Event, February 2023 - E Dauterive**

**Submitted By:** Eddie Dauterive

**Department:** Chief Operations Officer

**Financial Impact and Cost/Benefit Considerations:**



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**File #:** 2023-082, **Version:** 1

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**Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos**

**Submitted By:** Renee Oelschleger on behalf of Eddie Dauterive

**Department:** Chief Operations Officer

**Financial Impact and Cost/Benefit Considerations:** As discussed in executive session.



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**File #: 2023-083, Version: 1**

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**Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property  
Acquisitions - E Dauterive/C Moos**

**Submitted By: Renee Oelschleger on behalf of Eddie Dauterive**

**Department: Chief Operations Officer**

**Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.**



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**File #:** 2023-084, **Version:** 1

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## **Safety and Security Matters**

**Submitted By:** Support Services

**Department:** Support Services

**Financial Impact and Cost/Benefit Considerations:** N/A





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**File #:** 2023-085, **Version:** 1

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**Personnel Matters**

**Submitted By:** Human Resources

**Department:** Human Resources

**Financial Impact and Cost/Benefit Considerations:** N/A



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**File #: 2023-086, Version: 1**

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**Chief Executive Officer Corporate Initiative and Action Items Quarterly Update - J Parsley**

**Submitted By: Julie Parsley**  
**Department: Chief Executive Officer**  
**Financial Impact and Cost/Benefit Considerations: N/A**