



PEDERNALES ELECTRIC COOPERATIVE

Board of Directors Agenda - Final

11/18/2022 | 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 November 18, 2022 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

Cooperative Recognitions

1. [2022-322](#) Recognition of Veterans Day - M Ekrut

Consent Items

2. [2022-318](#) Friday, October 21, 2022 Meeting Minutes

Attachments: [2022-10-21 OS Meeting Minutes draft v1](#)

Cooperative Monthly Reports

3. [2022-367](#) Cooperative Update - J Parsley

4. [2022-368](#) Cooperative Financial Update - R Kruger

Attachments: [CFO Update Flash Report-2022-368-Draft](#)

5. [2022-369](#) Cooperative Operations Update - E Dauterive

Attachments: [Operations Report 2022-369 Final](#)

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

6. [2022-051](#) Member Comments

Attachments: [Decorum Policy](#)

Action Items / Other Items

7. [2022-366](#) Resolution - Review and Approval of the Enterprise Risk Management Policy - K Krueger

Attachments: [Enterprise Risk Management Governance Policy REDLINE - 2022-366 - Final](#)
[Enterprise Risk Management Governance Policy CLEAN - 2022-366 - Final](#)

8. [2022-371](#) Resolution - Approval of the 2023 Operating Budget and 2023 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/K Jones
Attachments: [Presentation-2023 Operating and CIP Budget-2022-371-Final](#)
9. [2022-372](#) Draft Resolution - Approval of 2023 Election Timeline - S Romero
Attachments: [2023 Election Timeline - 2022-372 - Draft v1a](#)
[PPT - Election Timeline and Comms Plan - 2022-372 222-373](#)
10. [2022-373](#) Draft Resolution - Approval of 2023 Election Communications Plan - R Verette

Proposed Future Items / Meetings (subject to final posting)

11. [2022-374](#) Resolution - Approval of 2023 Board of Directors List of Proposed Future Meetings - M Ekrut
Attachments: [2023 Proposed Board Meeting Calendar](#)
12. [2022-058](#) List of Board Approved Future Meetings
Attachments: [2022 Board Meeting Calendar](#)
13. [2022-059](#) 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

14. [2022-376](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services
15. [2022-377](#) Litigation and Related Legal Matters - D Ballard
16. [2022-378](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard
17. [2022-375](#) 2023 Texas Legislative Positions - J Urban/S Johnson
18. [2022-379](#) Ethics and Compliance Update - M Beyer

Executive Session - Contract and Competitive Matters

19. [2022-371](#) Resolution - Approval of the 2023 Operating Budget and 2023 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/K Jones
Attachments: [Presentation-2023 Operating and CIP Budget-2022-371-Final](#)
20. [2022-355](#) Resolution - Approval of Fleet Fuel Related Services Provider - C Moos
21. [2022-382](#) Resolution - Approval of Power Supply Transaction Delegation of Authority - D Thompson

- 22. [2022-370](#) Draft Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2023 - J Smith
- 23. [2022-388](#) Draft Resolution - Approval of Construction Contract for Junction Substation Upgrade - J Treviño
- 24. [2022-389](#) Draft Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Exception - Llano County - A Hagen/C Powell
- 25. [2022-381](#) Discussion of Power Supply Contractual Resources - D Thompson
- 26. [2022-395](#) Update on Cooperative Owned Lighting Services and Program - D Southwell
- 27. [2022-383](#) Markets Monthly Report - D Thompson
- 28. [2022-380](#) Transmission Operations and Control Center Update - C Moos/J Warren/J Louis/J Treviño

Executive Session - Real Estate Matters

- 29. [2022-384](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos
- 30. [2022-385](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos

Executive Session - Safety and Security Matters

- 31. [2022-386](#) Safety and Security Matters

Executive Session - Personnel Matters

- 32. [2022-387](#) Personnel Matters

Reconvene to Open Session

Items from Executive Session

Adjournment



File #: 2022-322, **Version:** 1

Recognition of Veterans Day - M Ekrut

Submitted By: Sylvia Romero on behalf of Mark Ekrut

Department: Board of Directors

Financial Impact and Cost/Benefit Considerations: N/A

Veterans Day honors all of those who have served the country in war or peace - dead or alive. The Cooperative recognizes all veterans for their sacrifices and service.



File #: 2022-318, **Version:** 1

Friday, October 21, 2022 Meeting Minutes

Submitted By: Sylvia Romero on behalf of Don Ballard, General Counsel

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: N/A

The Cooperative's Bylaws require that meeting minutes for meetings of the Members and Board of Directors be authenticated as outlined below.

Article V, Section 7. Secretary: The Secretary shall: be responsible for minutes of meetings of the Members and the Board of Directors; be responsible for authenticating the Cooperative's records; and in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board of Directors.



Pedernales Electric Cooperative

PO Box 1
Johnson City, TX 78636

Meeting Minutes - Draft

Board of Directors

Friday, October 21, 2022

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

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

Without objection the items listed under Consent Items were approved by general consent.

1. [2022-333](#) **Friday, September 16, 2022 - Regular Meeting Minutes**

Attachments: [2022-09-16 OS Meeting Minutes draft 2](#)

Cooperative Recognitions

2. [2022-362](#) **Recognition of PEC Linemen Participation at Annual International Lineman's Rodeo - E Dauterive/B Maggot**

Mr. Brian Maggot, Director, Safety and Technical Training, announced the PEC award recipients who participated in the 2022 Annual International Lineman's Rodeo, and also presented a short video from the event. The Board took a break from 9:19 a.m. to 9:32 a.m for a photo opportunity with the Rodeo Team.

Cooperative Monthly Reports

3. [2022-334](#) **Cooperative Update - J Parsley**

Attachments: [CEO Oct Update 2022-334 - FINAL](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), announced that PEC was named a 2022 Top Workplace by the San Antonio Express-News, and PEC

also received national recognition as a Top Workplace for Cultural Excellence by a Woman-Led Business. Ms. Parsley also discussed the Regulatory Update Market Redesign, the legislative update, the Stronger Together employee podcast celebrating the cooperative business model, Customer Service Week (October 3-7, 2022), Cyber Security Awareness Month, the November 2, 2022 Community Shred Day at the Marble Falls District office, Employee Facility Security Training, and employee thank you messages.

4. [2022-335](#) **Cooperative Financial Update - R Kruger**

Attachments: [CFO Update -2022-335-Final](#)
[Financial Statements-2022-335-Final](#)

Mr. Randy Kruger, Chief Financial Officer (CFO), provided the September financial results including the Capital Improvement Projects (CIP) multi-year project budget. More details regarding the financial results may be found in the attached reports. Mr. Kruger discussed the increasing natural gas price levels and volatility, the monthly liquefied natural gas (LNG) exports and production capacity, the decline of U.S. crude oil production levels and the Strategic Petroleum Reserve (SPR) levels, price volatility in the ERCOT market, gas storage, forward natural gas prices, forward power prices, market heat rates, the impact of inflation and commodity costs, and interest rates. Director Pataki congratulated employees for managing the CIP multi-year project within the projected budget.

5. [2022-336](#) **Cooperative Operations Update - E Dauterive**

Attachments: [Operations Report 2022-336 Final](#)

Mr. Eddie Dauterive, Chief Operations Officer (COO), discussed safety and technical training, system growth, reliability, distribution maintenance, and member relations activity.

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

6. [2022-337](#) **Member Comments**

Attachments: [Decorum Policy](#)

President Mark Ekrut reminded all present of the Decorum Policy and the time limit of up to three minutes. Mr. Brad Holt was present and commented on a service bill issue.

Action Items / Other Items

7. [2022-349](#) **Resolution - Approval of Election Policy and Procedures Amendments Related to 2022 Annual Director Post-Election Analysis - S Romero/D Ballard**

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to the Election Policy and Procedures and its regular review of Board policies, the Board has reviewed and adopts the Election Policy and Procedures presented

to and discussed by the Board this day, with any amendments, as were discussed and approved by the Board; and

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

Attachments: [Election Policy and Procedures 2022-349 – REDLINE](#)
[Election Policy and Procedures 2022-349 – CLEAN](#)

Post-Election Analysis

Pursuant to the Board's Election Policy and Procedures Section 9.2, "within two months after the Annual Meeting at which Election Results are announced, the General Counsel will conduct a review of all facets of the PEC Elections and will present to the Board any recommended modification to PEC Bylaws or Election Policy or Procedures."

Additionally, pursuant to its Policy on Policies, the Board routinely reviews all policies as part of its policy management.

The Board may now review and consider amendments to the Election Policy & Procedures. The purpose of the Election Policy is to ensure that PEC Elections are conducted in a fashion that maximizes and exemplifies Democratic Member Control.

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

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

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

8. [2022-350](#) Resolution - Approval to Establish 2023 Annual Meeting Date and Location - D Ballard

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2023 Annual Membership Meeting of the Pedernales Electric Cooperative, Inc. ("PEC") be held within the PEC service territory at the Cooperative's E. Babe Smith Headquarters in Johnson City, Texas, on Friday, June 16, 2023, at 9:00 a.m.; and

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

Annual Meeting

Pursuant to the Cooperative's Bylaws, the Board designates the date and location of PEC's Annual Membership Meeting. Generally, the date is on a Saturday in the second quarter of the calendar year, or such date and time each year, as may be designated by the Board. The Annual Membership Meeting may be in any county in which the Cooperative provides service. The Cooperative shall designate the date and location no later than the last quarter of the calendar year preceding the annual meeting ("Annual Meeting").

Following the 2020 Annual Meeting, the Board of Directors expressed interest in

continuing to have the Annual Meeting in Johnson City and the third Friday in June. Staff recommends hosting the 2023 Annual Meeting at the cooperative's E. Babe Smith Headquarters prior to the regularly scheduled June 16, 2023 Board meeting.

Bylaws, Article II, Section 1. Annual Meeting. The annual meeting of the Members shall be held on a Saturday in the second quarter of the calendar year, or such date and time each year, as may be designated by the Board of Directors of the Cooperative, at such place in any county in which the Cooperative provides service as is designated by the Board of Directors of the Cooperative no later than the last quarter of the calendar year preceding the annual meeting ("Annual Meeting"). The purposes of the Annual Meeting are to elect Directors and transact such other business as listed in the notice of the Annual Meeting. If the election of Directors shall not be held on the day designated by the Board of Directors for any Annual Meeting, or at any adjournment thereof, the Board of Directors of the Cooperative shall cause the election to be held at a Special Member Meeting (as defined herein) as soon thereafter as may be convenient. Failure to hold the Annual Meeting as designated herein shall not result in forfeiture or dissolution of the Cooperative. At the Annual Meeting, a report shall be provided regarding the activities of the Cooperative during the past year, and audit reports of the accounts, books and financial condition presented to the Board shall be submitted to the Members.

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

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

9. [2022-352](#) **Resolution - Approval of Rebalance and Equitable Consideration of Director District Boundaries - R Fischer**

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD**, that the Board hereby adopts the Director District boundary revisions as presented this day, to be effective for future Director elections; and

BE IT FURTHER RESOLVED, that the Chief Executive Officer and General Counsel, or designee, is authorized to take any actions necessary to implement this resolution.

Attachments: [PPT - District Rebalancing October 2022 v2 - 2022-352-Final](#)[Current All Districts](#)[Proposed All Districts](#)[Current District 1](#)[Proposed District 1](#)[Current District 2](#)[Proposed District 2](#)[Current District 3](#)[Proposed District 3](#)[Current District 4](#)[Proposed District 4](#)[Current District 5](#)[Proposed District 5](#)[Current District 6](#)[Proposed District 6](#)[Current District 7](#)[Proposed District 7](#)**District Boundaries**

The Cooperative's Bylaws Article III, Section 1, requires seven (7) Director Districts, which "equitably represent the Members." The Board may revise Director Districts boundaries "based upon equitable considerations determined by the Board of Directors"; e.g., Number of Members, Investment, Geography, etc.

PEC Bylaws Article III, Section 1

"General Powers and Director Districts. General Powers. The business and affairs of the Cooperative shall be managed by a Board (the "Board of Directors"), consisting of a director (a "Director") from each of the Cooperative's seven (7) Director Districts (as defined herein), except for such vacancies as are allowed by law or these Bylaws. The Board of Directors shall exercise all of the powers of the Cooperative except such as by law, by the Articles of Incorporation of the Cooperative, or by these Bylaws are conferred upon or reserved to the Members or otherwise delegated to the Chief Executive Officer. The Board of Directors shall have the ability to appoint member advisory Committees.

Director Districts. Based upon Memberships, Cooperative growth or other equitable considerations determined by the Board of Directors, the Board of Directors shall divide the general area in which the Cooperative provides Electric Service (the "Service Area") into seven (7) districts that equitably represent the Members (the "Director Districts"). As necessary, based upon equitable considerations determined by the Board of Directors, the Board of Directors may revise the Director District boundaries."

Mr. Ross Fischer, Board Counsel, presented the resolution and asked the Board for approval.

A motion was made by Director Oakley, seconded by Director Akers, that this

item be approved. The motion carried by the following vote:

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

10. [2022-351](#) **Resolution - Approval of Review and Amendments to Rate Policy - N Mack/D Thompson**

Body:

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

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

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

Attachments: [PPT - Approval of Rate Policy - 2022-351-FINAL](#)
[Rate Policy-Clean - 2022-351-FINAL](#)
[Rate Policy-Redline - 2022-351-FINAL](#)

Rate Policy Review

Pursuant to the Board's Policy on Policies, the current Rate Policy is to be reviewed this year by August 2022. The PEC Board of Directors last approved changes to the Rate Policy in July 2019 (prior to July 2019, the PEC Board of Directors previously approved a Rate Policy in July 2011). Those 2019 changes included clearly assigning responsibilities regarding rate design, and rate recovery processes as well as monitoring of rate recovery. Requirement for an Annual Rate Plan was established as well as codifying that a Cost-of-Service Study is required at least every three years. The Rates Committee was established as well and was tasked with monitoring and providing recommendations to the Board.

The recommended updates to the Rate Policy for 2022 include formatting the Policy to align with the latest policy format; changing the review cycle to every 5 years to align with other policy review periods; and updating Rates Committee members

The PEC Board of Directors has exclusive jurisdiction to set all terms of access, conditions, and rates applicable to the services provided by the Cooperative other than as provided by Texas state law. The federal Public Utility Regulatory Policies Act of 1978 (PURPA) as amended in 2005 and in 2007 also dictates that nonregulated entities, which includes PEC, consider and determine whether to implement ratemaking standards as described in PURPA (16 USC Section 2621) including:

- (1) Cost of service;
- (2) Declining block rates;

- (3) Time-of-day rates;
- (4) Seasonal rates;
- (5) Interruptible rates;
- (6) Load management techniques;
- (7) Integrated resource planning;
- (8) Investment in conservation and demand management;
- (9) Energy efficiency investment in power generation and supply;
- (10) Consideration of effects of wholesale power purchases on utility cost of capital; effects of leveraged capital structures on the reliability of wholesale power suppliers; and assurance of adequate fuel supplies.

2005 amendments:

- (11) Net metering;
- (12) Fuel sources;
- (13) Fossil fuel generation efficiency;
- (14) Time-based metering and communications;
- (15) Interconnection

2007 amendments:

- (16) Integrated resource planning
- (17) Rate design modifications to promote energy efficiency investments;
- (18) Consideration of smart grid investments; and
- (19) Smart grid information.

PEC adopted various Board resolutions in 2007, 2008 and 2009 as to requirements found within Section 2621 of PURPA.

In July 2007, the Board considered certain PURPA standards and determined PEC would not adopt PURPA standards pertaining to the following: 1) Net Metering Standard, 2) Fuel Sources Standard, 3) Fossil Fuel Generation Technology Standard, 4) Time-Based Metering and Communications Standard, and 5) the Interconnection Standard.

In October 2008, the Board required a public hearing to consider and determine whether to implement additional ratemaking standards addressing energy efficiency, integrated resource planning, rate design modifications to promote energy efficiency investments, consideration of smart grid investments, and access to smart grid information.

In March 2009, the Board adopted modified PURPA standards as to: 1) integrating energy efficiency resources into resource planning and making cost-effective energy efficiency a priority resource; 2) modifying rate designs to promote energy efficiency investments; 3) assessing investments in smart grid technologies before investing in non-advanced technologies; and 4) making smart grid information available to members.

Although the Cooperative adopted its Rate Policy in 2011, which included reference to the following concepts found in the PURPA standards: 1) cost of service requirements, 2) load management techniques, 3) investment in conservation and demand planning, 4) energy efficiency investment in power generation and supply and in 2010 the Cooperative referenced in its Resource Planning Policy the following concepts found in the PURPA standards: 1) Integrated resource planning and 2) consideration of effects of wholesale power purchases on utility cost of capital; effects of leveraged capital structures on the reliability of wholesale power suppliers and assurance of adequate fuel

supplies, the Cooperative never formally declared its positions on the following PURPA standards:

- (1) Cost of service;
- (2) Declining block rates;
- (3) Time-of-day rates;
- (4) Seasonal rates;
- (5) Interruptible rates;
- (6) Load management techniques;
- (7) Integrated resource planning;
- (8) Investment in conservation and demand management;
- (9) Energy efficiency investment in power generation and supply;
- (10) Consideration of effects of wholesale power purchases on utility cost of capital; effects of leveraged capital structures on the reliability of wholesale power suppliers; and assurance of adequate fuel supplies.

Cooperative staff has performed cost of service studies and publicly reported its findings for test years 2007, 2015 and 2017 during which the aforementioned PURPA rate standards were evaluated as possible rate recovery options.

Additionally, the Cooperative held numerous open Board Meetings and Member Forums events throughout the Cooperative's service territory to gather member feedback related to rate preferences, rate options, and the cost of service study process and their findings.

October 20th, 2008 - Member Forum Event

March 2009 - Open Board Meeting

April 6th and 16th, 2009 - Member Forum Events

May 11, 2009 - Member Forum Event

February 2015 - Membership survey and Member Forum Events in Kyle, Junction, Cedar Park, and Johnson City.

In addition to Member Forum Events, the Cooperative provides members the opportunity to express their views in person at open meetings held each month. Furthermore, members are encouraged to submit comments on all rate related matters to staff or the Board of Directors.

The 2019 Resolution of the Board adopting its Rate Policy made the following determinations:

- (1) The Cooperative acknowledged that it considered all components of PURPA (16 USC Section 2621), as amended;
- (2) that the Cooperative previously considered and adopted resolutions in 2007 and in 2009 as to PURPA standards 16 USC Section 2621(d)(11), (d)(12), (d)(13), (d)(14), (d)(15), (d)(16), (d)(17), (d)(18) and (d)(19);
- (3) after provision of notice and consideration at an open meeting, consistent with the requirements of 16 USC Section 2621, 2622, and 2631, based on findings from cost of service analysis, the Cooperative has considered and determined it is appropriate to implement or not implement the following PURPA standards:
 - The Cooperative considered and determined it is appropriate to implement the **cost of service** standard established in PURPA 16 USC Section 2621 (d) (1) as it is in alignment with the Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.

- The Cooperative considered and determined it is appropriate not to implement the **declining block rates** standard established in PURPA 16 USC Section 2621 (d) (2) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative considered and determined it is appropriate to implement the **time of day rates** standard established in PURPA 16 USC Section 2621 (d) (3) as it is in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery. The Cooperative implemented Time of Use Rates in February of 2018.
- The Cooperative considered and determined it is appropriate to implement the **seasonal rates** standard established in PURPA 16 USC Section 2621 (d) (4) as it is in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery. Seasonal Rates were implemented through the Time of Use Rates; The Cooperative implemented Time of Use Rates in February of 2018.
- The Cooperative considered and determined it is appropriate not to implement the **interruptible rates** standard established in PURPA 16 USC Section 2621 (d) (5) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative considered and determined it is appropriate not to implement the **load management techniques** standard established in PURPA 16 USC Section 2621 (d) (6) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative considered and determined it is appropriate not to implement the **integrated resource planning** standard established in PURPA 16 USC Section 2621 (d) (7) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative considered and determined it is appropriate not to implement the **investment in conservation and demand management** standard established in PURPA 16 USC Section 2621 (d) (8) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative considered and determined it is appropriate not to implement the **energy efficiency investment in power generation and supply** standard established in PURPA 16 USC Section 2621 (d) (9) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.
- The Cooperative considered and determined it is appropriate not to implement the **consideration of effects of wholesale**

power purchases on utility cost of capital; effects of leveraged capital structures on the reliability of wholesale power suppliers and assurance of adequate fuel supplies standard established in PURPA 16 USC Section 2621 (d) (10) as it is not in alignment with Cooperative's objectives of equitable rates, accurate price signals, stability, and cost recovery.

PURPA was amended in 2021 and requires a utility to consider the following:

- (20) Demand-response practices; and
- (21) Electric vehicle charging programs.

The Board has not yet reviewed or considered these amendments; the Board anticipates review in Fall 2023 prior to the November 2023 deadline for consideration.

Ms. Natalia Mack, Rates Manager, presented the resolution and asked the Board for approval. President Ekrut asked if the review cycle is changing to every 5 years, as opposed to every three (3) years. Ms. Mack confirmed that the proposed change of the review cycle is every five (5) years, which aligns with other policy review periods.

A motion was made by Director Cox, 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

11. [2022-353](#) Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell

Body: NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE, that the Cooperative file an interim transmission cost of service rate filing pursuant to 16 TAC § 25.192(h) at the Public Utility Commission of Texas as discussed by the Board this day; 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.

Interim Transmission Cost of Service

Pedernales Electric Cooperative, Inc. ("PEC") is a noninvestor-owned transmission service provider and allowed to file an interim transmission cost of service rate filing pursuant 16 Texas Administrative Code ("TAC") § 25.192(h) as established by the Public Utility Commission of Texas ("PUCT"). 16 TAC § 25.192(h) provides that a transmission service provider may apply to update its transmission rate on an interim basis not more than twice per calendar year to reflect changes in its invested capital and other designated items.

PEC's transmission cost of service rates were established through a final order issued by the PUCT in Docket No. 22533 on March 5, 2001 and updated through interim rate updates in Docket No. 49584 approved on July 30, 2019, Docket No. 51375 approved on November 10, 2020, and Docket 52884 approved on January 19, 2022. PEC's transmission cost of service rates established in Docket No. 52884 reflect invested capital through the end of August 2021.

PEC desires to file for an interim update of its transmission cost of service rates to reflect the addition and retirement of transmission facilities from

September 1, 2021 through July 31, 2022, with appropriate depreciation, associated taxes, and the PUCT-authorized rate of return on such facilities, as well as changes in loads, included pursuant to 16 TAC § 25.192(h).

Mr. Christian Powell, Vice President, Compliance and Regulatory, presented the resolution and asked the Board for approval.

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

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

12. [2022-357](#) Resolution - Approval of 2021 IRS Form 990 - S Houghton

Body: **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the I.R.S. Form 990, as submitted to the Board this day, is approved, with such changes, if any, as were discussed and approved by the Board;

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

Attachments: [Audit Committee Resolution - Recommendation - 2022-330-Final](#)

IRS Form 990

The Audit Committee presents to the Board for approval the Form 990 for the Cooperative for calendar year 2021 ("Form 990") to be filed with the Internal Revenue Service and made publicly available.

Ms. Sharon Houghton, Tax and Regulatory Manager, presented the resolution and asked the Board for approval.

A motion was made by Director Pataki, 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

13. [2022-354](#) Draft Resolution - Approval of 2023 Rate Plan - N Mack/D Thompson

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative approves the 2023 Rate Plan that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

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

Attachments: [PPT - Approval of 2023 Rate Plan - 2022-354-FINAL](#)

Ms. Mack, Rates Manager, presented a summary presentation of the 2023 Rate Plan, the 2023 Cost-of-Service Study, the 2023 Annual Rate Updates, and 2023 Rate Items for Consideration. She said the Sustainable Power Credit Rate, and

the Industrial Distribution Cost Recovery will be presented to the Board for approval in December 2022. Ms. Mack said the 2023 Rate Items for Consideration include: the Cost Recovery for Non-Standard Facilities Requiring Reserved Capacity, and the Introduction of a Solar Renewable Energy Rider Program to be presented to the Board as draft resolutions in December 2022, and as final resolutions for approval by the Board in January 2023.

Director Pataki commented on the renewable energy credits, sources, and who would request a program of this type. Mr. David Thompson, Vice President of Markets, said he received inquiries from vertical farms and data centers seeking solar renewable energy credits that they cannot purchase efficiently by themselves.

14. [2022-356](#) Draft Resolution - Review and Approval of the Enterprise Risk Management Policy - K Krueger

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

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

Attachments: [Draft Resolution - Enterprise Risk Management Governance Policy - 2022-356 - Draft Redline](#)
[Draft Resolution - Enterprise Risk Management Governance Policy - 2022-356 - Draft Clean](#)

Mr. Ken Krueger, Risk and Insurance Program Manager, presented a summary of the draft resolution and said a final resolution will be presented next month to the Board for approval.

15. [2022-321](#) Plan Administration Committee (PAC) Update - Michael Hansen, Drew McCorkle, CAPTRUST Advisors

Attachments: [PAC Board Report- 2022-321 - Final](#)
[Board Fid Education - 2022-321 - Final](#)

Mr. Michael Hansen, Director, Regional Operations, Oak Hill District Office, and member of the Plan Administration Committee (PAC) introduced Mr. Drew McCorkle, Senior Vice President and Financial Advisor, CAPTRUST Advisors. Mr. McCorkle presented the annual activity report.

Proposed Future Items / Meetings (subject to final posting)

16. [2022-338](#) List of Board Approved Future Meetings

Attachments: [2022 Board Meeting Calendar](#)

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

17. [2022-339](#) Board Planning Calendar (Written Report in Materials)

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

President Mark Ekrut said the list of Board approved future meetings is included in the meeting materials.

Recess to Executive Session

President Mark Ekrut announced the items to be discussed in Executive Session and at 10:50 a.m., stated the Board would go into Executive Session.

Executive Session - Legal Matters

- 18. [2022-340](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**
- 19. [2022-341](#) Litigation and Related Legal Matters - D Ballard**
- 20. [2022-342](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - D Ballard**
- 21. [2022-358](#) Annual Review of Strategic Plan - M Ekrut**
- 22. [2022-361](#) Enterprise Risk Management (ERM) Update - K Krueger**

Executive Session - Contract and Competitive Matters

[2022-365](#) Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Change - A Hagen/C Powell

[2022-364](#) Resolution - Approval of Acceptance of the Selection of Independent Auditor and Tax Services - K Jones

Attachments: [Signature Report - Auditor Recommendation - 2022-326-Final](#)

- 25. [2022-359](#) Draft Resolution - Approval of 2023 Operating Budget and 2023 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/K Jones**
- 26. [2022-343](#) Transmission Operations and Control Center Update - C Moos/J Warren/J Louis/J Treviño**
- 27. [2022-360](#) Draft Resolution - Approval of Power Supply Contractual Resources - D Thompson**
- 28. [2022-344](#) Markets Monthly Report - D Thompson**

Executive Session - Real Estate Matters

29. [2022-345](#) **Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - E Dauterive/C Moos**
30. [2022-346](#) **Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - E Dauterive/C Moos**

Executive Session - Safety and Security Matters

31. [2022-347](#) **Safety and Security Matters**

Executive Session - Personnel Matters

32. [2022-348](#) **Personnel Matters**

Reconvene to Open Session

At 2:30 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.

23. [2022-365](#) **Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Change - A Hagen/C Powell**
- Body:** **NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative file an appropriate application to its Certificate of Convenience and Necessity with the Public Utility Commission of Texas as discussed in Executive Session; and

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

CCN

Pursuant to Chapter 37 of the Texas Utilities Code, the Public Utility Commission of Texas ("PUC") requires a certificate of convenience and necessity for an electric cooperative (and other utilities) to serve the public in its service territory. Pedernales Electric Cooperative, Inc. (the "Cooperative") holds a certificate of convenience and necessity ("CCN") for its service territory. To amend its CCN or provide service exceptions, the Cooperative must submit an application to the Commission. The preservation of such certificate in its current form is no longer desirable in the conduct of the business of the Cooperative.

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

24. [2022-364](#) **Resolution - Approval of Acceptance of the Selection of Independent Auditor and Tax Services - K Jones**

Body: **NOW, THEREFORE, BE IT RESOLVED BY THE PEC BOARD OF DIRECTORS ("Board")** that the Board of Directors hereby accepts and approves the selection and retain Bolinger, Segars, Gilbert & Moss, L.L.P. as the Cooperative's independent auditor and tax professional for the fiscal year 2022 audit.

BE IT FURTHER RESOLVED that the audit partner of the current audit firm selected serve for up to a five (5) year term, and

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

Executive Session

Attachments: [Signature Report - Auditor Recommendation - 2022-326-Final](#)

Independent Auditor and Tax Services

The Cooperative maintains an independent auditor for the examination of financial records and tax services. PEC has utilized the current audit firm, Bolinger, Segars, Gilbert & Moss, L.L.P., since the 2013 fiscal year audit; the audit partner of the current audit firm has been in place for four (4) years since the 2018 fiscal year audit.

The Audit Committee discussed this selection during their meeting in September 2022 and recommended the acceptance of BSGM for 2022 fiscal year.

The Board may now consider to accept the selection and retain the current audit firm for the solicitation of these professional services for the fiscal year 2022 audit and tax services.

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

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

Adjournment

There being no further business to come before the Board of the Directors, the meeting was adjourned at 2:31 p.m.

Approved:

Paul Graf, Secretary

Mark Ekrut, President



File #: 2022-367, **Version:** 1

Cooperative Update - J Parsley

Submitted By: Sylvia Romero on behalf of Julie Parsley
Department: Chief Executive Officer
Financial Impact and Cost/Benefit Considerations: N/A



File #: 2022-368, **Version:** 1

Cooperative Financial Update - R Kruger

Submitted By: Renee Oelschleger on behalf of Randy Kruger
Department: Chief Financial Officer
Financial Impact and Cost/Benefit Considerations: N/A



October 2022 Financial Presentation to the Board

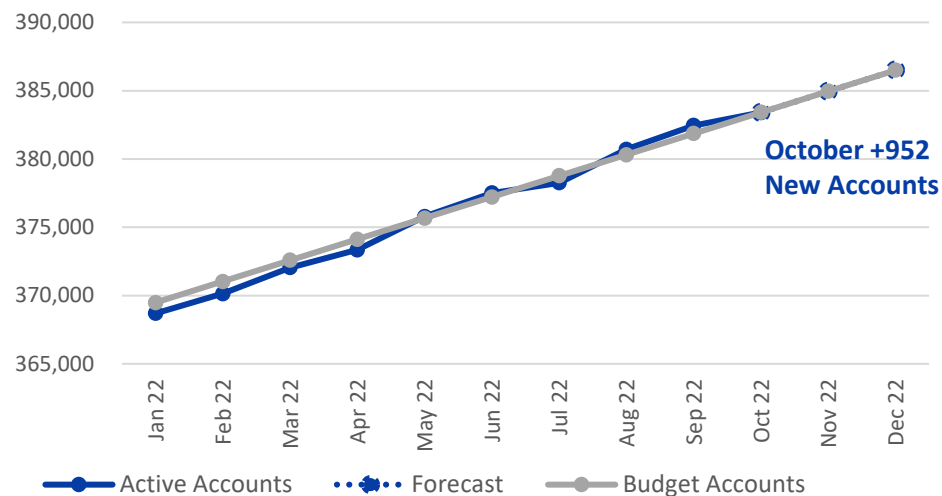
Randy Kruger | Chief Financial Officer

Finance at a Glance – October 2022

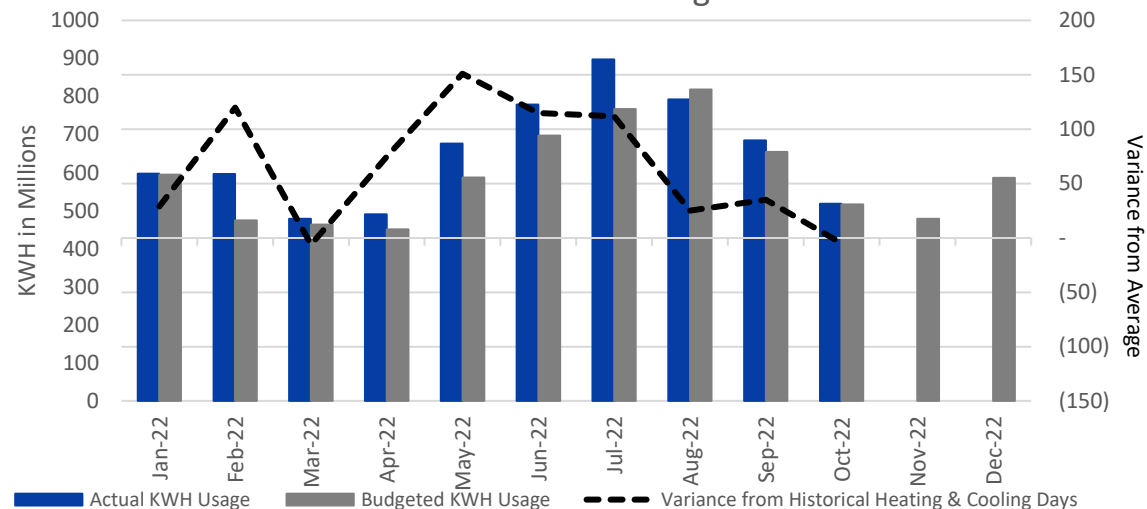
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
MWH Sold	518,257	516,871	1,387	6,511,716	6,025,917	485,799
Gross Margins	\$ 28.0	\$ 25.7	\$ 2.3	\$ 294.9	\$ 281.2	\$ 13.7
Net Margins	\$ 4.5	\$ 1.8	\$ 2.7	\$ 52.3	\$ 44.8	\$ 7.5
EBIDA	\$ 16.0	\$ 11.8	\$ 4.2	\$ 176.6	\$ 144.6	\$ 32.0
Revenue O/(U)	\$ (6.7)	\$ 4.2	\$ (10.9)	\$ 23.5	\$ 30.3	\$ (6.8)
EBIDA(X)	\$ 9.2	\$ 16.0	\$ (6.8)	\$ 200.1	\$ 174.9	\$ 25.2

	Liquidity Coverage (\$ in millions)
Cash & Marketable Securities	\$ 15.5
Short Term Facilities	505.0
Less: Short Term Borrowings	104.8
Available Liquidity	\$ 415.7
Liquidity Coverage (Days)	238

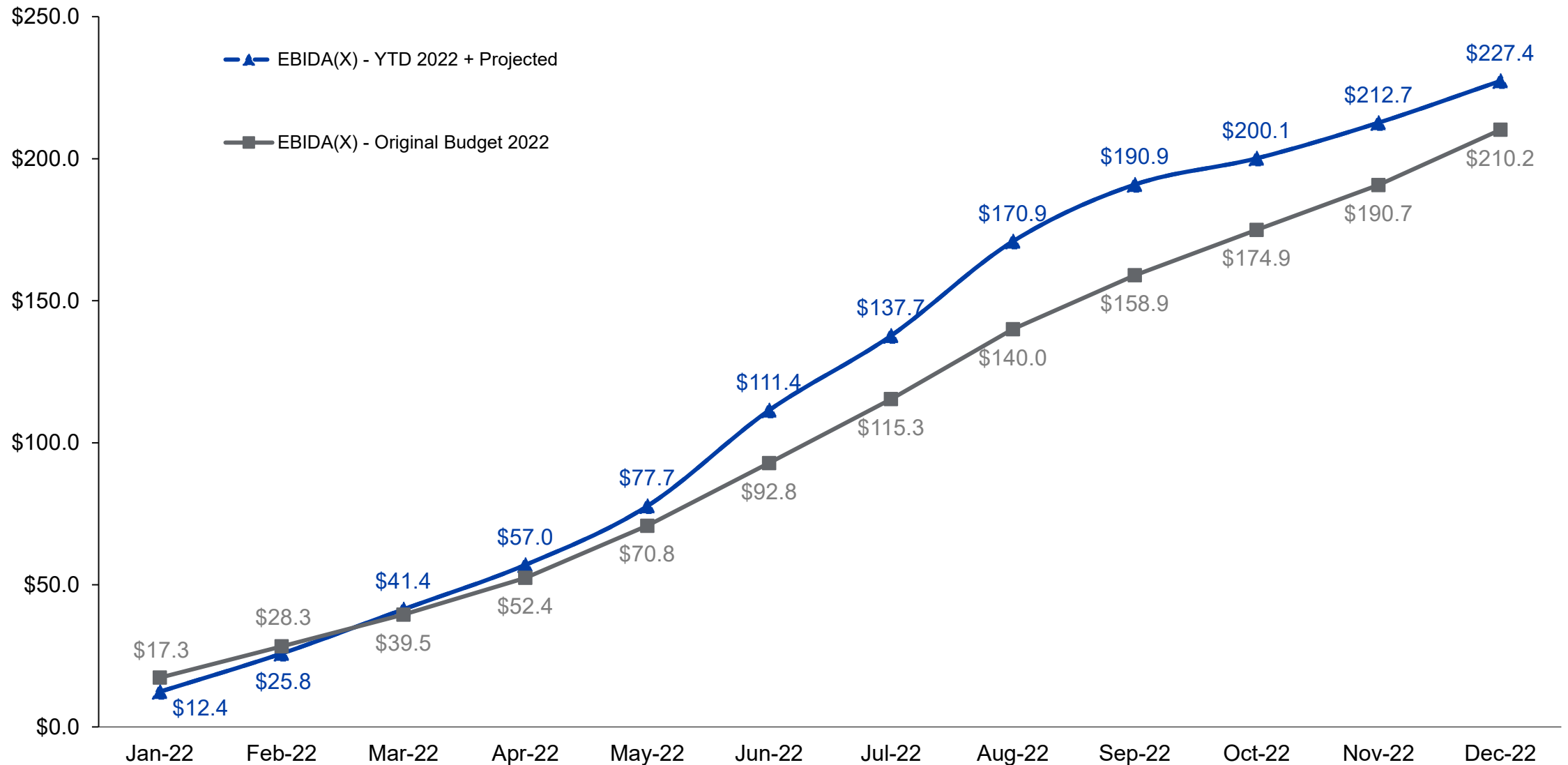
Active Account Growth



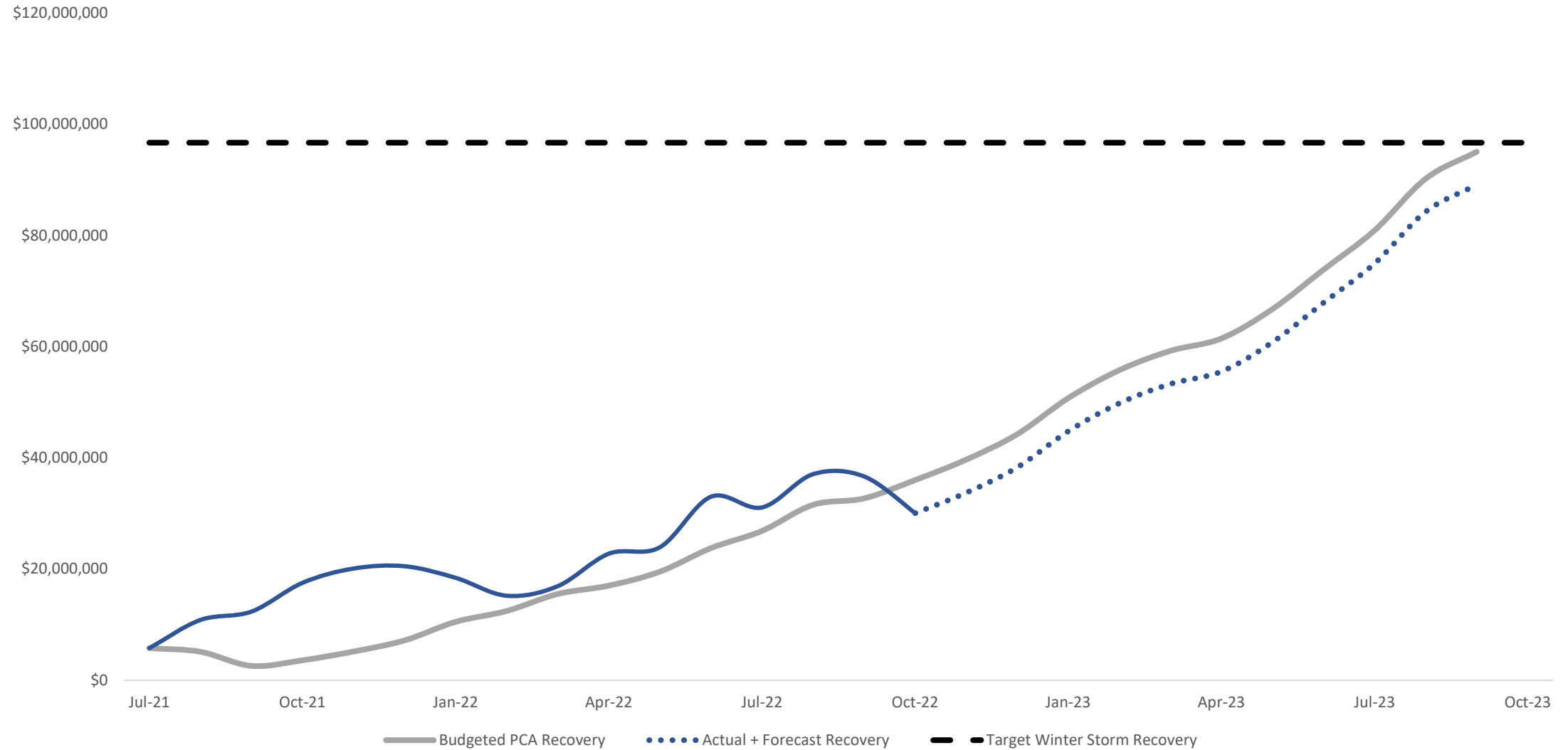
Weather and kWh Usage



EBIDA(X) Year to Date (in millions)



PCA + FPCRf O/(U) Winter Storm Recovery



Winter Weather Impacts on Pricing

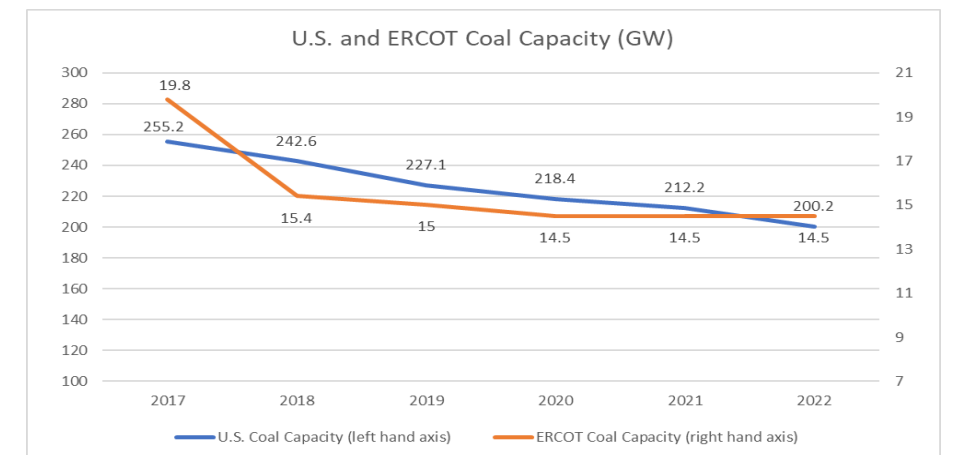
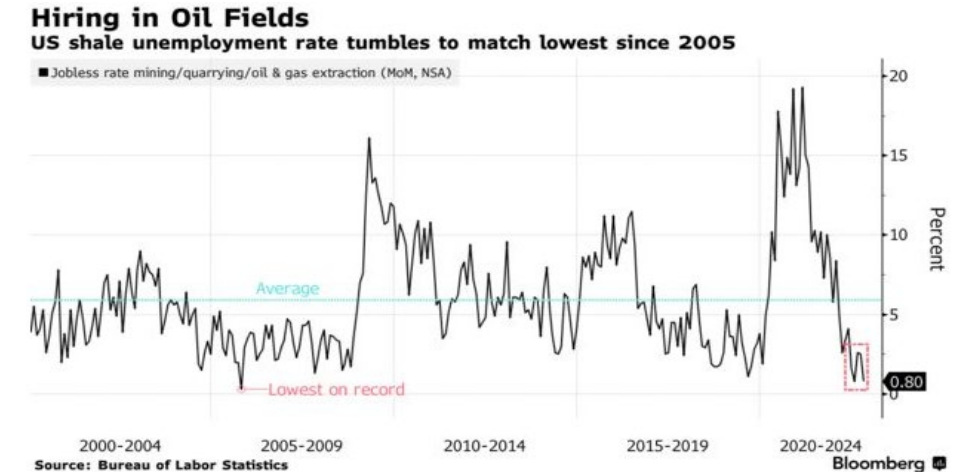
U.S. home heating heavily dependent upon natural gas so weather will have a major impact on prices over the winter. Weather impacts will be magnified (↑) or dampened (↓) by the following factors:

↑ Supply in-elasticity

- Gas production has return to pre-pandemic levels of around 100BCF/day but increases to production will require
 - Better regulatory environment
 - Access to capital
 - Easing of supply chain and labor bottlenecks
- Fewer opportunities for gas to coal switching (Over last 5 years 55GW of U.S. coal fired generation retired with 5GW of retirements in ERCOT)

↓ Return of Freeport LNG likely delayed until Dec. (curtails 2BCF/day of export capacity)

↓ Storage levels building back closer to 5-year average



Source: S&P Global Market Intelligence

Winter Weather Predictions

National Oceanic and Atmospheric Administration (NOAA) U.S. Winter Outlook calling for normal to mild winter for most of the U.S.

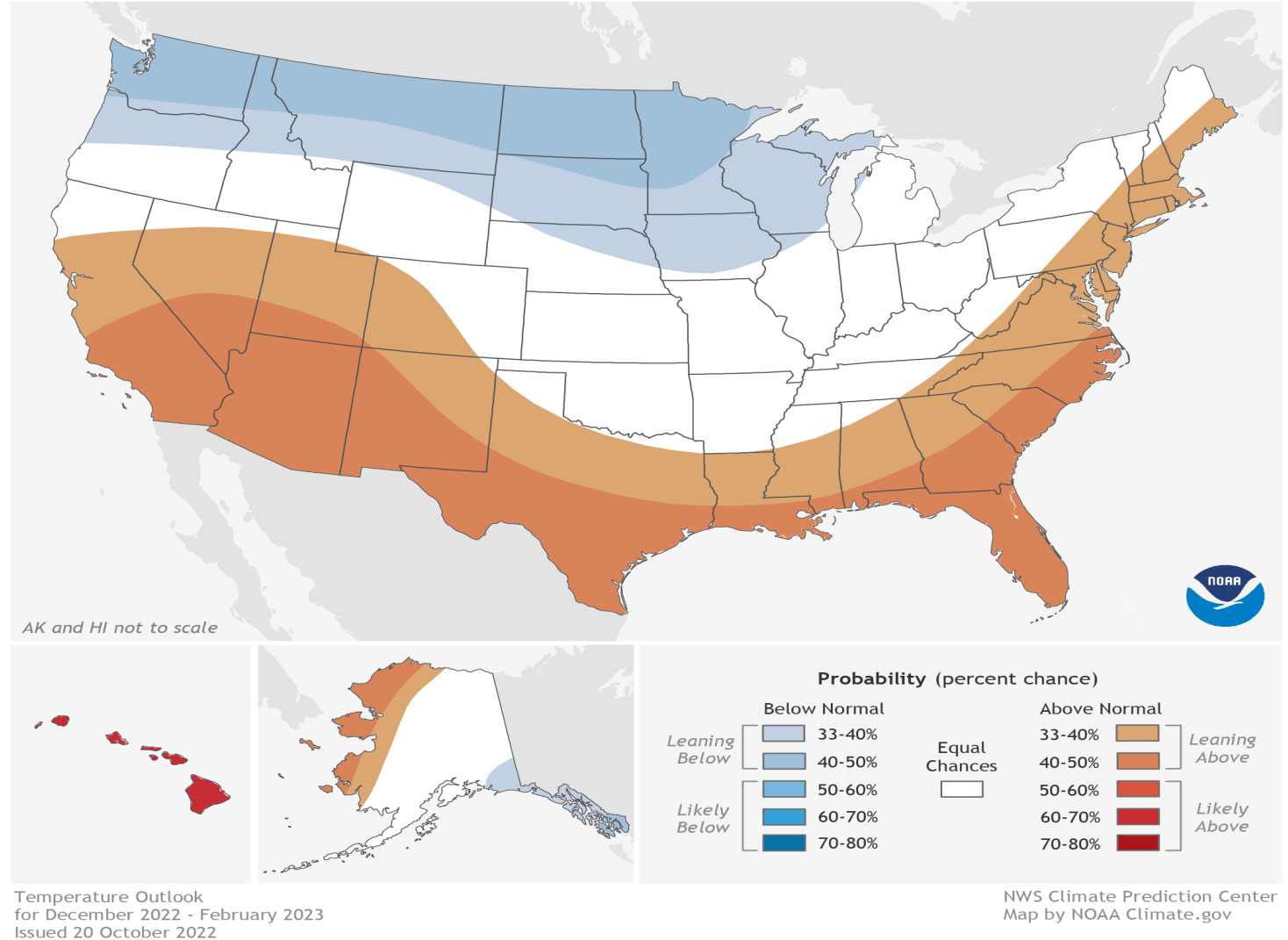
Most climate models show consistent outcomes

La Nina conditions will persist driving warmer and dryer south and cooler and wetter north/northwest

La Nina events can have higher levels of sub-season variability. Feb 2021 was during a La Nina year.

Impact on gas (and power) prices will depend upon intensity and length of temperature anomalies and duration of mild to above normal temperatures

Winter 2022-23: U.S. Temperature Outlook



Farmers' Almanac Breaks with NOAA Predictions

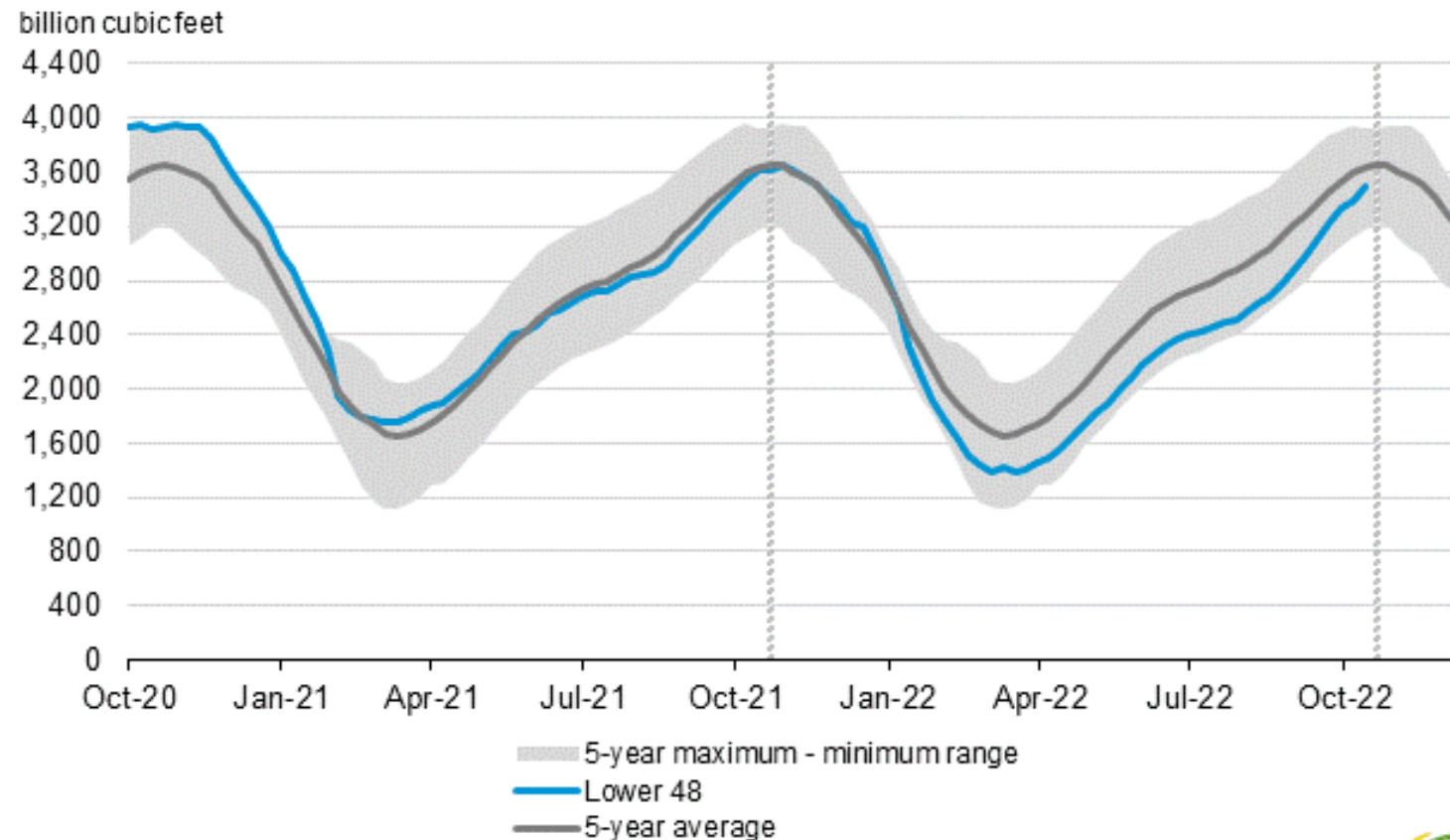


The 2022-2023 winter season may have record-breaking cold temperatures of 40 degrees below zero in some places in the US!

Gas Storage

- Larger than normal Oct. injection on higher production. Building towards 5-year average

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



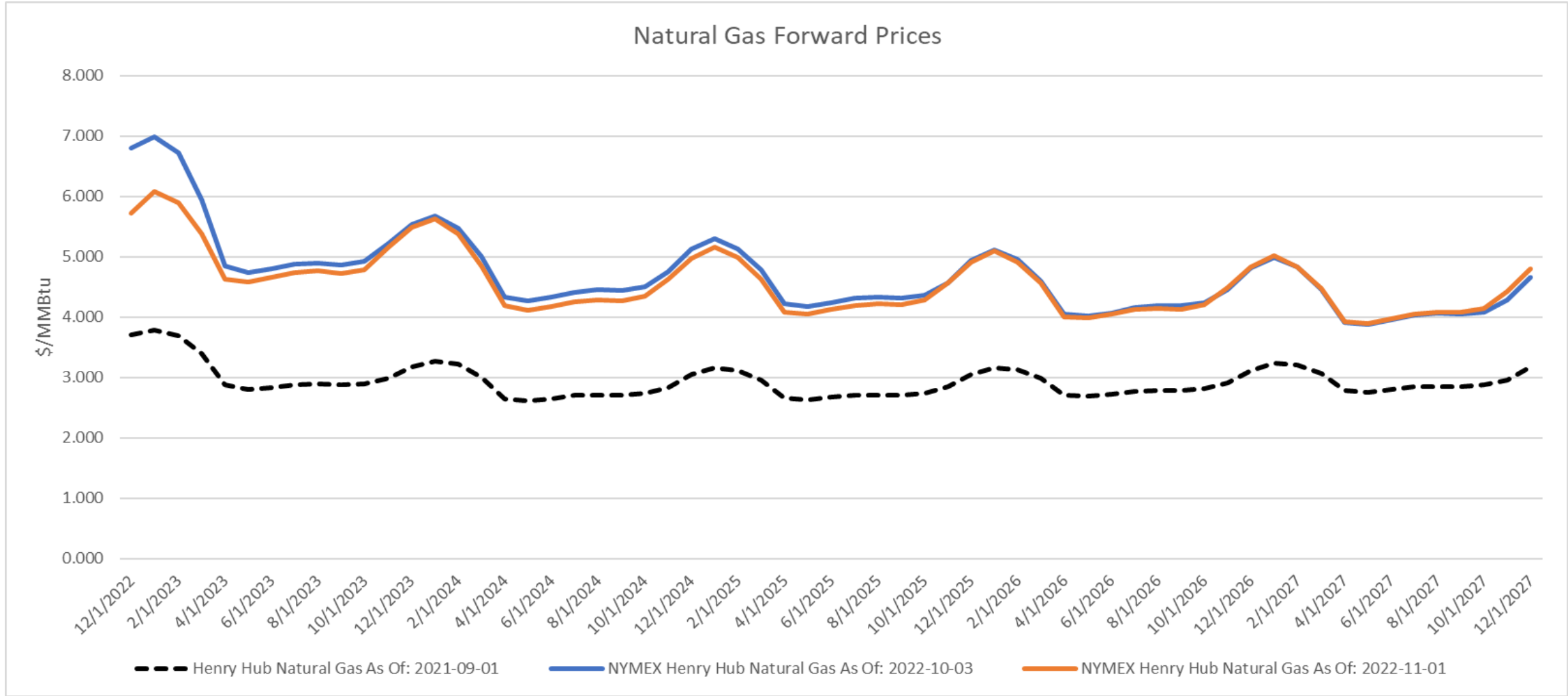
Source: U.S. Energy Information Administration



Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2017 through 2021. The dashed vertical lines indicate current and year-ago weekly periods.

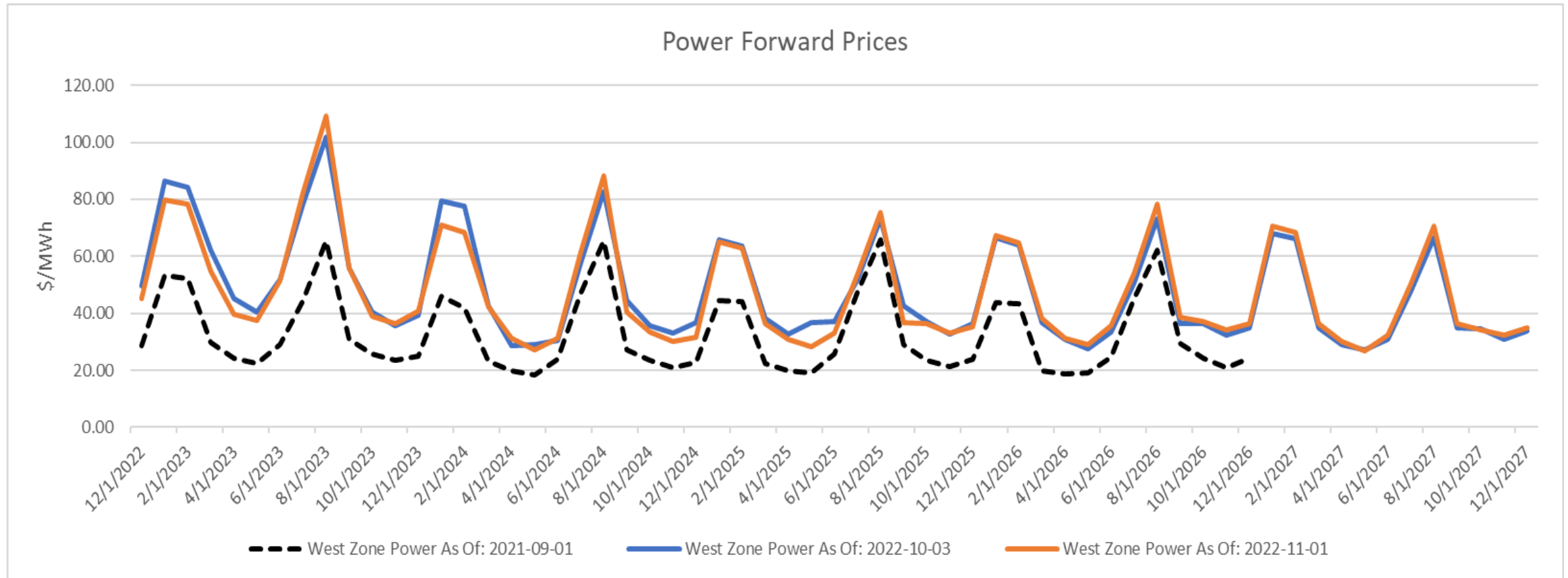
Forward Natural Gas Prices

Natural gas prices are down on storage build, increased production and winter weather forecast, but up from 2022 budget



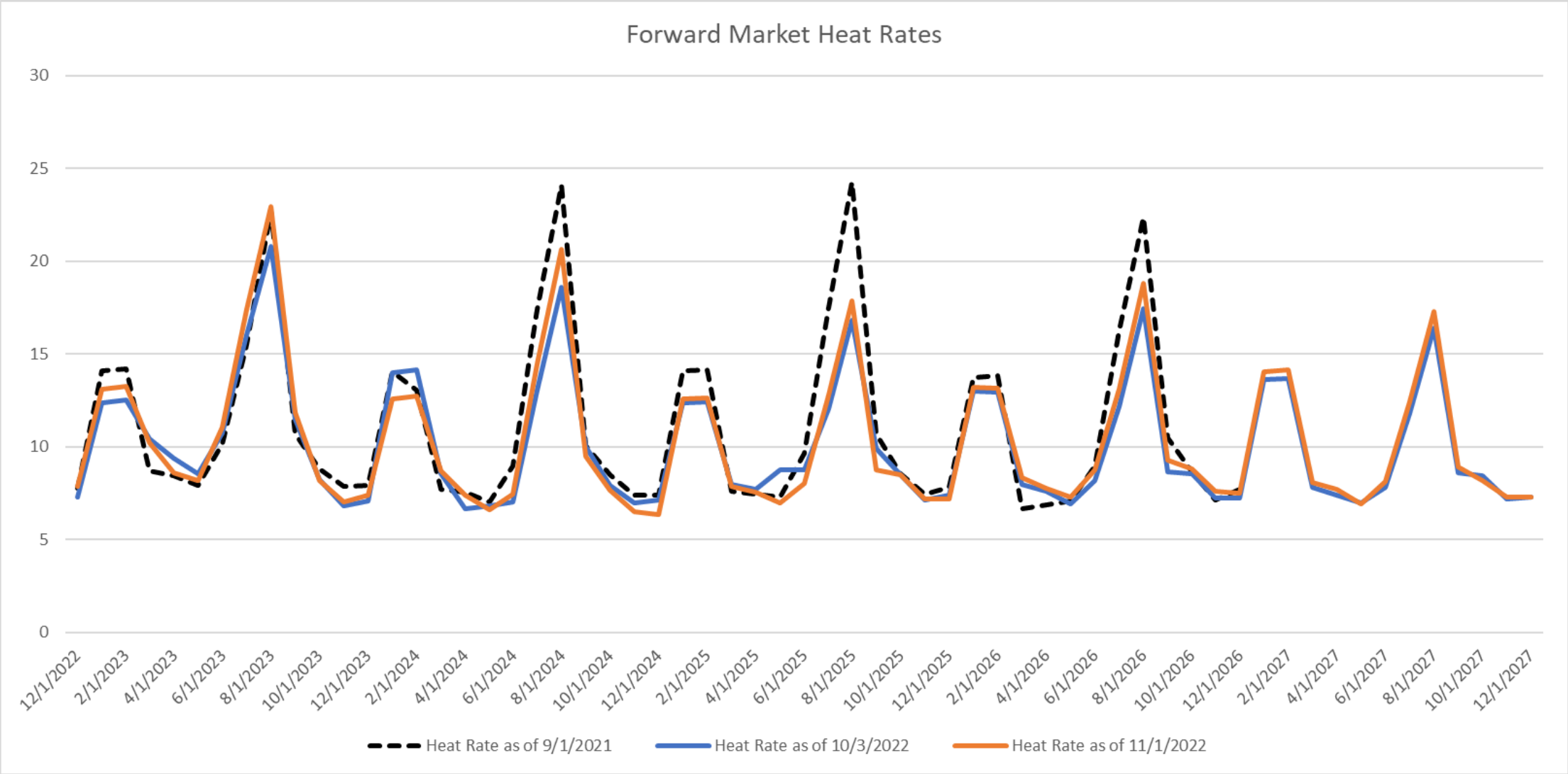
Forward Power Prices

Forward power prices have followed gas prices



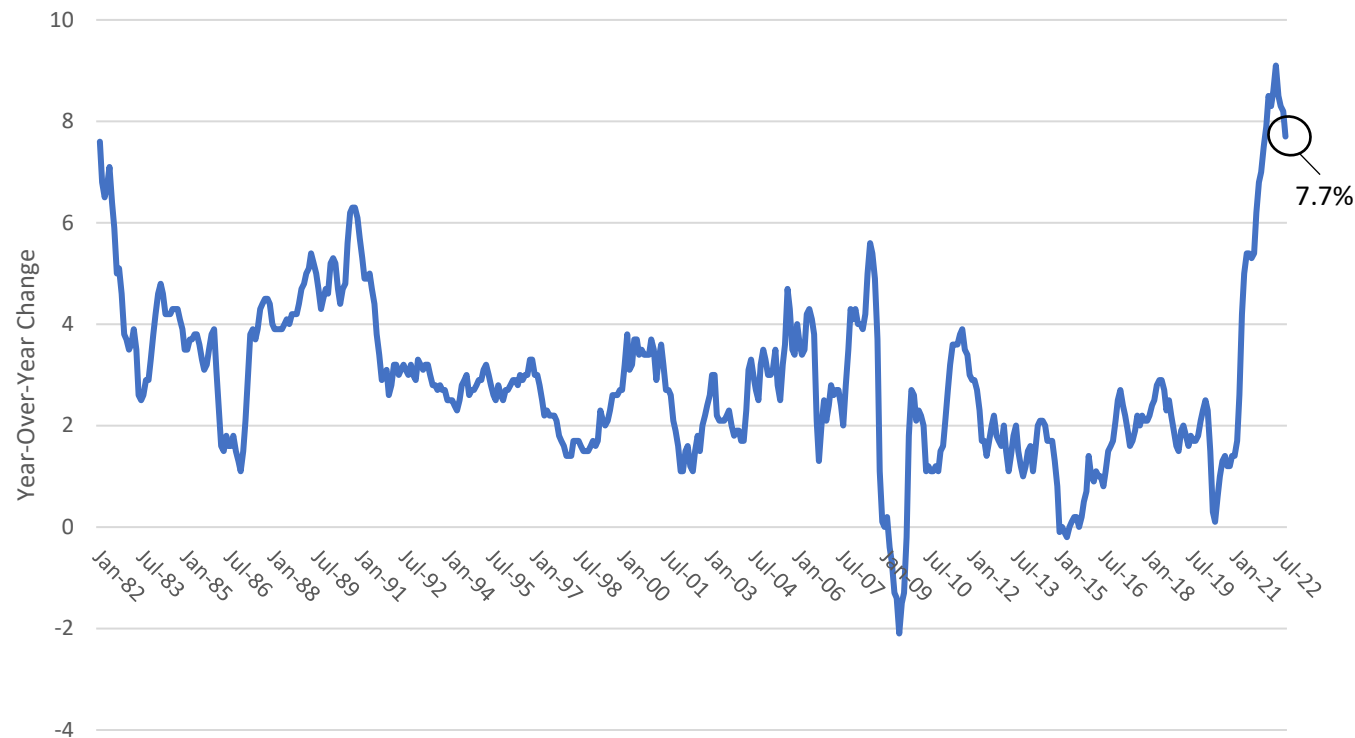
Market Heat Rates

Heat rates improved from last month and outer years down from 2022 budget



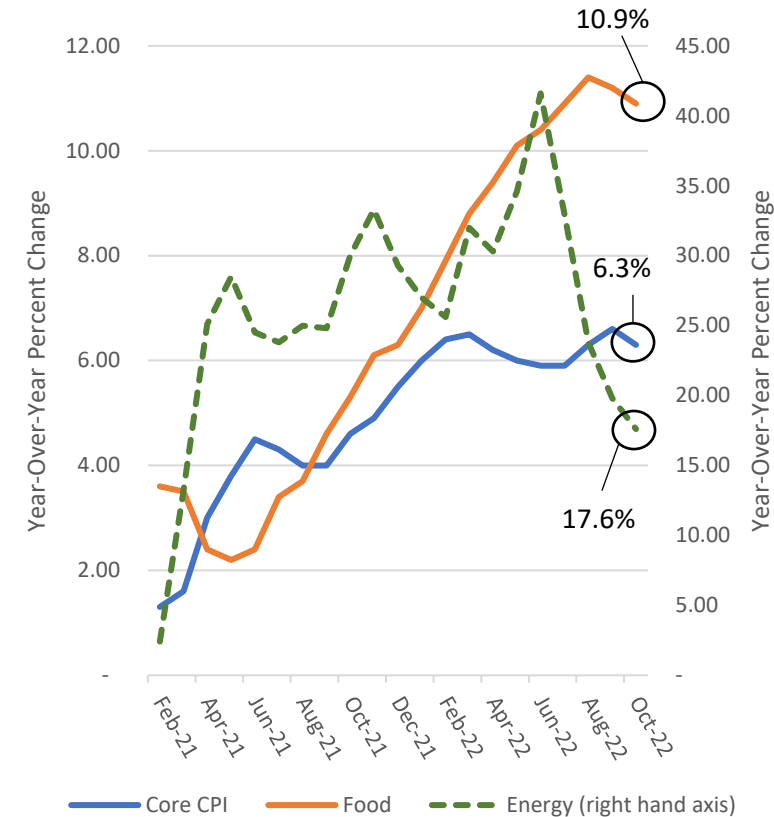
Inflation

CPI Jan 1982 to Oct 2022



Source: U.S. Bureau of Labor Statistics

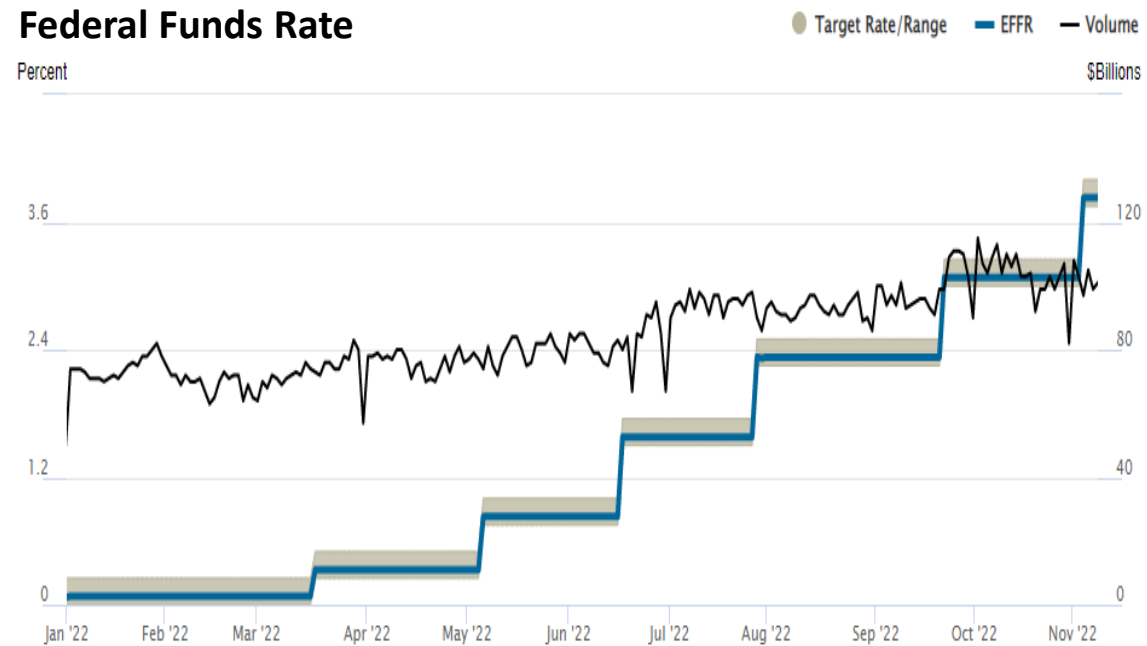
Core CPI, Food and Energy
Jan 2021 to Oct 2022



Source: U.S. Bureau of Labor Statistics

Interest Rates

Federal Funds Rate



Source: Federal Reserve Bank of New York

10-Year Note



Source: *The Wall Street Journal*

Global Trade and Supply Chain

Global container shipping disruption has eased significantly, driven by declining demand for imports from Asia, and is freeing up the utilization of assets including ships and trucks.

The FBX rate is now \$3,364/FEU vs. a Sept 2021 high of \$11,109/FEU but is still well above pre-COVID historic levels.

- Recession fears
- High inflation limiting consumer demand
- China economic challenges from zero-COVID policy and real-estate sector crisis
- Full U.S. warehouses
- Lower levels of port congestion

Potential future supply chain disruption

- Rail strikes (could impact coal deliveries in addition to general supply chain disruptions)
- Port strikes on the U.S. West Coast and Europe



FBX is the international freight rate index for 40' containers (FEUs) on the Baltic Exchange in London. It is based on a weighted average of freight rates for twelve underlying ocean freight routes and is measured in \$/FEU

Source: Freightos



PROUD



File #: 2022-369, **Version:** 1

Cooperative Operations Update - E Dauterive

Submitted By: Renee Oelschleger on behalf of Eddie Dauterive

Department: Chief Operations Officer

Financial Impact and Cost/Benefit Considerations: N/A



Operations Report

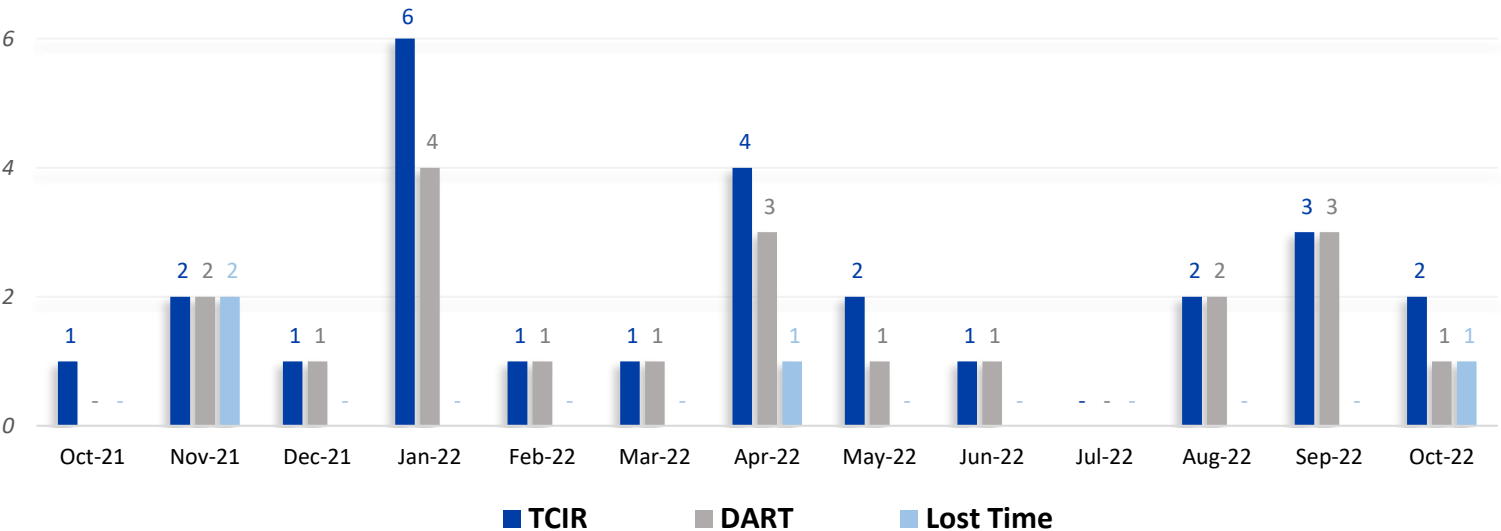
Eddie Dauterive | Chief Operations Officer

Safety & Technical Training

Personal Incidents

Reportable Injuries, Days Away, and Lost Time Incidents

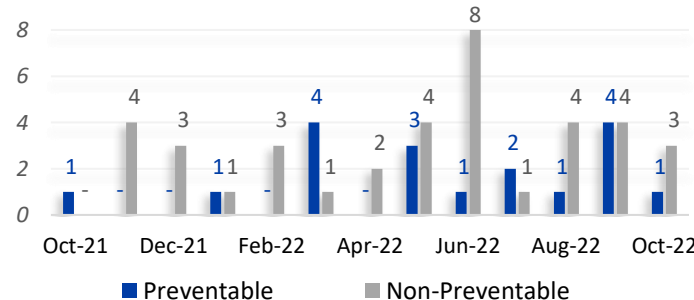
2021 YTD: DART Days - 402, Lost Time Days - 159
2022 YTD: DART Days - 171, Lost Time Days - 8



Vehicle Incidents

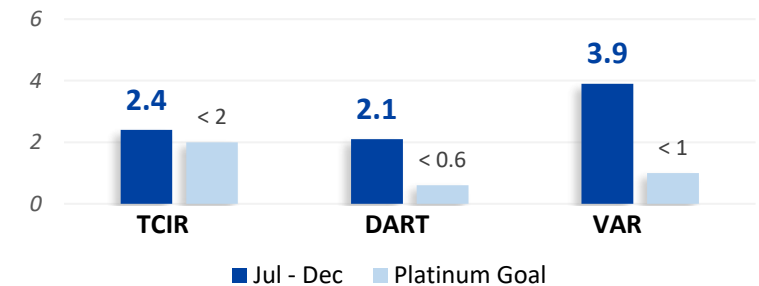
Preventable & Non-Preventable

Preventable:
2021 YTD: 14
2022 YTD: 17



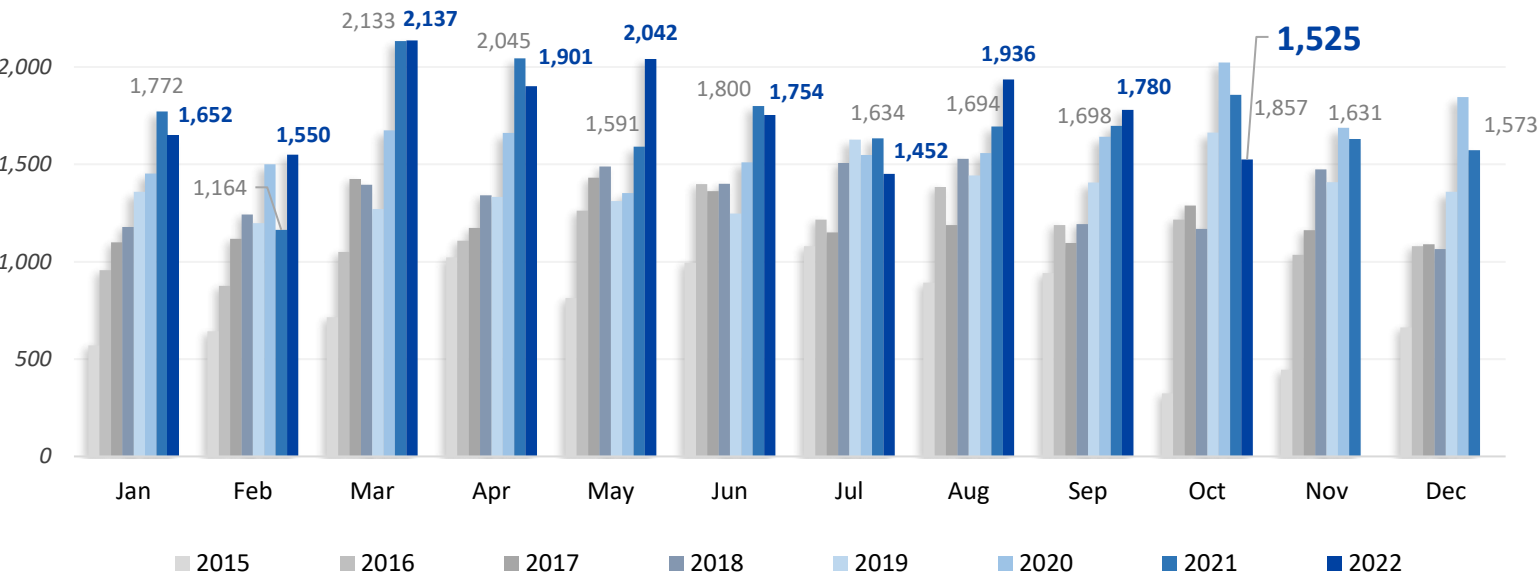
KPI Progression

2022 Period Two

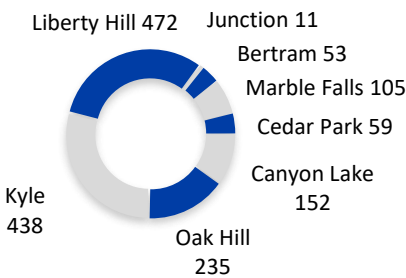


System Growth

Line Extensions Completed



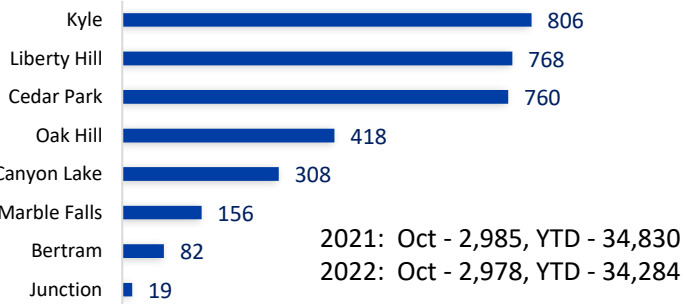
Line Extensions Per District (1,525)



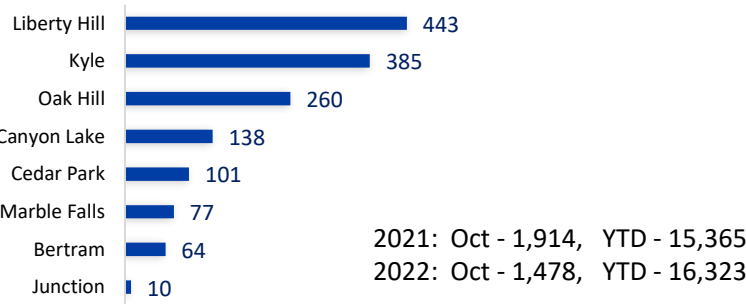
Miles of Distribution Line:
Underground: 6,710 (28%)
Overhead: 17,583 (72%)
Total: 24,293



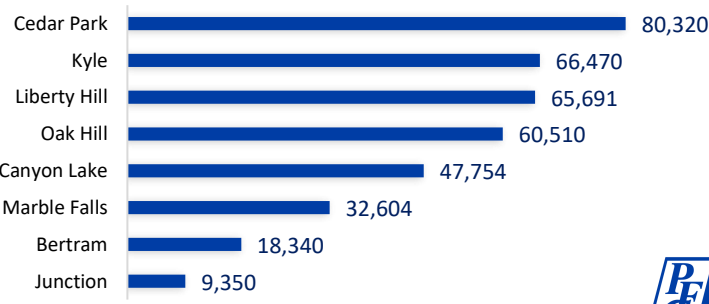
Member Applications (2,978)



Meter Growth (1,478)

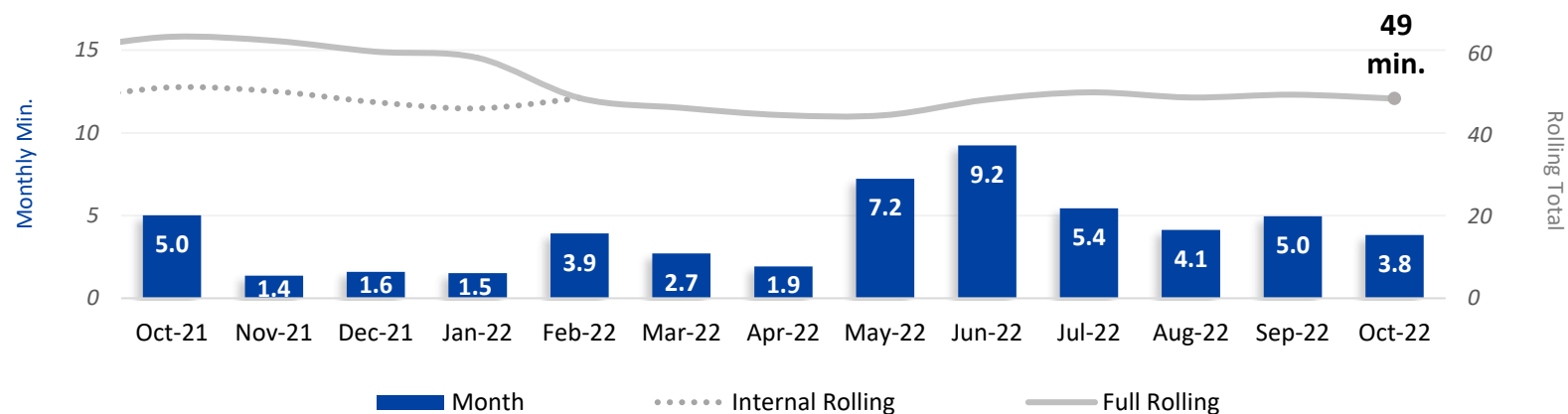


Meter Totals (381,039)

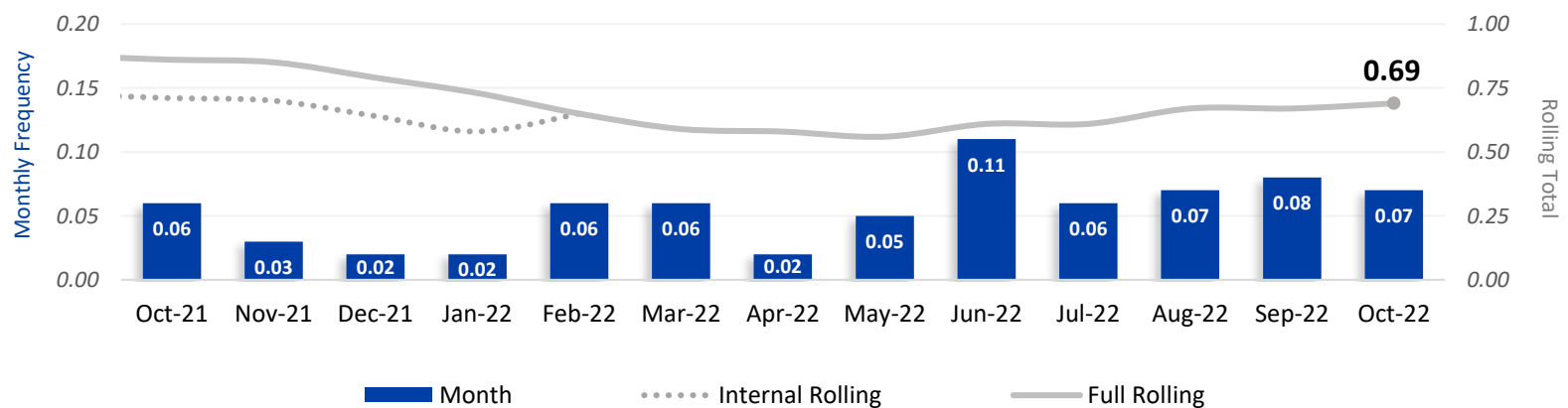


Reliability

System Average Interruption Duration Index (SAIDI)



System Average Interruption Frequency Index (SAIFI)



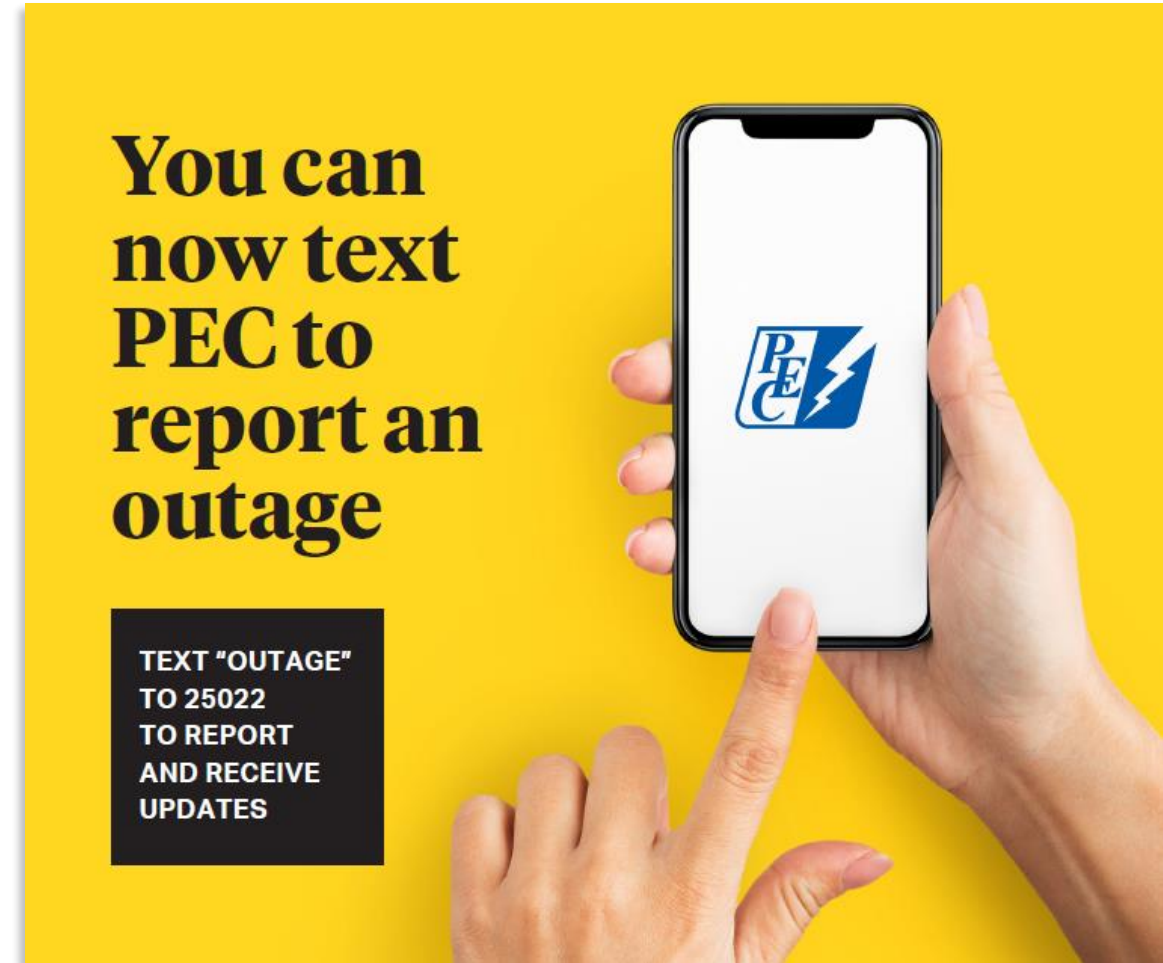
SMS Outage Messaging

Members can now text PEC to report outages by simply texting the word “outage” to 25022.

To utilize this feature, the mobile number of the text must be associated with an account. Members can add a mobile number in SmartHub, in the My Profile section, to receive outage alerts via text.

Member Announcements:

- PEC website and outage center
 - Social media
 - Member emails
 - A text to all members enrolled in emergency text alerts:
- “PEC member, report power loss by texting OUTAGE to 25022. The mobile# must be associated with your account. Learn more at pec.coop/outage. Text STOP to OptOut.”**

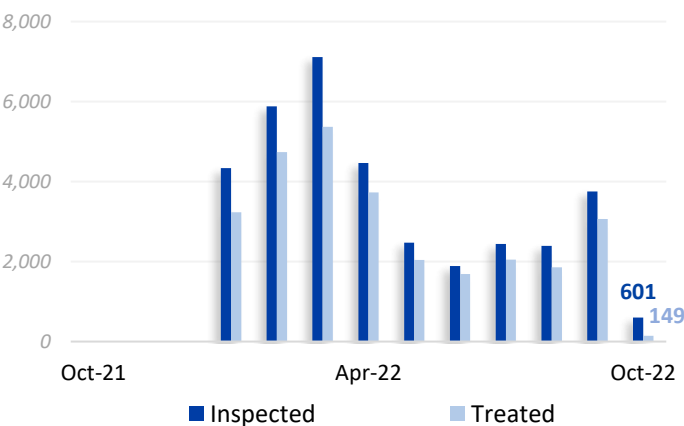


Distribution Maintenance

Pole Testing & Treatment (PTT)

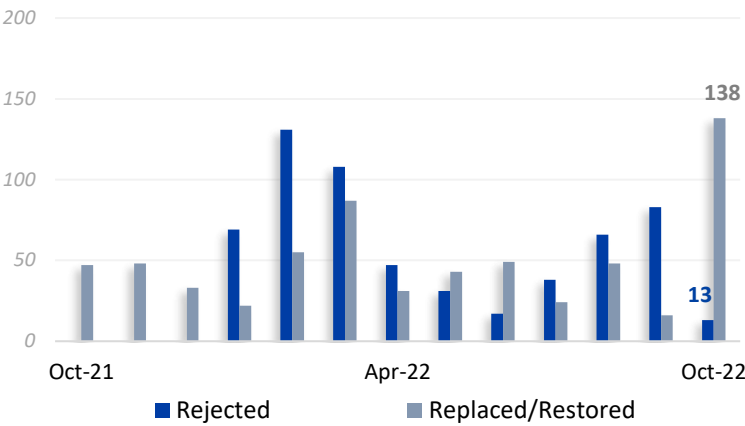
Poles Inspected & Treated

2021 YTD: Inspections - 39,492, Treated - 30,513
2022 YTD: Inspections - 35,341, Treated - 27,934



Poles Rejected & Replaced/Restored

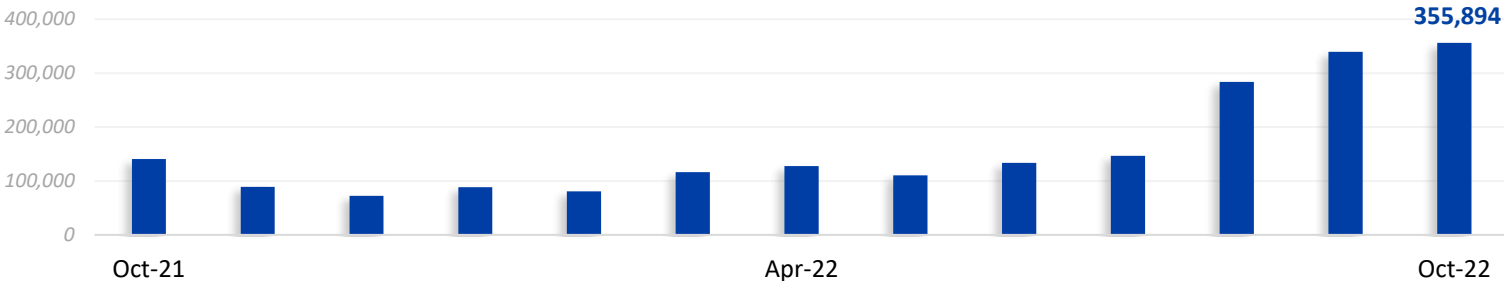
2021 YTD: Rejected - 626, Restored - 752
2022 YTD: Rejected - 603, Restored - 513



Vegetation Management

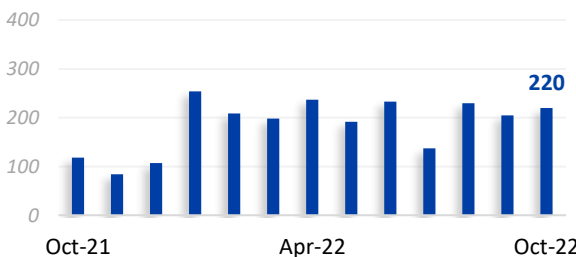
Vegetation Pruned (Ft.)

2021 YTD: 2,682,707 ft. Oct. Locations Worked: 1,499 Oct. Poles Cleared: 137
2022 YTD: 1,783,174 ft. Oct. URD Clearings: 461



URD Pad Restorations

2021 YTD: 3,448
2022 YTD: 2,115

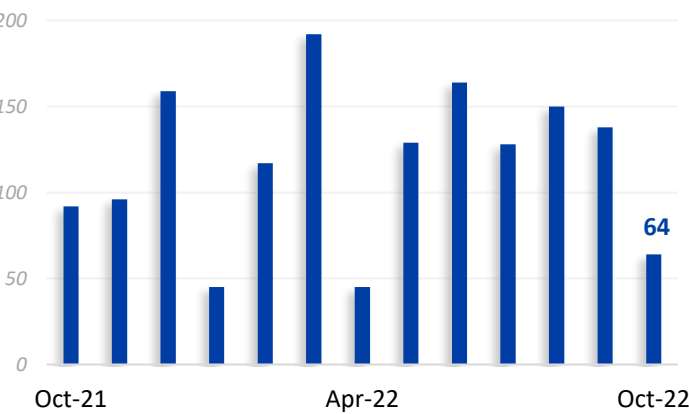


Distribution Maintenance

Technical Services

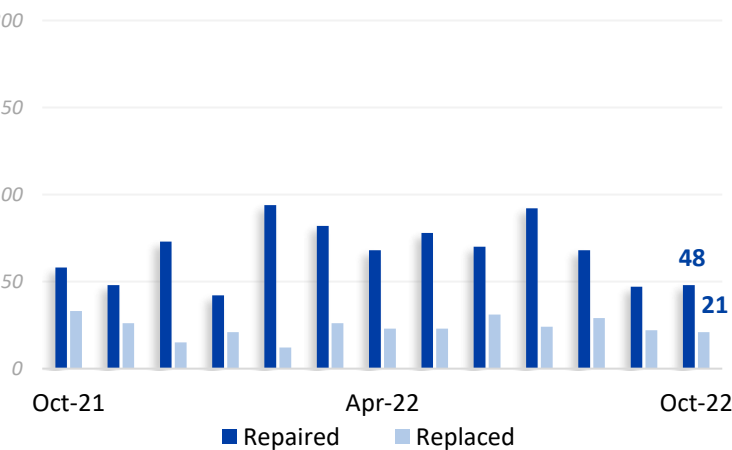
Equipment Inspections

2021 YTD: 1,174
2022 YTD: 1,172



Equipment Repaired & Replaced

2021 YTD: Repaired - 509, Replaced - 299
2022 YTD: Repaired - 588, Replaced - 232



Pole Contacts

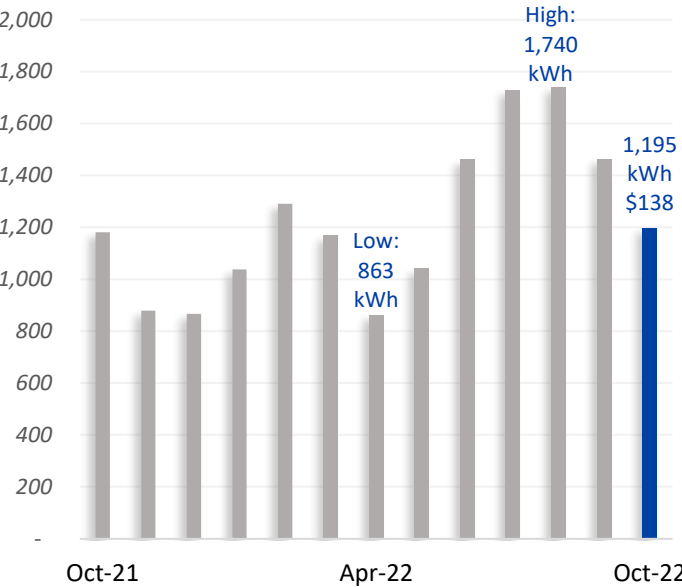
Applications Received & Permits Issued

2021 YTD: Received - 616, Inspected - 638, Approved - 622
2022 YTD: Received - 633, Inspected - 656, Approved - 566

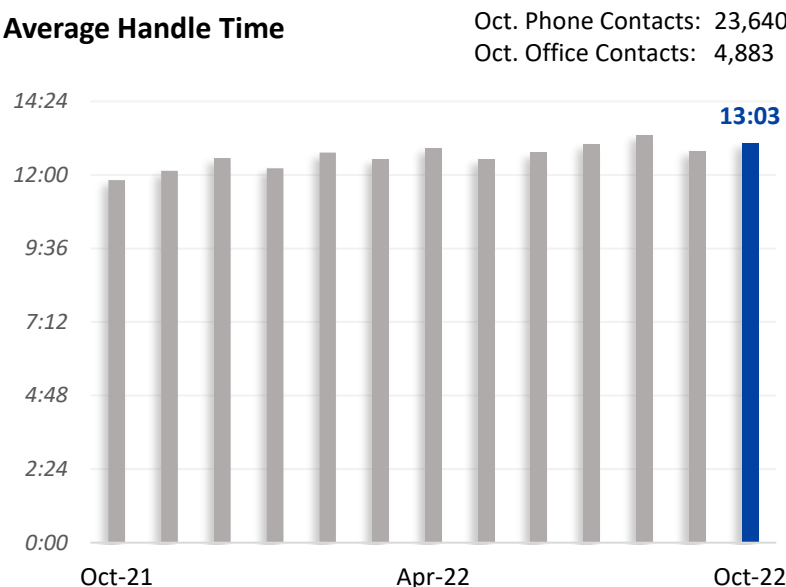


Member Relations

Average Residential Usage



Member Contacts

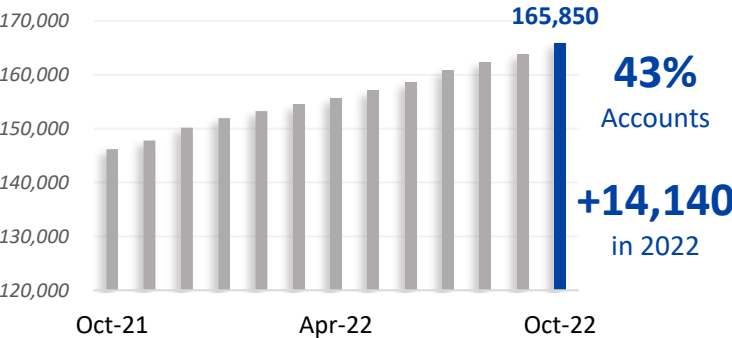


Contact Types

2021: 419,277 Contacts

Main Contact Types	Oct. Totals	
Service Request	8,089	27%
Payment	5,349	18%
Billing Inquiry	4,886	16%
Payment Arrangement	2,225	7%
Account Update	1,470	5%
Autopay Inquiry	1,050	4%

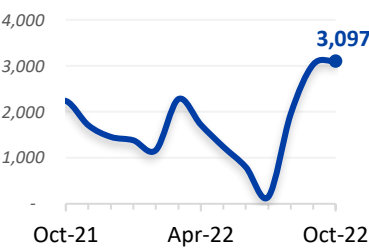
Paperless Enrollments



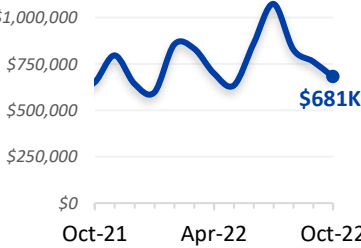
Collections

Only 1 day with no collection activity.

Remote Disconnects

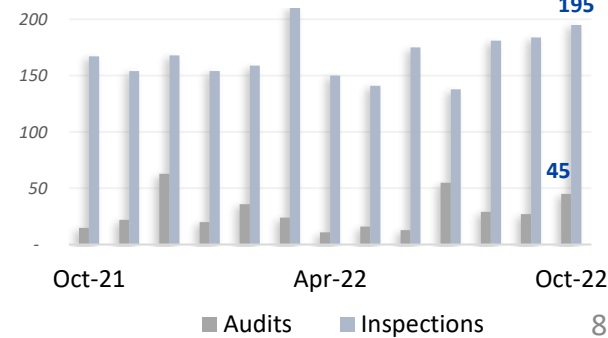


Aged Balances



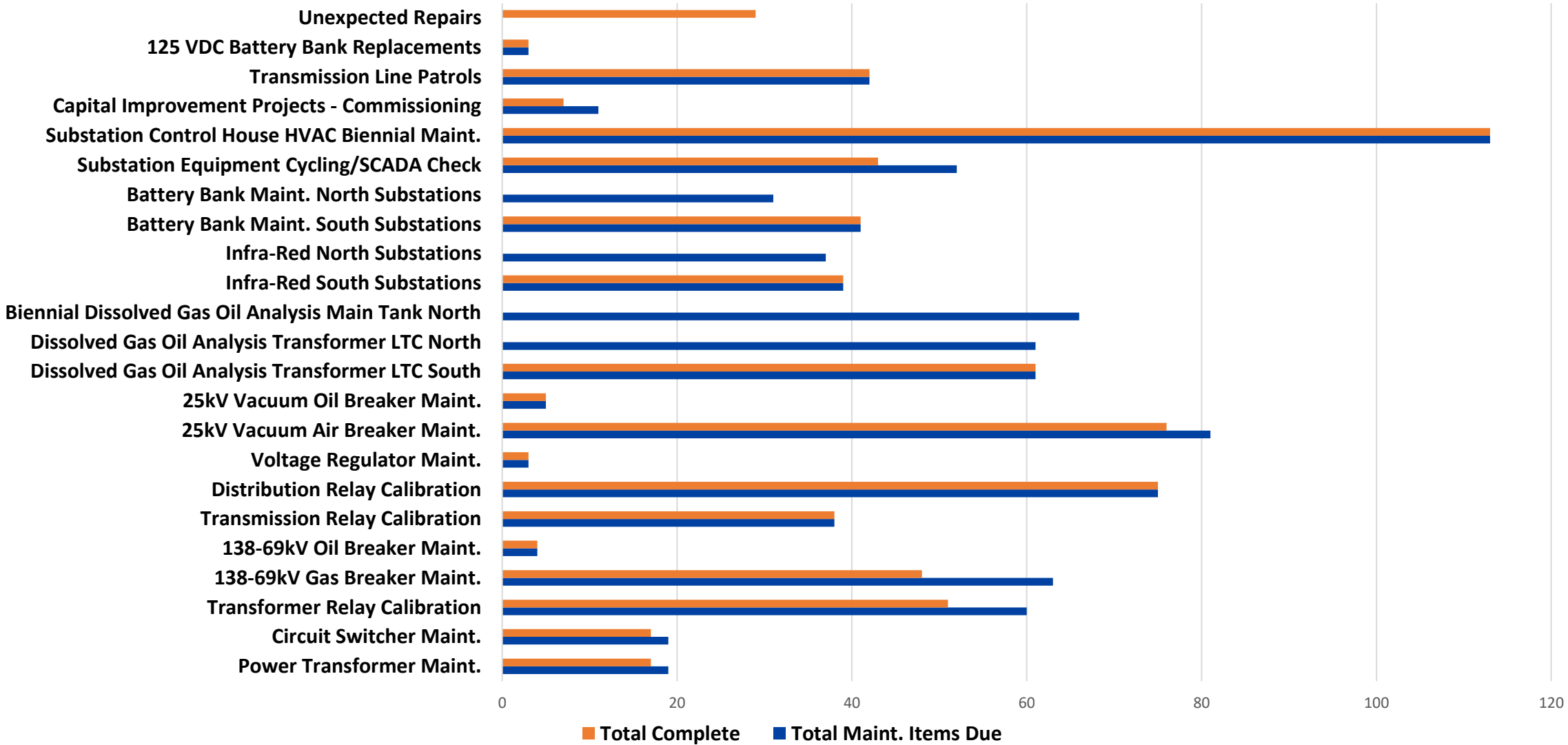
Energy Services

2021 YTD: Audits - 277, Insp. - 1,306
2022 YTD: Audits - 276, Insp. - 1,688



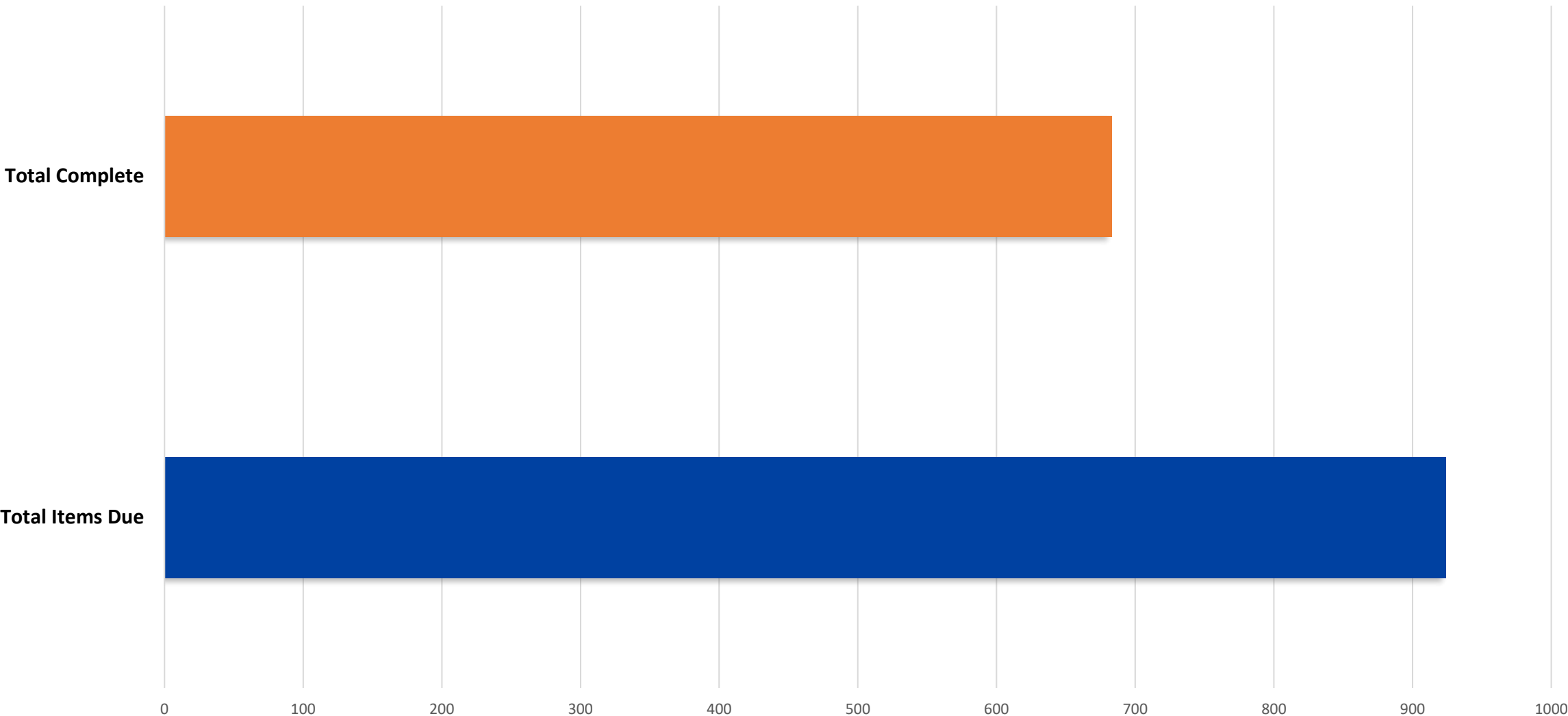
Substation & Transmission Maintenance

2022 Itemized Maintenance By Equipment



2022 Substation & Transmission Maintenance

Overall Status Year-to-Date



Substation Engineering Projects

Overall Status

Project	Project Phase	Description	Completion Date	Percent Complete
WS - BH Remote Ends	Completed	Upgrade line protection relay panels	May 2022	100%
GB T4 Transformer Relay Panel Replacement	Completed	Upgrade T4 transformer panel from electromechanical to digital relays	May 2022	100%
CC T1 Total Breaker Addition	Completed	Add total breaker to T1 transformer for reliability	Oct 2022	100%
Substation Satellite Clock Installations	Completed	Install satellite clocks at substation for time synchronization to relays	Oct 2022	100%
KY T1 Upgrade	Construction	Upgrade T1 transformer	Dec 2022	93%
138 kV Breaker Replacements	Construction	Replace four end-of-life oil circuit breakers with SF6 breakers	Dec 2022	87%
BR Bus Upgrade	Construction	Upgrade bus to double-bus double-breaker	Apr 2023	77%
Balcones Ground Grid	Engineering	Make improvements to ground grid for reliability	Apr 2023	37%
SJ T3 Addition	Engineering	Add third power transformer	Jun 2023	48%
LH T4 Addition	Engineering	Add third power transformer	Jun 2023	47%
Mobile Substation Upgrades	Engineering	Upgrade circuit switchers and relay protection on three mobile substations	Jun 2023	59%
BU T1 Upgrade	Engineering	Upgrade T1 transformer	Sep 2023	33%
JN Substation Upgrade	Engineering	Upgrade T1 transformer and add line breakers (AEP)	Oct 2023	61%
HE Substation	Engineering	Construct new substation	Dec 2023	43%
MF - TP - CV Remote Ends	Construction	Upgrade line protection relay panels	May 2024	51%

Planning Engineering Projects

Overall Status

Project	Completion Date	Percent Complete
Load Projections Study	Jan 2022	100%
UFLS Study	May 2022	100%
4CP Study	May 2022	100%
Summer Contingency	Jun 2022	100%
Regulator Settings	Jun 2022	98%
Capacitor Settings	Jul 2022	90%
Antler Battery Study	Aug 2022	100%
CIP Study	Sep 2022	99%
Mock UFLS Study	Dec 2022	0%
Winter Contingency	Dec 2022	40%
20 Year Plan	Dec 2022	60%
2 Year System Protection Coordination Review	Dec 2023	60%

Transmission Projects

Overall Status

Project	Project Phase	Description	Completion Date	Percent Complete
T319 SA to FC	Procurement	Increase clearance to meet USACE requirements	Dec 2022	50%
T415 MK to HN	Procurement	Respacing shield wire and conductor to reduce outage vulnerability during extreme weather	Jan 2023	45%
2022 Transmission Assessment	Planning	NERC required annual planning assessment	Feb 2023	10%
T324 ML to HT	Engineering	Harden transmission line to meet severe weather requirements	Apr 2023	45%
T315 MF to TP	Construction	Harden transmission line to meet severe weather requirements	May 2023	65%
T416 DS to RF	Engineering	Developer funded transmission line relocation	Dec 2023	15%
T353 LA to SJ	Engineering	Add Fiber to existing transmission line	Dec 2023	5%
T760 NL to HE	Engineering	Harden transmission line to meet severe weather requirements	Dec 2023	20%
T327 HE to LA	Engineering	Harden transmission line to meet severe weather requirements	May 2024	20%
T623 TP to CV	Engineering	Harden transmission line to meet severe weather requirements	May 2024	20%
T323 PF to MF	Construction	Reconductor (Phase 1)	Dec 2024	60%
T358 CV to FS	Engineering	Harden transmission line to meet severe weather requirements	Dec 2024	0%
T333 LV to NL	Engineering	Harden transmission line to meet severe weather requirements	May 2025	10%
T360 FS to RF	Engineering	Harden transmission line to meet severe weather requirements	Dec 2025	0%
T323 PF to MF	Engineering	Overhaul (Phase 2)	NA	5%

Cooperative Lighting Services

PEC began its Lighting Services contract with NextEra Energy Solutions in Nov. 2021.

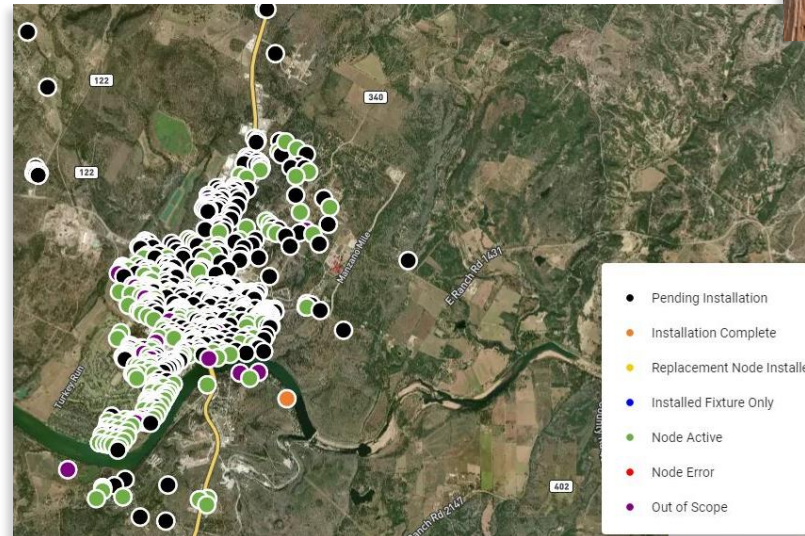
Approximately 30,000 cooperative-owned street and roadway lights in the Eastern territory will be replaced to new, energy-efficient, LED lighting.

The lighting services project additionally includes:

- Smart controls providing enhanced outage detection and advanced system management.
- Converting all PEC owned lights into Dark Sky friendly fixtures.
- Complete audit of all PEC owned lights.
- Updated PEC mapping system.

Progress - Exchanges in Oct:

- Lights Audited : 30,061
- Lights Replaced: 20,056



AMI Distribution

- Junction exchanges for TWACs meter upgrades are complete and now implementing Fault Detection and Localization (FD&L) technology:
 - FD&L allows more proactive identification of outages on TWACs meters.
 - Target completion by 1st quarter, 2023.
- Mass exchanges of RF meters in the Eastern territory remain on hold due supply shortages:
 - Currently 134,276 active RF meters installed.
 - PEC procured an additional 10,000 refurbished TWACs residential meters to support metering requirements through 2023, in the event of prolonged supply chain issues.
- PEC's RF meter provider, Aclara, has developed and is testing a new, more available, processor for RF meters:
 - PEC will be field testing the new RF meter in November 2022.
 - The new technology will have a full ramp up schedule of production in February 2023.
- PEC and Aclara are exploring all options to resume the production and deployment schedule for RF metering.

Facilities

Cedar Park	New fuel tanks are being installed for better emergency preparedness, the project is 90% complete.
Dripping Springs Storage Yard	The new fence has been installed and a new top-coat on the existing base material has been installed. Other improvements pending city permit.
Johnson City	We have begun development of a master plan for the Haley Rd site, which includes the newly acquired property adjacent to the site.
Junction	Finalizing design and obtaining bids for yard renovations, pending substation design.
Leander Development	Building construction is in-progress and on schedule.
Marble Falls	Finalizing design, resolving encroachments, gathering bids and obtaining city approval for yard renovations.



pec.coop



File #: 2022-051, **Version:** 1

Member Comments

Submitted By: Sylvia Romero
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).

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

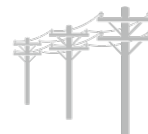
- 4.1. Participants** – Collectively includes Cooperative Board Directors, employees, Members, or any other attendees at PEC business meetings or functions.

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.

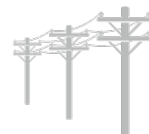


7. REFERENCES AND RELATED DOCUMENTS

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.





File #: 2022-366, **Version:** 1

Resolution - Review and Approval of the Enterprise Risk Management Policy - K Krueger

Submitted By: Ericca Klein on behalf of Ken Krueger

Department: Compliance and Regulatory

Financial Impact and Cost/Benefit Considerations:

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 Enterprise Risk Management (ERM) Governance Policy. The purpose of the ERM Governance Policy is to establish the ERM Program to improve the likelihood of achieving strategic and business objectives and to eliminate or reduce the impact of unplanned events at PEC. The ERM Governance Policy establishes guidelines for implementation and ongoing improvement of PEC's ERM Program. The ERM Program involves understanding the risks facing the Cooperative, assessing exposure, and taking action to effectively respond to preserve and maximize value for the Members.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that pursuant to its regular review of Board policies, the Board has reviewed and adopts the Enterprise Risk Management (ERM) Governance 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.



ENTERPRISE RISK MANAGEMENT GOVERNANCE POLICY

Effective Date: ~~July 1, 2021~~ TBD

POLICY AT A GLANCE

PEC's Enterprise Risk Management ("ERM") Program has been established to improve the likelihood of achieving strategic and business objectives, and to eliminate or reduce the impact of unplanned events on PEC. All employees have a role to play in the ERM Program, which means understanding the risks facing PEC, assessing exposure, and taking action to effectively respond to preserve and maximize value for the Members. This ERM Governance Policy establishes the parameters for the ERM Program.

RESPONSIBILITY FOR THE ERM PROGRAM



Board of Directors

Establish PEC's Risk Tolerance based on identified Impact limits.



Executive Leadership - ERM Committee

Guide and oversee implementation of the ERM Program, develop PEC's Risk Profile, and approve Risk Response strategies and mitigation plans.



ERM Program Lead

Coordinate and implement activities of the ERM Program.



Risk Owners

Responsible for developing and implementing specific treatment plans for Risks and for updating the ERM Committee on the Risk Response.

Commented [KK1]: Removed "and Risk Subtype Owners" from the last tile. Removing mentions of "risk subtype" throughout the document. Would like to get away from using this term.

PEDERNALES ELECTRIC COOPERATIVE

INTEGRITY | SAFETY | SERVICE | ACCOUNTABILITY



1. PURPOSE

Pedernales Electric Cooperative ("PEC" or "Cooperative") establishes the Enterprise Risk Management ("ERM") Program to improve the likelihood of achieving strategic and business objectives and to eliminate or reduce the impact of unplanned events at PEC. The purpose of the ERM Governance Policy ("Policy") is to establish guidelines for implementation and ongoing improvement of PEC's ERM Program.

All employees play a role in the ERM Program, which means understanding the Risks facing the Cooperative, assessing exposure, and taking action to effectively respond to preserve and maximize value for the Members.

2. SCOPE

This Policy applies to all employees.

3. POLICY AND IMPLEMENTATION

The primary oversight and implementation participants of the ERM Program are the ERM Committee, ERM Program Lead, and Risk Owners, ~~and Risk Subtype Owners~~.

3.1. ERM Program

3.1.1. The ERM Program standardizes the process of identifying, assessing, mitigating, and managing all Risks across PEC.

3.1.2. The objectives of the ERM Program are to:

3.1.2.1. Instill and maintain a Risk aware and Risk intelligent culture that encourages proactive versus reactive management.

3.1.2.2. Ensure PEC follows a consistent methodology and criteria for Risk identification, assessment, mitigation, and management.

3.1.2.3. Provide aggregated and relevant reporting on Risk exposures to PEC's Board of Directors and a variety of Stakeholders to make informed and timely risk-based decisions and plans.

3.1.2.4. Integrate and align ERM into PEC policies and processes (e.g., safety, regulatory, finance, project management, power supply).

3.1.2.5. Minimize losses by uncovering sources of Risk and making them visible to Stakeholders.

3.1.3. The ERM Program is responsible for:

3.1.3.1. Identifying Risks inherent to PEC and the control processes with respect to such Risks.

3.1.3.2. Evaluating other sources of Risks related to financial, strategic, operational, compliance, or any others that may arise.

3.1.3.3. Determining PEC's Risk Responses.

3.1.3.4. Managing and monitoring PEC's Risks.

3.2. ERM Committee

3.2.1. The ERM Committee is the governing and oversight body of PEC's ERM Program.



- 3.2.2. The ERM Committee is responsible for setting ERM Program procedures, assessing Risk Responses, monitoring, and reporting to PEC's Board of Directors and staff.
- 3.2.3. The ERM Committee is comprised of the Executive Leadership Team. The Chief Executive Officer is the Chair.
- 3.2.4. The ERM Committee has the authority to:
 - 3.2.4.1. Assign roles and responsibilities as they relate to ERM.
 - 3.2.4.2. Delegate any roles to other employees of the Cooperative, as appropriate.
 - 3.2.4.3. Approve changes to the ERM Program.
- 3.2.5. The responsibilities of the ERM Committee are to:
 - 3.2.5.1. Set, approve, and amend the ERM Program.
 - 3.2.5.2. Guide and oversee implementation of the ERM Program.
 - 3.2.5.3. Evaluate PEC's overall Risks in the context of meeting short-term and long-term business and strategic objectives.
 - 3.2.5.4. Develop the PEC Risk Profile.
 - 3.2.5.5. Approve the assessment criteria, Risk assessments and interactions, and prioritization of identified Risks.
 - 3.2.5.6. Approve Risk Response strategies and mitigation plans.
 - 3.2.5.7. Oversee the performance of Risk Management and Risk Response plans as implemented by the corresponding Risk Owners.
 - 3.2.5.8. Oversee and direct the development and maintenance of PEC's Risk Register.
 - 3.2.5.9. Guide integration of ERM with other business planning and management activities.
 - 3.2.5.10. Review audit reports of PEC's ERM Program and monitor improvements and corrective actions.
 - 3.2.5.11. Ensure a thorough understanding of Risks and Risk Responses.
 - 3.2.5.12. Ensure the ERM Program Lead and Risk Owners have the necessary resources to fulfill their duties.
- 3.2.6. ERM Committee Meetings will be held at a minimum on a quarterly basis or as may otherwise be called by the Chair to address Risks.
- 3.2.7. The ERM Committee shall prepare a report and present to the PEC Board of Directors on an ~~an~~ semiannual basis, and shall include the PEC Risk Register and Risk Profile.
- ~~3.2.7.~~ 3.2.8. At least once a year the ERM Committee shall review the effectiveness of the PEC ERM Program and report the results and any recommended Policy or program changes to the PEC Board of Directors. As needed, the ERM Committee shall report any emerging Risks or changes to PEC's Risk Profile to the PEC Board of Directors.

3.3. ERM Program Lead

- 3.3.1. The ERM Program Lead shall administer this Policy and report to the ERM Committee for implementation of the ERM Program.

Commented [KK2]: This would allow for a more comprehensive update in October for the past year's events. Of course, the BOD or ERM committee still has the ability to call a meeting at will or during a period of very high risk.



3.3.2. The ERM Committee relies on the ERM Program Lead to coordinate the ongoing implementation of PEC's ERM Program.

3.3.3. The ERM Program Lead has the authority to:

3.3.3.1. Coordinate all ERM activities.

3.3.3.2. Develop and implement an integrated Risk Management framework, including methodology and tools.

3.3.3.3. Determine appropriate timing and communication of Risk information.

3.4. Risk Owners ~~and Risk Subtype Owners~~

3.4.1. The Risk Owners collect, consolidate, and analyze threat and opportunity related data from various inputs for their assigned Risks ~~and Risk Subtypes~~.

3.4.2. The Risk Owners have the authority to:

3.4.2.1. Delegate and assign responsibilities ~~to Risk Subtype Owners~~ within the corresponding business units or departments, if necessary.

3.4.2.2. Recommend Risk Responses to the ERM Program Lead subject to review by the ERM Committee.

3.4.2.3. Implement approved Risk Response strategies.

3.4.3. Meetings of Risk Owners with the ERM Program Lead will be held at a minimum on a quarterly basis or as otherwise called by the ERM Program Lead, as necessary.

3.5. Risk Types and Categorization

3.5.1. PEC's Risk Profile consists of both threats and opportunities and includes both internal and external sources.

3.5.2. For reporting and analysis purposes, Risks will be organized into Risk Types ~~and Risk Subtypes~~. These groupings may change at the discretion of the ERM Committee to accommodate new or emerging Risks as well as to include pertinent Risk information. More detailed sub-categorization of Risk may occur ~~within each Risk Subtype~~ to efficiently and consistently compare Risks across the business.

3.6. Risk Profile and Risk Tolerance

3.6.1. The PEC Board of Directors shall establish PEC's Risk Tolerance. The Risk Profile is determined by the Risk Tolerance of the Cooperative.

3.6.2. The ERM Committee shall develop PEC's Risk Profile according to PEC's Risk Tolerances and by implementing the objectives established in PEC's strategic plan, business plan, key performance indicators, and PEC Board policies. In addition, the Impact ~~and~~ Likelihood, ~~Vulnerability, and Speed of Onset Scales~~ shall be used to define Risk Tolerance. These ~~scales~~ are subject to modification by the ERM Committee.

3.6.3. For guidance on maintaining PEC's Risk Tolerance the following Impact limits shall apply. Any Risk identified, assessed, and determined by the ERM Committee to exceed these Impact limits with a probability of occurrence greater than 50% shall be reported to the PEC Board of Directors along with a proposed plan for Risk Response:



- 3.6.3.1. Potential safety and/or personal health impact that results in significant injuries or fatalities to employees or third parties, such as the public, Members, or vendors.
- 3.6.3.2. Potential Member service impact that results in a direct impact to PEC Members through a loss or disruption of PEC's services to more than 5% of the Membership for more than a 24-hour period.
- 3.6.3.3. Potential financial loss greater than 5% of the total revenue as established in the current fiscal year approved budget or results in PEC not maintaining the minimum Debt Service Coverage ratio.
- 3.6.3.4. Potential events or conditions that constitute events of default or that, with the giving of any notice, the passage of time, or both, would be an event of default under PEC's financial covenants with its lenders.
- 3.6.3.5. Potential compliance impacts that could result in significant prosecution and fines, litigation including class actions, or incarceration of PEC employees.
- 3.6.3.6. Potential reputational impacts that result in long-term negative media coverage.
- 3.6.3.7. Potential employee staffing impacts that result in high turnover of staff and loss of critical positions, and discontinuity of service.

4. DEFINITIONS

- 4.1. **ERM** – Enterprise Risk Management, which is the PEC-wide process of planning, organizing, leading, and controlling the activities of the Cooperative in order to minimize the effects of Risk (financial, strategic, operational, compliance or otherwise) on the Cooperative.
- 4.2. **ERM Committee** – The PEC Executive Leadership Team who have primary oversight of the implementation of PEC's ERM Program.
- 4.3. **ERM Program** – The program, including this Policy and procedures to address Risk Management for the Cooperative.
- 4.4. **ERM Program Lead** – The participant primarily responsible to the ERM Committee for coordination of implementation activities for the ERM Program. The ERM Program Lead is designated by the ERM Committee.
- 4.5. **Impact** – The effect a Risk will have on the electric business, program, project, or Cooperative if it does occur.
- 4.6. **Likelihood** – The probability of an event occurring.
- 4.7. **Risk** – An uncertain event or condition that, if it occurs, presents a threat to the electric business, programs, projects, or Cooperative's objectives or presents an opportunity to address efficiency for the electric business, programs, projects, or Cooperative's objectives.
- 4.8. **Risk Management** – The process of systematically identifying, quantifying, treating, monitoring and reporting on critical Risks.
- 4.9. **Risk Owner** – Person responsible for developing and implementing the specific treatment plans for their department's Risks on the Risk Register and for updating the ERM Committee on the Risk Response.



4.10. Risk Profile – The matrix for Risk Tolerance for the Cooperative.

4.11. Risk Register – A repository containing the results of the qualitative risk analysis, quantitative risk analysis and risk response planning. The Risk Register details all identified threats and opportunities, including description, Risk Type, ~~Risk Subtype~~, cause, probability of occurring, Impact(s), proposed Risk Responses, owners and current status.

4.12. Risk Response – The establishment of steps or practices to optimize opportunities and minimize threats using a variety of strategies, including acceptance, avoidance, mitigation and transfer for threats/exploitations along with sharing, enhancing and accepting opportunities.

~~4.13. Risk Subtype – A logical sub grouping within a Risk Type to facilitate aggregation, reporting and analysis.~~

~~4.14. Risk Subtype Owner – A central person(s) that collects, consolidates, and analyzes overall Risk and Risk Subtype data from applicable departments.~~

~~4.15.~~**4.13. Risk Tolerance** – The amount of Risk the Cooperative is willing to undertake.

~~4.16.~~**4.14. Risk Type** – A logical grouping of Risks ~~Subtypes~~ to facilitate aggregation, reporting, and analysis.

~~4.17.~~**4.15. Stakeholder** – Any individual, group, organization that can affect, be affected by, or perceive itself to be affected by a Risk.

5. POLICY ENFORCEMENT

The Board shall enforce this Policy. Violations of this Policy may result in disciplinary or corrective action, up to and including, termination.

6. REFERENCES AND RELATED DOCUMENTS

[Authority and Responsibilities Policy](#)

[Budget Policy](#)

[Investment Policy](#)

[Power Supply and Energy Management Policy](#)

Date adopted:	October 16, 2017
Last reviewed:	June 18, 2021
Review frequency:	Every 5 years
Amendment dates:	June 18, 2021
Effective date:	July 1, 2021
Approver:	Board of Directors
Applies to:	All PEC Employees
Administrator:	ERM Program Lead
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





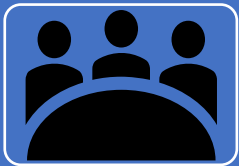
ENTERPRISE RISK MANAGEMENT GOVERNANCE POLICY

Effective Date: TBD

POLICY AT A GLANCE

PEC's Enterprise Risk Management ("ERM") Program has been established to improve the likelihood of achieving strategic and business objectives, and to eliminate or reduce the impact of unplanned events on PEC. All employees have a role to play in the ERM Program, which means understanding the risks facing PEC, assessing exposure, and taking action to effectively respond to preserve and maximize value for the Members. This ERM Governance Policy establishes the parameters for the ERM Program.

RESPONSIBILITY FOR THE ERM PROGRAM



Board of Directors

Establish PEC's Risk Tolerance based on identified Impact limits.



Executive Leadership - ERM Committee

Guide and oversee implementation of the ERM Program, develop PEC's Risk Profile, and approve Risk Response strategies and mitigation plans.



ERM Program Lead

Coordinate and implement activities of the ERM Program.



Risk Owners

Responsible for developing and implementing specific treatment plans for Risks and for updating the ERM Committee on the Risk Response.



1. PURPOSE

Pedernales Electric Cooperative (“PEC” or “Cooperative”) establishes the Enterprise Risk Management (“ERM”) Program to improve the likelihood of achieving strategic and business objectives and to eliminate or reduce the impact of unplanned events at PEC. The purpose of the ERM Governance Policy (“Policy”) is to establish guidelines for implementation and ongoing improvement of PEC’s ERM Program.

All employees play a role in the ERM Program, which means understanding the Risks facing the Cooperative, assessing exposure, and taking action to effectively respond to preserve and maximize value for the Members.

2. SCOPE

This Policy applies to all employees.

3. POLICY AND IMPLEMENTATION

The primary oversight and implementation participants of the ERM Program are the ERM Committee, ERM Program Lead, and Risk Owners.

3.1. ERM Program

3.1.1. The ERM Program standardizes the process of identifying, assessing, mitigating, and managing all Risks across PEC.

3.1.2. The objectives of the ERM Program are to:

3.1.2.1. Instill and maintain a Risk aware and Risk intelligent culture that encourages proactive versus reactive management.

3.1.2.2. Ensure PEC follows a consistent methodology and criteria for Risk identification, assessment, mitigation, and management.

3.1.2.3. Provide aggregated and relevant reporting on Risk exposures to PEC’s Board of Directors and a variety of Stakeholders to make informed and timely risk-based decisions and plans.

3.1.2.4. Integrate and align ERM into PEC policies and processes (e.g., safety, regulatory, finance, project management, power supply).

3.1.2.5. Minimize losses by uncovering sources of Risk and making them visible to Stakeholders.

3.1.3. The ERM Program is responsible for:

3.1.3.1. Identifying Risks inherent to PEC and the control processes with respect to such Risks.

3.1.3.2. Evaluating other sources of Risks related to financial, strategic, operational, compliance, or any others that may arise.

3.1.3.3. Determining PEC’s Risk Responses.

3.1.3.4. Managing and monitoring PEC’s Risks.

3.2. ERM Committee

3.2.1. The ERM Committee is the governing and oversight body of PEC’s ERM Program.



- 3.2.2. The ERM Committee is responsible for setting ERM Program procedures, assessing Risk Responses, monitoring, and reporting to PEC's Board of Directors and staff.
- 3.2.3. The ERM Committee is comprised of the Executive Leadership Team. The Chief Executive Officer is the Chair.
- 3.2.4. The ERM Committee has the authority to:
 - 3.2.4.1. Assign roles and responsibilities as they relate to ERM.
 - 3.2.4.2. Delegate any roles to other employees of the Cooperative, as appropriate.
 - 3.2.4.3. Approve changes to the ERM Program.
- 3.2.5. The responsibilities of the ERM Committee are to:
 - 3.2.5.1. Set, approve, and amend the ERM Program.
 - 3.2.5.2. Guide and oversee implementation of the ERM Program.
 - 3.2.5.3. Evaluate PEC's overall Risks in the context of meeting short-term and long-term business and strategic objectives.
 - 3.2.5.4. Develop the PEC Risk Profile.
 - 3.2.5.5. Approve the assessment criteria, Risk assessments and interactions, and prioritization of identified Risks.
 - 3.2.5.6. Approve Risk Response strategies and mitigation plans.
 - 3.2.5.7. Oversee the performance of Risk Management and Risk Response plans as implemented by the corresponding Risk Owners.
 - 3.2.5.8. Oversee and direct the development and maintenance of PEC's Risk Register.
 - 3.2.5.9. Guide integration of ERM with other business planning and management activities.
 - 3.2.5.10. Review audit reports of PEC's ERM Program and monitor improvements and corrective actions.
 - 3.2.5.11. Ensure a thorough understanding of Risks and Risk Responses.
 - 3.2.5.12. Ensure the ERM Program Lead and Risk Owners have the necessary resources to fulfill their duties.
- 3.2.6. ERM Committee Meetings will be held at a minimum on a quarterly basis or as may otherwise be called by the Chair to address Risks.
- 3.2.7. The ERM Committee shall prepare a report and present to the PEC Board of Directors on an annual basis, and shall include the PEC Risk Register and Risk Profile.
- 3.2.8. At least once a year the ERM Committee shall review the effectiveness of the PEC ERM Program and report the results and any recommended Policy or program changes to the PEC Board of Directors. As needed, the ERM Committee shall report any emerging Risks or changes to PEC's Risk Profile to the PEC Board of Directors.

3.3. ERM Program Lead

- 3.3.1. The ERM Program Lead shall administer this Policy and report to the ERM Committee for implementation of the ERM Program.



3.3.2. The ERM Committee relies on the ERM Program Lead to coordinate the ongoing implementation of PEC's ERM Program.

3.3.3. The ERM Program Lead has the authority to:

3.3.3.1. Coordinate all ERM activities.

3.3.3.2. Develop and implement an integrated Risk Management framework, including methodology and tools.

3.3.3.3. Determine appropriate timing and communication of Risk information.

3.4. Risk Owners

3.4.1. The Risk Owners collect, consolidate, and analyze threat and opportunity related data from various inputs for their assigned Risks.

3.4.2. The Risk Owners have the authority to:

3.4.2.1. Delegate and assign responsibilities within the corresponding business units or departments, if necessary.

3.4.2.2. Recommend Risk Responses to the ERM Program Lead subject to review by the ERM Committee.

3.4.2.3. Implement approved Risk Response strategies.

3.4.3. Meetings of Risk Owners with the ERM Program Lead will be held at a minimum on a quarterly basis or as otherwise called by the ERM Program Lead, as necessary.

3.5. Risk Types and Categorization

3.5.1. PEC's Risk Profile consists of both threats and opportunities and includes both internal and external sources.

3.5.2. For reporting and analysis purposes, Risks will be organized into Risk Types. These groupings may change at the discretion of the ERM Committee to accommodate new or emerging Risks as well as to include pertinent Risk information. More detailed sub-categorization of Risk may occur to efficiently and consistently compare Risks across the business.

3.6. Risk Profile and Risk Tolerance

3.6.1. The PEC Board of Directors shall establish PEC's Risk Tolerance. The Risk Profile is determined by the Risk Tolerance of the Cooperative.

3.6.2. The ERM Committee shall develop PEC's Risk Profile according to PEC's Risk Tolerances and by implementing the objectives established in PEC's strategic plan, business plan, key performance indicators, and PEC Board policies. In addition, the Impact and Likelihood shall be used to define Risk Tolerance. These are subject to modification by the ERM Committee.

3.6.3. For guidance on maintaining PEC's Risk Tolerance the following Impact limits shall apply. Any Risk identified, assessed, and determined by the ERM Committee to exceed these Impact limits with a probability of occurrence greater than 50% shall be reported to the PEC Board of Directors along with a proposed plan for Risk Response:



- 3.6.3.1. Potential safety and/or personal health impact that results in significant injuries or fatalities to employees or third parties, such as the public, Members, or vendors.
- 3.6.3.2. Potential Member service impact that results in a direct impact to PEC Members through a loss or disruption of PEC's services to more than 5% of the Membership for more than a 24-hour period.
- 3.6.3.3. Potential financial loss greater than 5% of the total revenue as established in the current fiscal year approved budget or results in PEC not maintaining the minimum Debt Service Coverage ratio.
- 3.6.3.4. Potential events or conditions that constitute events of default or that, with the giving of any notice, the passage of time, or both, would be an event of default under PEC's financial covenants with its lenders.
- 3.6.3.5. Potential compliance impacts that could result in significant prosecution and fines, litigation including class actions, or incarceration of PEC employees.
- 3.6.3.6. Potential reputational impacts that result in long-term negative media coverage.
- 3.6.3.7. Potential employee staffing impacts that result in high turnover of staff and loss of critical positions, and discontinuity of service.

4. DEFINITIONS

- 4.1. **ERM** – Enterprise Risk Management, which is the PEC-wide process of planning, organizing, leading, and controlling the activities of the Cooperative in order to minimize the effects of Risk (financial, strategic, operational, compliance or otherwise) on the Cooperative.
- 4.2. **ERM Committee** – The PEC Executive Leadership Team who have primary oversight of the implementation of PEC's ERM Program.
- 4.3. **ERM Program** – The program, including this Policy and procedures to address Risk Management for the Cooperative.
- 4.4. **ERM Program Lead** – The participant primarily responsible to the ERM Committee for coordination of implementation activities for the ERM Program. The ERM Program Lead is designated by the ERM Committee.
- 4.5. **Impact** – The effect a Risk will have on the electric business, program, project, or Cooperative if it does occur.
- 4.6. **Likelihood** – The probability of an event occurring.
- 4.7. **Risk** – An uncertain event or condition that, if it occurs, presents a threat to the electric business, programs, projects, or Cooperative's objectives or presents an opportunity to address efficiency for the electric business, programs, projects, or Cooperative's objectives.
- 4.8. **Risk Management** – The process of systematically identifying, quantifying, treating, monitoring and reporting on critical Risks.
- 4.9. **Risk Owner** – Person responsible for developing and implementing the specific treatment plans for their department's Risks on the Risk Register and for updating the ERM Committee on the Risk Response.



- 4.10. Risk Profile** – The matrix for Risk Tolerance for the Cooperative.
- 4.11. Risk Register** – A repository containing the results of the qualitative risk analysis, quantitative risk analysis and risk response planning. The Risk Register details all identified threats and opportunities, including description, Risk Type, cause, probability of occurring, Impact(s), proposed Risk Responses, owners and current status.
- 4.12. Risk Response** – The establishment of steps or practices to optimize opportunities and minimize threats using a variety of strategies, including acceptance, avoidance, mitigation and transfer for threats/exploitations along with sharing, enhancing and accepting opportunities.
- 4.13. Risk Tolerance** – The amount of Risk the Cooperative is willing to undertake.
- 4.14. Risk Type** – A logical grouping of Risks to facilitate aggregation, reporting, and analysis.
- 4.15. Stakeholder** – Any individual, group, organization that can affect, be affected by, or perceive itself to be affected by a Risk.

5. POLICY ENFORCEMENT

The Board shall enforce this Policy. Violations of this Policy may result in disciplinary or corrective action, up to and including, termination.

6. REFERENCES AND RELATED DOCUMENTS

[Authority and Responsibilities Policy](#)

[Budget Policy](#)

[Investment Policy](#)

[Power Supply and Energy Management Policy](#)

Date adopted:	October 16, 2017
Last reviewed:	June 18, 2021
Review frequency:	Every 5 years
Amendment dates:	June 18, 2021
Effective date:	July 1, 2021
Approver:	Board of Directors
Applies to:	All PEC Employees
Administrator:	ERM Program Lead
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





File #: 2022-371, **Version:** 1

Resolution - Approval of the 2023 Operating Budget and 2023 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/K Jones

Submitted By: Janelle Smith

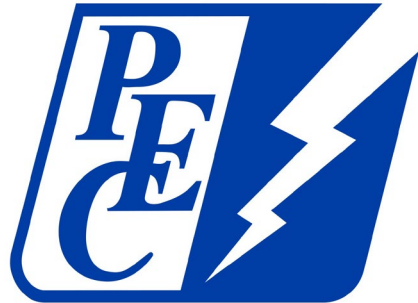
Department: Financial Services

Financial Impact and Cost/Benefit Considerations: As presented in the 2022 operating and capital improvement budgets.

The Board may consider approving the 2023 Operating and Capital Improvement budgets.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative adopt the 2023 Operating and Capital Improvement Plan (CIP) Budgets as presented this day; and

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



2023 Operating & Capital Budget

Janelle Smith | Financial Planning & Analysis Manager

Kat Jones | Controller

2019 – 2022 Historical and 2023 Budget

Financial Forecast	a-2019	a-2020	a-2021	2022	2023
Sale of Electricity	588,124,448	611,208,082	790,444,861	768,690,079	793,723,384
Other Revenues	29,792,556	31,851,266	36,908,908	40,826,460	45,390,882
Total Revenues	617,917,005	643,059,348	827,353,769	809,516,540	839,114,267
Purchased Power	336,358,046	356,869,021	518,792,868	464,481,549	487,026,041
Gross Margin	281,558,959	286,190,326	308,560,902	345,034,991	352,088,226
Operating Expenses ex. Depreciation	131,735,836	147,399,267	157,996,847	149,957,463	166,658,781
Depreciation	57,620,272	69,664,300	82,171,010	106,362,016	108,552,698
Interest Expense	37,275,760	38,391,536	38,439,075	45,417,920	45,173,483
Other Income and Interest Expenses	3,260,387	3,065,368	3,034,941	5,985,114	5,371,928
Net Margins	58,187,477	33,800,591	32,988,912	49,282,707	37,075,192
EBIDA (X)	195,988,609	161,568,298	22,555,542	240,653,593	194,550,492
Energy Sales kWh	6,490,605,760	6,533,473,552	6,644,752,823	7,591,673,274	7,500,307,799
Energy Purchases kWh	6,910,987,386	6,955,281,869	7,087,320,878	8,073,100,813	8,019,713,349
Year-End Account Count	329,702	348,280	367,289	387,229	407,506
Account Growth	329,702	18,578	19,009	19,940	20,277

Capital spend growth aligns with strategic plan

Category	a-2019	a-2020	a-2021	2022	2023	2024	2025	2026	2027
Distribution Line Extensions	28.9	28.8	27.4	5.6	-	-	-	-	-
Distribution Lines New	2.4	5.2	5.1	10.8	9.6	2.5	1.3	1.3	0.3
Distribution Lines Change	13.7	16.4	14.2	25.1	27.5	13.3	6.1	3.6	3.6
Substations New	7.8	5.9	3.8	10.5	20.8	33.1	21.3	19.3	20.7
Substations Change	16.3	25.0	18.0	15.7	24.9	30.5	32.4	34.6	43.2
Distribution Misc Equipment	48.1	41.5	58.2	55.0	51.8	51.5	42.8	42.6	43.5
Other Distribution Items	3.1	4.1	(1.2)	0.1	0.5	0.5	0.2	0.2	0.2
Transmission Lines New	(0.1)	(0.3)	0.1	3.3	2.0	2.1	11.6	30.6	29.3
Transmission Lines Change	20.9	16.4	26.6	14.3	19.7	31.5	33.6	38.4	6.6
Facilities	8.0	8.2	17.3	22.8	29.3	17.6	26.7	19.1	25.2
Information Technology	5.8	2.7	5.5	4.5	7.8	7.5	6.7	5.1	3.8
Tools & Small Equipment	0.6	0.3	0.3	0.2	0.4	0.4	0.4	0.4	0.5
Vehicles & Power Operated Equipment	6.1	5.8	2.7	2.9	8.5	8.0	10.0	10.0	10.0
Total	\$161.5	\$160.1	\$178.1	\$171.0	\$202.8	\$198.5	\$193.1	\$205.2	\$186.9

in \$ million

- Increase in 2023+ capital spend due to inflation and need for additional expenditures on substations, transmission, and meters.

Multi-Year Approval Capital Projects – Utility Plant

Transmission Project	Total	2022	2023	2024	2025	2026	2027
Wimberley Loop	70.4	0.3	1.0	0.6	8.5	30.6	29.3
T333 LV to NL Overhaul	11.4	0.1	0.2	7.5	3.6	-	-
T327 LA-NL Overhaul	10.9	0.3	6.5	4.1	-	-	-
T623 TP-CV Storm Hardening	10.6	0.3	0.1	6.6	3.6	-	-
T323 PF-MF Overhaul	10.2	0.3	5.9	4.0	0.0	-	-
T380 BD-TV Overhaul	5.8	-	0.4	5.4	0.0	-	-
MF-TP (T315) Storm Hardening	4.5	2.3	2.2	-	-	-	-
T324 ML-HT – Single Circuit	3.4	0.2	3.2	-	-	-	-
EMS Hardware Software	3.1	2.3	0.8	-	-	-	-
Total	130.2	6.0	20.3	28.2	15.8	30.6	29.3

Distribution Project	Total	2022	2023	2024	2025	2026	2027
JC make-ready - voltage conversion	12.4	2.9	6.0	3.5	-	-	-
Lago Vista Install 46.7 MVA Trf	8.9	-	1.2	7.7	-	-	-
New Sub Site on 2147-Construction new 46.7 MVA Sub	8.6	-	1.3	7.3	-	-	-
Hero Way Construct new 46.7 MVA Subst	8.3	0.9	7.4	-	-	-	-
Yarrington Construct new 46.7 MVA Subst	7.6	0.4	1.1	6.0	-	-	-
RR12-LaCima Construct 46.7 MVA Sub	7.3	-	1.3	6.0	-	-	-
Florence Construct new 46.7 MVA Sub	7.2	-	1.1	6.1	-	-	-
Junction - Upgrade T1 to 22.4 MVA	6.7	0.8	5.9	-	-	-	-
Fairland Make-ready Voltage Conversion	6.6	1.1	0.5	2.0	3.0	-	-
Dripping Springs Upgrade T1 and T2 to 46.7 MVA	5.3	-	1.4	3.8	-	-	-
Convert Burnet to 24.9KV	4.2	1.2	1.5	1.5	-	-	-
Cranes Mill Conversion	4.0	0.6	3.4	-	-	-	-
Pipeline Install 46.7 MVA Trf	3.8	-	0.7	3.0	-	-	-
Lehigh Install 46.7 MVA Trf	3.5	0.5	3.0	-	-	-	-
SCADA RTU's	3.4	0.5	2.3	0.5	-	-	-
Seward Junction Install 46.7 MVA Trf	3.1	0.5	2.6	-	-	-	-
Total	100.8	9.4	40.9	47.5	3.0	-	-

in \$ million

Multi-Year Approval Capital Projects – General Plant

Project	Total	2022	2023	2024	2025	2026	2027
Transmission Control Center	20.9	16.4	4.6	-	-	-	-
Junction/Warehouse Yard Expansion	12.8	0.4	5.6	-	-	-	6.7
Spring Branch - Warehouse Building, mechanic shop, wash	11.8	-	1.2	5.3	-	5.3	-
Haley Road - Mstr Plan, Fence, Site Dev	8.9	-	5.2	3.7	-	-	-
Safety Tech Training Cntr Improvements	4.7	-	1.6	3.2	-	-	-
Marble Falls Additional Property Fence & Improvements	3.7	0.7	3.0	-	-	-	-
Total	62.8	17.5	21.2	12.1	-	5.3	6.7

in \$ million

Facilities and Fleet Capital Spend

Board Approval required

Project	Total	2022	2023	2024	2025	2026	2027
Transmission Control Center	20.9	16.4	4.5	-	-	-	-
Cedar Park - Improvements	17.0	-	-	-	-	2.0	15.0
Junction/Warehouse Yard Expansion	12.8	0.4	5.6	-	-	-	6.8
Spring Branch - Warehouse Building, mechanic shop, wash bay, fuel island, canopy	11.8	-	1.2	5.3	-	5.3	-
Leander Administrative Building	10.5	-	-	-	5.2	5.3	-
Haley Road - Mstr Plan, Fence, Site Dev	8.9	-	5.2	3.7	-	-	-
Safety Tech Training Cntr Improvements	4.7	-	1.6	3.1	-	-	-
Marble Falls Additional Property Fence & Improvements	3.7	0.7	3.0	-	-	-	-
Other Facilities Projects	50.5	5.3	8.3	5.6	21.5	6.5	3.5
Total	140.8	22.8	29.3	17.6	26.7	19.1	25.3

in \$ million

- Fleet approx. \$8.5M per year; pre-approval to order through 2024

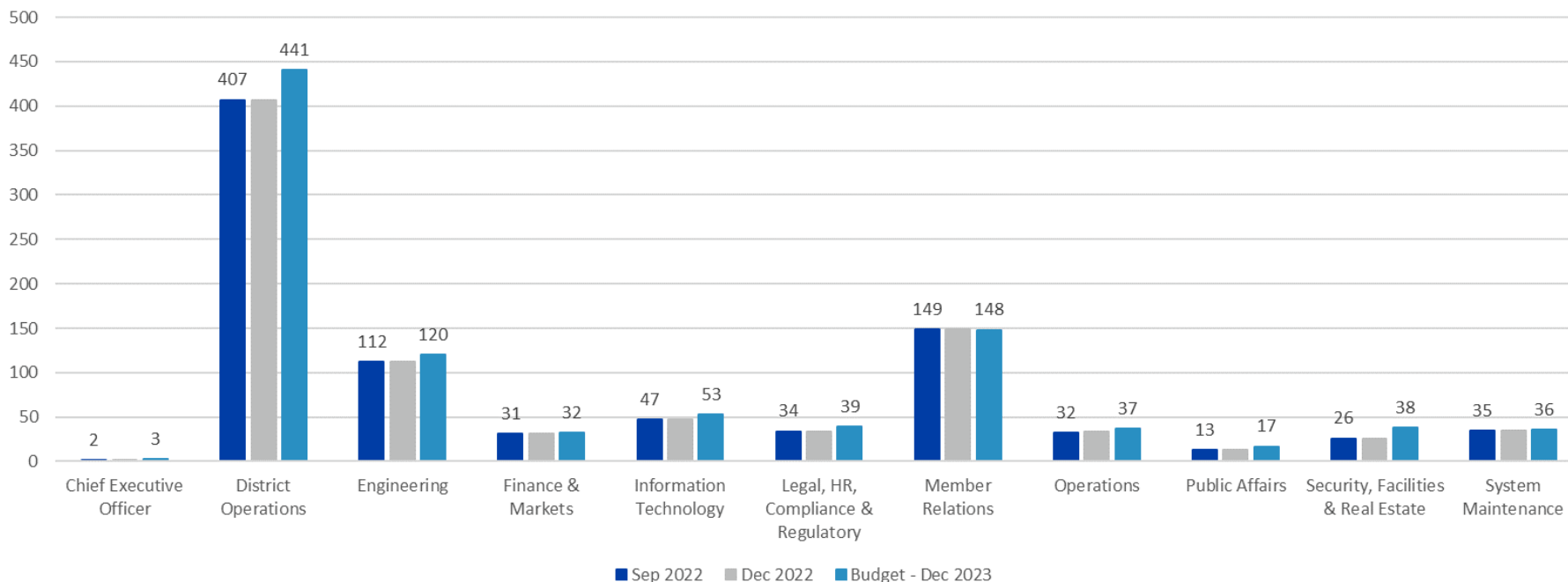
Operating expense growth restricted to business needs

Activity Group Expense	a-2019	a-2020	a-2021	2022	2023	2024	2025	2026	2027
Payroll and Benefits	68.7	70.2	76.6	71.8	78.4	81.0	83.9	87.9	90.9
Outside Services	37.4	47.6	49.7	45.5	52.3	51.4	51.0	51.1	50.5
Goods & Materials	5.2	6.6	6.8	6.4	8.1	8.3	8.3	8.4	8.5
Utilities	5.3	5.7	6.5	6.0	6.1	6.2	6.1	6.1	6.1
Misc / Other Expense	3.4	4.7	4.0	4.9	5.6	5.7	5.8	5.9	6.0
Staff - Travel and Misc	2.2	1.9	1.7	2.0	2.4	2.4	2.4	2.4	2.5
Transportation	2.1	2.1	2.6	2.6	2.3	2.2	2.3	2.3	2.4
Directors Expense	0.3	0.2	0.3	0.2	0.3	0.3	0.3	0.3	0.3
Member Events	0.1	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2
Taxes	7.0	8.5	9.8	10.5	10.9	11.6	12.4	13.2	13.8
Total	131.7	147.4	158.0	150.0	166.7	169.3	172.7	177.8	181.3

Annual Spend Drivers:									
	COVID	Winter Storm	Labor + Material Shortages	Inflation; TCC Operations					
YoY % Change	11.9%	7.2%	-5.1%	11.1%	1.6%	2.0%	3.0%	1.9%	
% Account Growth	5.6%	5.5%	5.4%	5.2%	5.0%	4.8%	4.6%	4.3%	
% Change from 2022 Budget				-10.6%	-1.8%	-4.3%	-5.9%	-6.5%	
Distribution \$ Opex per MWh Sold	\$ 18.65	\$ 20.61	\$ 21.82	\$ 17.67	\$ 19.64	\$ 18.94	\$ 18.57	\$ 18.38	\$ 18.09

- Growth from 2022 to 2023 in outside services and goods and materials is reflective of inflation environment and expected to return to normal level
- 2024+ Increases at levels below inflation and lower than PEC growth rate, scaling business and lowering cost per kWh

Labor expenses and contractor costs

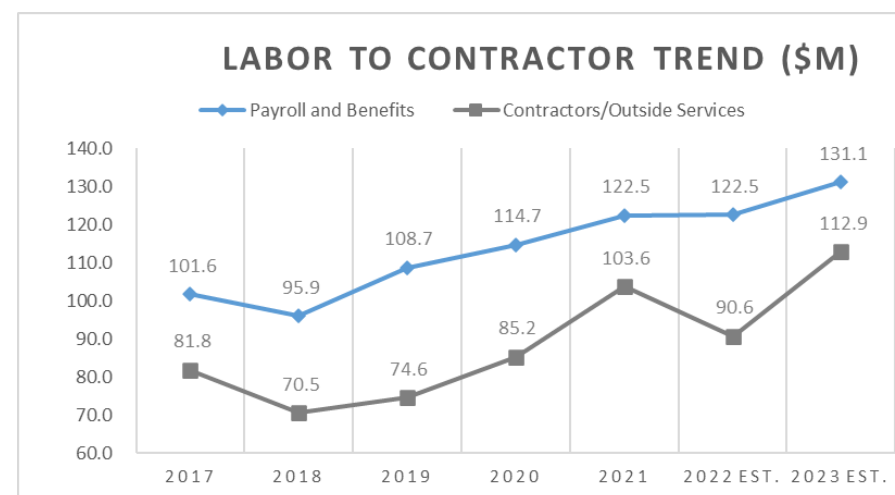


Total labor dollars for 2023: **\$131.1M**

- **Capex \$51.5M (39%)**
- **Opex \$79.6M (61%)**

Growth 2022 to 2023 Budget:

- Lineman Apprentice Class **+16**
- Transmission Control Center **+6**
- Self-funded Positions **+11**



Community giving no longer funded from members' rates

Initiative	Forecast	Budget Years					Funding Source
	2022	2023	2024	2025	2026	2027	
Member Assistance Program*	32,000	50,000	50,000	50,000	50,000	50,000	Power of Change
United Charities Corporate Match	50,000	100,000	100,000	50,000	50,000	50,000	Power of Change
Community Grants Program	50,000	60,000	60,000	60,000	60,000	60,000	Power of Change
Educational Support Program	24,000	24,000	24,000	24,000	24,000	24,000	Power of Change
Scholarship Program	100,000	100,000	100,000	100,000	100,000	100,000	Unclaimed Property
Total	256,000	334,000	334,000	284,000	284,000	284,000	

*Rate funded in 2022; Power of Change funded in forecast

- Power of Change donations increased in July 2022 to approximately \$12k/month with enrollment initiative
- Beginning balance in Power of Change allows additional funding in first two years
- Current balance of \$77,298 in the Economic Development will be reallocated to the Scholarship Fund for 2023 due to projected under funding from unclaimed property and lack of current Economic Development initiatives.
- Energy Efficiency funds of \$101,429 will remain in the current fund but be evaluated for programs in 2023+



pec.coop



File #: 2022-372, Version: 1

Draft Resolution - Approval of 2023 Election Timeline - S Romero

Submitted By: Sylvia Romero

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).

Section 3.2 of the Election Procedures provides that the Board will consider, amend (if desired), and approve an Election Timeline at least 5 months prior to each Annual Membership Meeting. The timeline sets out the key dates relative to the election to be held before the Annual Membership Meeting. The Board may now review and approve the 2023 Election Timeline.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that pursuant to Section 3.2 of the Election Procedures of Pedernales Electric Cooperative, Inc., the Election Timeline, in the form presented to the Board, with such changes approved by the Board, is adopted as the 2023 Election Timeline for the election to be held before the Annual Membership Meeting.

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

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>* 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.</p>					
<p>** Dates listed on this timeline are subject to change with Board of Directors' Meeting dates.</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



2023 Election Timeline and Communications Plan

Sylvia Romero | Governance Manager

Ruth Verette | Creative Services Manager

2022 Election Summary

- Districts 4 and 5 were up for Election and both Incumbents were Re-Elected
 - Online Ballots Continue to Increase
 - Mail-in Ballots Remained Steady
 - Use of SmartHub Single Sign-on Increased
 - Increase in use of QR codes
- ✓ Voter Turnout: 17.74%
 - ✓ Votes Cast: 16,342
 - ✓ 3-Year Average Turnout 15.14%
 - ✓ Online voting member satisfaction 96.7%

2022 ELECTION TIMELINE DIRECTOR ELECTION BALLOTS, DISTRICTS 2 and 3					
2022 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
1	Draft Resolution - Approval of Annual Election Service Provider Contract	6.1	BOD / GC / GT	At or before the August Regular Board Meeting	9/16/2022
2	Final Resolution - Approval of Annual Election Service Provider Contract	6.1	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	9/16/2022
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	11/16/2022
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	11/16/2022
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)	12/16/2022
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	1/16/2023
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	3 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 Service 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 Service 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 / GC	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 32 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

Member Engagement and Voting Methods

Texas Co-op Power

Press Releases

PEC Corporate Statistics

Bill Messaging

Social Media

Digital Advertising

Print Advertising

Election Webpage

Candidate Collateral Webpage

**Election Services Provider Administers
Ballots and Customer Voting Support**

Mail-in ballot

Online ballot

**Online via Mobile Devices at District
Offices**

Email to Members with Voting Link

Email Reminders to Members

iCalendar Reminders to Members

QR Code Technology on all Ballots

Early Voting Incentives Program

Voting Through SmartHub Single Sign-On

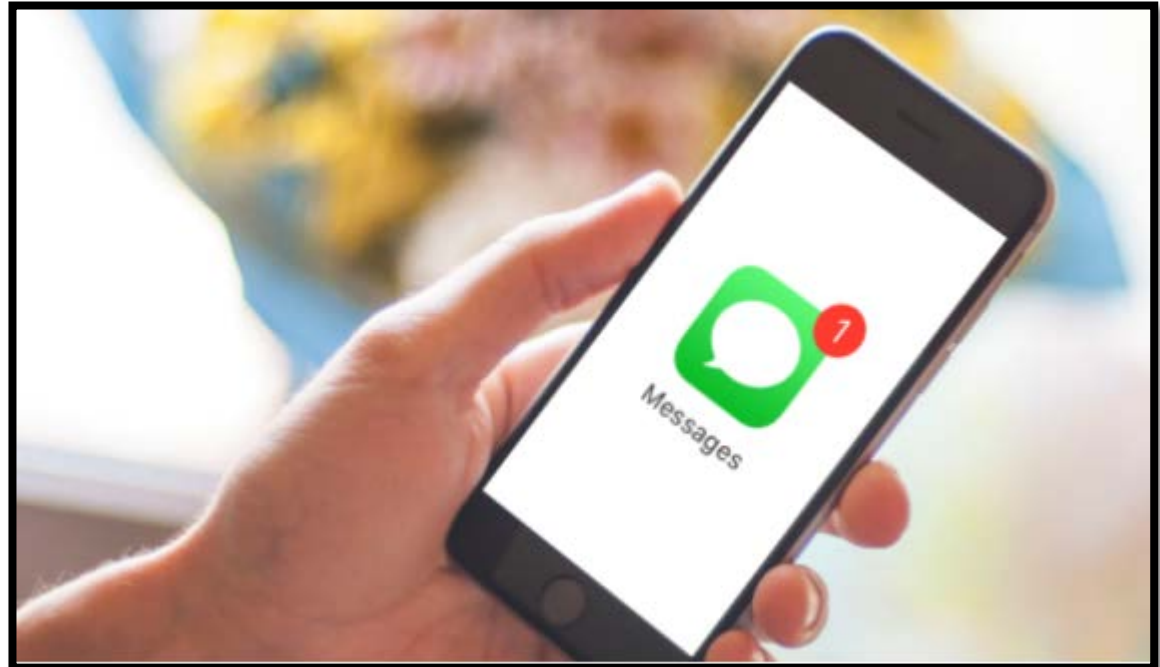
Online Voting Methods and Instructions

2023 Election – What's New for Member Engagement

**Smart Hub Mobile Device
Application – Available on App
Store and Google Play**



**SMS Text Messaging – One Way
Communication Includes Voting
Link Specific to Each Member**



2023 Important Dates and Information (Districts 2 & 3 Board Seats Up for Election)

- **Candidate Application/Petition Forms**
 - ✓ Opens – January 17, 2023
 - ✓ Deadline – March 27, 2023
- **Qualifications and Elections Committee (QEC)**
 - ✓ Names due February 10, 2023
 - ✓ Board Approves QEC, February 17, 2023
 - ✓ QEC Meets April 5 and April 6, 2023
- **Board Candidate Orientation:** April 10, 2023
- **Voting**
 - Begins May 16, 2023
 - Ends June 9, 2023, 5:00 p.m.
- **Election Results Released:** June 13, 2023, to Candidates, Board of Directors and Membership
- **Annual Member Meeting:** June 16, 2023, 9:00 a.m.
(June Board Meeting will be held immediately after the Annual Member Meeting)



Communications Objectives and Platforms

Objectives

- Promote and inform members of the 2022 election, including voting, district boundaries, registration, respective candidates, and deadlines
- Encourage member participation and provide instructions and tools for members to check voting eligibility
- Highlight convenient ways to vote: by mail, online, or QR code scanner on ballot
- Reinforce the “cooperative difference”

Platforms

- PEC Website
- Texas Co-op Power
- Press Releases
- Bill Messaging
- Social Media
- Print and Digital Advertising



Communications Plan Timeline

Phase	Timeline
I - Nomination Application and Petition Forms <ul style="list-style-type: none">• Texas Co-op Power• Bill Insert and Message	January – March 2023
II – Candidates <ul style="list-style-type: none">• Candidate Application Deadline through Digital Platforms	March – April 2023
III – Voting <ul style="list-style-type: none">• Voting Begins in May and Promote on all Communications Platforms• Annual Meeting Notice• PEC Corporate Statistics Provided to Membership• Texas Co-op Power Dust Cover to Voting Districts	May – June 2023
IV – Election Results and Annual Meeting <ul style="list-style-type: none">• Election Results Released to Membership• Annual Meeting: Election Results Announced and Welcome New Directors• Inform Members of Election Results on Various Channels	June – August 2023

Note: All phases include social media communications.





File #: 2022-373, **Version:** 1

Draft Resolution - Approval of 2023 Election Communications Plan - R Verette

Submitted By: Sylvia Romero on behalf of Ruth Verette

Department: Public Affairs

Financial Impact and Cost/Benefit Considerations:

At or before the Regular Board Meeting five (5) months before an election, the PEC Communications Department will present to the Board an Election Communications Plan ("Communications Plan"), outlining the communications efforts that will be employed to inform PEC members of the issues in any Non-Director Election and the Candidates, and the contact information for Members who have questions about the election process. At a minimum, the Communications Plan will include prominent references to the Election on PEC's Internet site, posting of Candidates' biographical materials and conflict-of-interest certification and disclosure form, video presentations of Candidates, use and distribution of printed materials and information on how to obtain answers to Election-related questions, obtain Ballots (including replacement Ballots), and cast Ballots; and PEC Corporate Statistics in a form approved by the Board in the Communications Plan. PEC Corporate Statistics may be communicated multiple times during the election cycle as approved in the Communications plan.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that, pursuant to Section 7.3 of the Election Policy and Procedures of Pedernales Electric Cooperative, Inc., the 2023 Election Communications Plan presented, or as modified by the Board this day, is approved; and

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



File #: 2022-374, **Version:** 1

Resolution - Approval of 2023 Board of Directors List of Proposed Future Meetings - M Ekrut

Submitted By: Sylvia Romero on behalf of President Mark Ekrut

Department: Board of Directors

Financial Impact and Cost/Benefit Considerations: N/A

The Board approves a list of future Regular Meeting dates and locations each year and may now consider the 2023 List of Proposed Future Meetings. Bylaws Article IV, Section 1.

BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Cooperative adopt the 2023 List of Proposed Future Meetings that was presented to and discussed by the Board this day; 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.

Proposed 2023 Board Meeting Calendar

- 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 17, 2023 Regular Meeting at 9:00 am on Thursday at the PEC Headquarters
- April 21, 2023 Regular Meeting at 9:00 am on Thursday 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



File #: 2022-058, **Version:** 1

List of Board Approved Future Meetings

Submitted By: Sylvia Romero

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").

2022 Board Meeting Calendar

(Previously Approved: 12/17/21, 1/21/22, and 2/18/22)

- January 21, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- February 18, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- March 22 – 23, 2022 Special Meeting at 9:00 am on Tuesday and Wednesday at Horseshoe Bay
- March 24, 2022 Regular Meeting at 9:00 am on Thursday at the PEC Headquarters
- *** • April 14, 2022 Regular Meeting at 9:00 am on Thursday at the PEC Headquarters
- May 20, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- June 17, 2022 Annual Membership Meeting at 9:00 am on Friday at the PEC Headquarters
- June 17, 2022 Regular Meeting immediately following the conclusion of the 2022 Annual Membership Meeting, on Friday at the PEC Headquarters
- July 15, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- August 19, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- August 30, 2022 Special Meeting at 9:30 a.m. on Tuesday at the PEC Headquarters
- September 16, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- October 21, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- November 18, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- December 16, 2022 Regular Meeting at 9:00 am on Friday at the PEC Headquarters

*** Note: April 15 is Good Friday and a PEC holiday.



File #: 2022-059, **Version:** 1

Board Planning Calendar (Written Report in Materials)

Submitted By: Sylvia Romero

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 - December 2022 through February 2023

Item #	Month	Item	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
DEC						
1	12	Approval Resolution – Approval of 2023 Board of Directors List of Proposed Future Meetings	Board President	December Regular BOD Meeting	Compliance	Reoccurring
2	12	Approval Resolution – Approval of 2023 Election Communications Plan	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
3	12	Approval Resolution – Approval of 2023 Election Timeline	General Counsel	December Regular BOD Meeting	Compliance	Reoccurring
4	12	Approval Resolution – Approval of Appointment of Members to PEC Plan Administration Committee (PAC)	VP, Human Resources	December Regular BOD Meeting	Strategic	Reoccurring
5	12	Approval Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2023	Chief Financial Officer	December Regular BOD Meeting	Compliance	Reoccurring
6	12	Approval Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Exception - Llano County	Compliance & Regulatory	December Regular BOD Meeting	Strategic	Ad-hoc
7	12	Approval Resolution – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
8	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
9	12	Cooperative Financial Update	Chief Financial Officer	December Regular BOD Meeting	Strategic	Reoccurring
10	12	Cooperative Operations Update	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
11	12	Cooperative Update	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
12	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Reserve Capacity Charge	VP, Markets	December Regular BOD Meeting	Strategic	Ad-hoc
13	12	Draft Resolution – Approval of 2023 Key Performance Indicators Plan Methodology	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
14	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Industrial Rate annual update	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
15	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Interconnect Rate annual update	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
16	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Solar Renewable Energy Rider	VP, Markets	December Regular BOD Meeting	Strategic	Ad-hoc
17	12	Draft Resolution - Approval of Construction Contract for Relocation of Transmission Underground	Engineering	December Regular BOD Meeting	Strategic	Ad-hoc
18	12	Draft Resolution – Approval of Directive for Delegates Regarding Upcoming Regional & National Meetings	External Relations	December Regular BOD Meeting	Strategic	Reoccurring
19	12	Draft Resolution - Approval to Amend Tariff and Business Rules - Rate Plan Annual Items	VP, Markets	December Regular BOD Meeting	Strategic	Ad-hoc
20	12	Markets Monthly Report	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
21	12	NRECA Winter School for Directors	General Counsel	TBD	Informational	Reoccurring
22	12	Personnel Matters	Human Resources	December Regular BOD Meeting	Strategic	Reoccurring
23	12	Resolution - Approval of Construction Contract for Junction Substation Upgrade	Engineering	December Regular BOD Meeting	Strategic	Ad-hoc
24	12	Resolution - Review and Approval of 2022 CEO Action Items and Bonus Evaluation	Board President	December Regular BOD Meeting	Strategic	Reoccurring
25	12	Review of 2023 CEO Action Items	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
26	12	Safety and Security Matters	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
27	12	Transmission Operations and Control Center Update	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring

3-Month Outlook Planning Calendar - December 2022 through February 2023

Item #	Month	Item	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
JAN						
28	1	2023 Election Timeline Update	General Counsel	January Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
29	1	Approval Resolution – Approval of 2023 Key Performance Indicators Plan Methodology	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
30	1	Approval Resolution – Approval of 2023 NRECA Annual Membership Dues	Chief Executive Officer	January Regular BOD Meeting	Compliance	Reoccurring
31	1	Approval Resolution – Approval of Directive for Delegates Regarding Upcoming Regional & National Meetings	External Relations	January Regular BOD Meeting	Strategic	Reoccurring
32	1	Approval Resolution – Approval of TEC Annual Membership Dues	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
33	1	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
34	1	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
35	1	Cooperative Financial Update	Chief Financial Officer	January Regular BOD Meeting	Strategic	Reoccurring
36	1	Cooperative Operations Update	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
37	1	Cooperative Update	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
38	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
39	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
40	1	Draft Resolution – Approval of Appointments to 2023 Qualifications and Elections Committee	General Counsel	January Regular BOD Meeting	Compliance	Reoccurring
41	1	Markets Monthly Report	VP, Markets	January Regular BOD Meeting	Strategic	Reoccurring
42	1	Personnel Matters	Human Resources	January Regular BOD Meeting	Strategic	Reoccurring
43	1	Resolution - Approval of Construction Contract for Relocation of Transmission Underground	Engineering	January Regular BOD Meeting	Strategic	Ad-hoc
44	1	Review of 2023 CEO Action Items	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
45	1	Safety and Security Matters	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
46	1	Transmission Operations and Control Center Update	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
FEB						
47	2	2023 Election Timeline Update	General Counsel	February Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
48	2	2023 Financial and Risk Outlook	Chief Financial Officer	February Regular BOD Meeting	Strategic	Ad-Hoc
49	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
50	2	Approval Resolution – Approval of Appointments to 2023 Qualifications and Elections Committee	General Counsel	February Regular BOD Meeting	Compliance	Reoccurring
51	2	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
52	2	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
53	2	Cooperative Financial Update	Chief Financial Officer	February Regular BOD Meeting	Strategic	Reoccurring
54	2	Cooperative Operations Update	Chief Operations Officer	February Regular BOD Meeting	Compliance	Reoccurring

3-Month Outlook Planning Calendar - December 2022 through February 2023

Item #	Month	Item	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
FEB						
55	2	Cooperative Update	Chief Executive Officer	February Regular BOD Meeting	Strategic	Reoccurring
56	2	Cyber Security Biannual Update	Compliance & Regulatory	February Regular BOD Meeting	Strategic	Biannual
57	2	Key Performance Indicator (KPI) of 2022 Period 2 Results	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
58	2	Markets Monthly Report	VP, Markets	February Regular BOD Meeting	Strategic	Reoccurring
59	2	Personnel Matters	Human Resources	February Regular BOD Meeting	Strategic	Reoccurring
60	2	Review of 2023 Chief Executive Officer (CEO) Action Items	Chief Executive Officer	February Regular BOD Meeting	Strategic	Ad-Hoc
61	2	Safety and Security Matters	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
62	2	Transmission Operations and Control Center Update	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	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 Directive for Delegates Regarding Upcoming Regional & National Meetings	External Relations	January Regular BOD Meeting	Strategic	Reoccurring
5	1	Approval Resolution – Approval of TEC Annual Membership Dues	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
6	1	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
7	1	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
8	1	Cooperative Financial Update	Chief Financial Officer	January Regular BOD Meeting	Strategic	Reoccurring
9	1	Cooperative Operations Update	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
10	1	Cooperative Update	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
11	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
12	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
13	1	Draft Resolution – Approval of Appointments to 2023 Qualifications and Elections Committee	General Counsel	January Regular BOD Meeting	Compliance	Reoccurring
14	1	Markets Monthly Report	VP, Markets	January Regular BOD Meeting	Strategic	Reoccurring
15	1	Personnel Matters	Human Resources	January Regular BOD Meeting	Strategic	Reoccurring
16	1	Resolution - Approval of Construction Contract for Relocation of Transmission Underground	Engineering	January Regular BOD Meeting	Strategic	Ad-hoc
17	1	Review of 2023 CEO Action Items	Chief Executive Officer	January Regular BOD Meeting	Strategic	Reoccurring
18	1	Safety and Security Matters	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
19	1	Transmission Operations and Control Center Update	Chief Operations Officer	January Regular BOD Meeting	Strategic	Reoccurring
20	2	2023 Election Timeline Update	General Counsel	February Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
21	2	2023 Financial and Risk Outlook	Chief Financial Officer	February Regular BOD Meeting	Strategic	Ad-Hoc
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 Appointments to 2023 Qualifications and Elections Committee	General Counsel	February Regular BOD Meeting	Compliance	Reoccurring
24	2	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
25	2	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
26	2	Cooperative Financial Update	Chief Financial Officer	February Regular BOD Meeting	Strategic	Reoccurring
27	2	Cooperative Operations Update	Chief Operations Officer	February Regular BOD Meeting	Compliance	Reoccurring
28	2	Cooperative Update	Chief Executive Officer	February Regular BOD Meeting	Strategic	Reoccurring
29	2	Cyber Security Biannual Update	Compliance & Regulatory	February Regular BOD Meeting	Strategic	Biannual
30	2	Key Performance Indicator (KPI) of 2022 Period 2 Results	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
31	2	Markets Monthly Report	VP, Markets	February Regular BOD Meeting	Strategic	Reoccurring
32	2	Personnel Matters	Human Resources	February Regular BOD Meeting	Strategic	Reoccurring

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
33	2	Review of 2023 Chief Executive Officer (CEO) Action Items	Chief Executive Officer	February Regular BOD Meeting	Strategic	Ad-Hoc
34	2	Safety and Security Matters	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
35	2	Transmission Operations and Control Center Update	Chief Operations Officer	February Regular BOD Meeting	Strategic	Reoccurring
36	3	2023 Election Timeline Update	General Counsel	March Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
37	3	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
38	3	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
39	3	Cooperative Financial Update	Chief Financial Officer	March Regular BOD Meeting	Strategic	Reoccurring
40	3	Cooperative Operations Update	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
41	3	Cooperative Update	Chief Executive Officer	March Regular BOD Meeting	Strategic	Reoccurring
42	3	Draft Resolution – Approval and Certification of 2023 Election Ballot	General Counsel	March Regular BOD Meeting	Compliance	Reoccurring
43	3	Draft Resolution – Approval of 2023 Annual Meeting Agenda	General Counsel	March Regular BOD Meeting	Compliance	Reoccurring
44	3	Draft Resolution - Approval of 2023 Annual Membership Meeting Agenda	General Counsel	March Regular BOD Meeting	Compliance	Reoccurring
45	3	Draft Resolution – Approval of 2023 Cooperative Response Center (CRC) Voting Delegates	Chief Operations Officer	March Regular BOD Meeting	Compliance	Reoccurring
46	3	Markets Monthly Report	VP, Markets	March Regular BOD Meeting	Strategic	Reoccurring
47	3	Personnel Matters	Human Resources	March Regular BOD Meeting	Strategic	Reoccurring
48	3	Real Estate Update	Chief Operations Officer	March Regular BOD Meeting	Strategic	Bi-Annual
49	3	Safety and Security Matters	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
50	3	Transmission Operations and Control Center Update	Chief Operations Officer	March Regular BOD Meeting	Strategic	Reoccurring
51	4	2023 Election Timeline Update	General Counsel	April Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
52	4	Approval Resolution – Approval and Certification of 2023 Election Ballot	General Counsel	April Regular BOD Meeting	Compliance	Reoccurring
53	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
54	4	Approval Resolution – Approval of 2023 Annual Meeting Agenda	General Counsel	April Regular BOD Meeting	Strategic	Reoccurring
55	4	Approval Resolution – Approval of 2023 Cooperative Response Center (CRC) Voting Delegates	Chief Operations Officer	April Regular BOD Meeting	Compliance	Reoccurring
56	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
57	4	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
58	4	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
59	4	Audit Committee Meeting – 2022 Financial Audit	Chief Financial Officer	April Audit Committee Meeting	Compliance	Reoccurring
60	4	Audit Plan Report 2023	Chief Financial Officer	April Regular BOD Meeting	Strategic	Reoccurring
61	4	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	April Regular BOD Meeting	Compliance	Quarterly
62	4	Cooperative Financial Update	Chief Financial Officer	April Regular BOD Meeting	Strategic	Reoccurring
63	4	Cooperative Operations Update	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
64	4	Cooperative Update	Chief Executive Officer	April Regular BOD Meeting	Strategic	Reoccurring
65	4	Distribution System Planning Update	VP, Engineering	April Regular BOD Meeting	Strategic	April/September

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
66	4	Enterprise Risk Management (ERM) Update	VP, Compliance & Regulatory	April Regular BOD Meeting	Strategic	Biannual
67	4	Markets Monthly Report	VP, Markets	April Regular BOD Meeting	Strategic	Reoccurring
68	4	Personnel Matters	Human Resources	April Regular BOD Meeting	Strategic	Reoccurring
69	4	Presentation of 2021 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	Chief Financial Officer	April Audit Committee Meeting	Strategic	Reoccurring
70	4	Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates - QEC Representative	General Counsel	April Regular BOD Meeting	Compliance	Reoccurring
71	4	Review of 2023 CEO Action Items	Chief Executive Officer	April Regular BOD Meeting	Strategic	Reoccurring
72	4	Safety and Security Matters	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
73	4	Transmission Operations and Control Center Update	Chief Operations Officer	April Regular BOD Meeting	Strategic	Reoccurring
74	5	2023 Election Timeline Update	General Counsel	May Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
75	5	Approval Resolution - Review and Approval of 2023 CEO Performance Evaluation and Compensation	Board of Directors	May Regular BOD Meeting	Compliance	Reoccurring
76	5	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
77	5	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
78	5	CEO Action Plan Quarterly Update	Chief Executive Officer	May Regular BOD Meeting	Strategic	Reoccurring
79	5	Cooperative Financial Update	Chief Financial Officer	May Regular BOD Meeting	Strategic	Reoccurring
80	5	Cooperative Operations Update	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
81	5	Cooperative Update	Chief Executive Officer	May Regular BOD Meeting	Strategic	Reoccurring
82	5	Draft Resolution – Review and Approval of Privacy Policy	General Counsel	May Regular BOD Meeting	Compliance	Reoccurring
83	5	Ethics and Compliance Update	Ethics and Compliance Officer	May Regular BOD Meeting	Strategic	Biannual
84	5	Markets Monthly Report	VP, Markets	May Regular BOD Meeting	Strategic	Reoccurring
85	5	Moment of Silence in Commemoration of Memorial Day	Board President	May Regular BOD Meeting	Strategic	Reoccurring
86	5	Personnel Matters	Human Resources	May Regular BOD Meeting	Strategic	Reoccurring
87	5	Resolution - Review and Approval of 2023 CEO Performance Evaluation	Chief Executive Officer	May Regular BOD Meeting	Strategic	Reoccurring
88	5	Safety and Security Matters	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
89	5	Transmission Operations and Control Center Update	Chief Operations Officer	May Regular BOD Meeting	Strategic	Reoccurring
90	6	Acknowledgement and Seating of Directors Elected at Annual Meeting	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
91	6	Approval Resolution - Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting	General Counsel	June Regular BOD Meeting	Compliance - TEC	Reoccurring
92	6	Approval Resolution – Review and Approval of Privacy Policy	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
93	6	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
94	6	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
95	6	Approval to Review and Reaffirm/Amend Audit Committee Charter	General Counsel	June Regular BOD Meeting	Compliance - Bylaws	Reoccurring
96	6	CFC Forum/Annual Membership Meeting	General Counsel	TBD	Informational	Reoccurring
97	6	Conduct Annual Membership Meeting	Chief Executive Office	During June	Compliance - Bylaws	Reoccurring
98	6	Cooperative Financial Update	Chief Financial Officer	June Regular BOD Meeting	Strategic	Reoccurring
99	6	Cooperative Operations Update	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
100	6	Cooperative Update	Chief Executive Office	June Regular BOD Meeting	Strategic	Reoccurring
101	6	Draft Resolution - Approval of Award to Negotiate Contract for Election Services Provider	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
102	6	Election - Office of President	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
103	6	Election - Office of Secretary and Treasurer	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
104	6	Election - Office of Vice President	General Counsel	June Regular BOD Meeting	Compliance	Reoccurring
105	6	Markets Monthly Report	VP, Markets	June Regular BOD Meeting	Strategic	Reoccurring
106	6	NRECA Summer School East	General Counsel	TBD	Informational	Reoccurring
107	6	Personnel Matters	Human Resources	June Regular BOD Meeting	Strategic	Reoccurring
108	6	Receipt of Conflict of Interest Disclosure Form, Director Affirmation and Directors' Code of Conduct Acknowledgement for Directors	General Counsel	At conclusion of Annual Meeting	Compliance - Code of Conduct, Conflict of Interest Policies	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 and Security Matters	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
111	6	Transmission Operations and Control Center Update	Chief Operations Officer	June Regular BOD Meeting	Strategic	Reoccurring
112	7	Annual Review of Conflicts of Interest Certification and Disclosure Forms from Directors	General Counsel	July Regular BOD Meeting	Compliance - Bylaws	Reoccurring
113	7	Approval Resolution - Approval of Award to Negotiate Contract for Election Services Provider	General Counsel	August Regular BOD Meeting	Compliance	Reoccurring
114	7	Approval Resolution - Approval of Written Certification of the Election Results	General Counsel	Annual Meeting Minutes and for first Regular or Special Board Meeting Minutes	Compliance – Election Policy and Procedures	Reoccurring
115	7	Approval Resolution – Approval to Appoint CFC Voting Delegates for CFC District Meeting	General Counsel	after Annual Meeting July Regular BOD Meeting	Compliance - CFC	Reoccurring
116	7	Approval Resolution – Approval to Appoint NRECA Voting Delegates for NRECA Regional Meeting	General Counsel	July Regular BOD Meeting	Compliance - NRECA	Reoccurring
117	7	Approval Resolution – Proposal for Allocation of 2022 Net Margins to Capital Credits	Chief Financial Officer	July Regular BOD Meeting	Strategic	Reoccurring
118	7	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
119	7	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
120	7	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	July Regular BOD Meeting	Compliance	Quarterly
121	7	Cooperative Financial Update	Chief Financial Officer	July Regular BOD Meeting	Strategic	Reoccurring
122	7	Cooperative Operations Update	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
123	7	Cooperative Update	Chief Executive Officer	July Regular BOD Meeting	Strategic	Reoccurring
124	7	Draft Resolution - Approval of Amendments to PEC Bylaws	General Counsel	July Regular BOD Meeting	Compliance	Reoccurring
125	7	Election Update - Annual Voter Turnout	General Counsel	July Regular BOD Meeting	Compliance – Election Policy and Procedures	Reoccurring
126	7	Key Performance Indicator (KPI) Update of 2022 Period 1 Results	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
127	7	Markets Monthly Report	VP, Markets	July Regular BOD Meeting	Strategic	Reoccurring
128	7	Personnel Matters	Human Resources	July Regular BOD Meeting	Strategic	Reoccurring
129	7	Review of 2023 CEO Action Items	Chief Executive Officer	July Regular BOD Meeting	Strategic	Reoccurring
130	7	Safety and Security Matters	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring
131	7	TEC Annual Meeting	General Counsel	TBD	Informational	Reoccurring
132	7	Texas Public Power Association (TPPA) Annual Meeting	General Counsel	TBD	Informational	Reoccurring
133	7	Transmission Operations and Control Center Update	Chief Operations Officer	July Regular BOD Meeting	Strategic	Reoccurring

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
134	8	2022 Property (Real and Personal) Tax Appraisal and Assessment Update	Controller	August Regular BOD Meeting	Strategic	Reoccurring
135	8	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring
136	8	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring
137	8	Cooperative Financial Update	Chief Financial Officer	August Regular BOD Meeting	Strategic	Reoccurring
138	8	Cooperative Operations Update	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring
139	8	Cooperative Update	Chief Executive Officer	August Regular BOD Meeting	Strategic	Reoccurring
140	8	Cyber Security Biannual Update	Compliance & Regulatory	August Regular BOD Meeting	Strategic	Biannual
141	8	Directors’ Conflict of Interest Training and Directors’ Code of Conduct Training	Board Counsel	August Regular BOD Meeting	Compliance	Reoccurring
142	8	Distribution System Planning Update	VP, Engineering	September Regular BOD Meeting	Strategic	April/September
143	8	Draft Resolution - Approval for Renewal of 2024 Medical Insurance Benefits	Human Resources	August Regular BOD Meeting	Compliance	Reoccurring
144	8	Markets Monthly Report	VP, Markets	August Regular BOD Meeting	Strategic	Reoccurring
145	8	Personnel Matters	Human Resources	August Regular BOD Meeting	Strategic	Reoccurring
146	8	Post Member-Election Analysis and Annual Review	General Counsel	August Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
147	8	Recognition of PEC Participation at Annual Texas Lineman's Rodeo	Chief Operations Officer	August Regular BOD Meeting	Informational	Reoccurring
148	8	Safety and Security Matters	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring
149	8	Transmission Operations and Control Center Update	Chief Operations Officer	August Regular BOD Meeting	Strategic	Reoccurring
150	9	Approval Resolution - Approval for Renewal of 2024 Medical Insurance Benefits	Benefits & Compensation Manager	September Regular BOD Meeting	Compliance	Reoccurring
151	9	Approval Resolution – Approval of Directive(s) for Delegates Regarding Upcoming NRECA Regional Meeting	External Relations	September Regular BOD Meeting	Strategic	Ad-hoc
152	9	Approval Resolution - Recommend Approval by Board of Directors of 2021 IRS Form 990 - Bollinger, Sears, Gilbert & Moss, LLP (BSGM)	Chief Financial Officer	September Audit Committee Meeting	Compliance	Reoccurring
153	9	Approval Resolution - Recommendation of Acceptance of the Selection of Independent Auditor and Tax Services	Chief Financial Officer	September Audit Committee Meeting	Compliance	Reoccurring
154	9	Approval Resolution – Review and Approval of Policy for Establishing Procedures for Disposition of All or a Substantial Portion of the Cooperative’s Property	General Counsel	September Regular BOD Meeting	Compliance	Ad-hoc
155	9	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
156	9	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
157	9	Audit Committee Meeting	Chief Financial Officer	September Audit Committee Meeting	Compliance	Reoccurring
158	9	CEO Action Plan Quarterly Update	Chief Executive Officer	September Regular BOD Meeting	Strategic	Reoccurring
159	9	Cooperative Financial Update	Chief Financial Officer	September Regular BOD Meeting	Strategic	Reoccurring
160	9	Cooperative Operations Update	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
161	9	Cooperative Update	Chief Executive Officer	September Regular BOD Meeting	Strategic	Reoccurring
162	9	Draft Resolution – Approval of 2023 Rate Plan	VP, Markets	September Regular BOD Meeting	Strategic	Reoccurring
163	9	Draft Resolution – Approval of Election Policy and Procedures Amendments Related to 2022 Annual Director Post-Election Analysis	General Counsel	September Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
164	9	Draft Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas	Regulatory	September Regular BOD Meeting	Compliance	Ad-hoc

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
165	9	Draft Resolution - Approval of Fuel Related Service Provider	Chief Operations Officer	September Regular BOD Meeting	Strategic	Ad-hoc
166	9	Draft Resolution - Approval of Rebalance and Equitable Consideration of Director District Boundaries	General Counsel	September Regular BOD Meeting	Strategic	Ad-hoc
167	9	Draft Resolution - Approval of Review and Amendments to Rate Policy	VP, Markets	September Regular BOD Meeting	Compliance	Every 5-Years
168	9	Draft Resolution - Approval to Establish 2023 Annual Meeting Date and Location	General Counsel	September Regular BOD Meeting	Strategic	Reoccurring
169	9	Markets Monthly Report	VP, Markets	September Regular BOD Meeting	Strategic	Reoccurring
170	9	Personnel Matters	Human Resources	September Regular BOD Meeting	Strategic	Reoccurring
171	9	Safety and Security Matters	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
172	9	Transmission Operations and Control Center Update	Chief Operations Officer	September Regular BOD Meeting	Strategic	Reoccurring
173	10	Annual Review of Strategic Plan	Board President	October Regular BOD Meeting	Strategic	Reoccurring
174	10	Approval Resolution - Approval of 2021 IRS Form 990	Tax & Regulatory Accounting Manager	October Regular BOD Meeting	Compliance	Reoccurring
175	10	Approval Resolution - Approval of Acceptance of the Selection of Independent Auditor and Tax Services	Controller	October Regular BOD Meeting	Compliance	Reoccurring
176	10	Approval Resolution – Approval of Election Policy and Procedures Amendments Related to 2022 Annual Director Post-Election Analysis	General Counsel	October Regular BOD Meeting	Compliance - Election Policy and Procedures	Reoccurring
177	10	Approval Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Change	General Counsel	October Regular BOD Meeting	Compliance	Ad-hoc
178	10	Approval Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas	Compliance & Regulatory	October Regular BOD Meeting	Compliance	Ad-hoc
179	10	Approval Resolution - Approval of Rebalance and Equitable Consideration of Director District Boundaries	General Counsel	September Regular BOD Meeting	Strategic	Ad-hoc
180	10	Approval Resolution - Approval of Review and Amendments to Rate Policy	VP, Markets	October Regular BOD Meeting	Compliance	Every 5-Years
181	10	Approval Resolution – Approval to Establish Annual Meeting Date and Location	General Counsel	October Regular BOD Meeting	Compliance	Reoccurring
182	10	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring
183	10	Approval Resolution(s) – Approval Resolution of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring
184	10	CFC Districts 8 & 10 Meetings - Little Rock, AR	General Counsel	October 25, 2022	Informational	Reoccurring
185	10	Chief Executive Officer Action Plan and Annual Performance Goals Quarterly Update	Board of Directors	October Regular BOD Meeting	Compliance	Quarterly
186	10	Cooperative Financial Update	Chief Financial Officer	October Regular BOD Meeting	Strategic	Reoccurring
187	10	Cooperative Operations Update	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring
188	10	Cooperative Update	Chief Executive Officer	October Regular BOD Meeting	Strategic	Reoccurring
189	10	Draft Resolution – Approval of 2023 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
190	10	Draft Resolution – Approval of 2023 Rate Plan	VP, Markets	October Regular BOD Meeting	Strategic	Reoccurring
191	10	Draft Resolution - Approval of Power Supply Contractual Resources	VP, Markets	October Regular BOD Meeting	Strategic	Ad-hoc
192	10	Draft Resolution - Review and Approval of the Enterprise Risk Management Policy	Compliance & Regulatory	October Regular BOD Meeting	Compliance	Reoccurring
193	10	Enterprise Risk Management (ERM) Update	VP, Compliance & Regulatory	October Regular BOD Meeting	Strategic	Biannual
194	10	Markets Monthly Report	VP, Markets	October Regular BOD Meeting	Strategic	Reoccurring
195	10	NRECA Regions 8 & 10 Meetings	General Counsel	OCT 24-26, 2022	Informational	Reoccurring
196	10	Personnel Matters	Human Resources	October Regular BOD Meeting	Strategic	Reoccurring

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
197	10	Plan Administration Committee (PAC) Update - Michael Hansen, Drew McCorckle, CAPTRUST Advisors	General Counsel	October Regular BOD Meeting	Compliance	Reoccurring
198	10	Recognition of PEC Linemen Participation at Annual International Rodeo	Chief Operations Officer	October Regular BOD Meeting	Strategic	Ad-hoc
199	10	Review of 2023 CEO Action Items	Chief Executive Officer	October Regular BOD Meeting	Strategic	Reoccurring
200	10	Safety and Security Matters	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring
201	10	Transmission Operations and Control Center Update	Chief Operations Officer	October Regular BOD Meeting	Strategic	Reoccurring
202	11	2023 Legislative Positions	External Relations	November Regular BOD Meeting	Strategic	Reoccurring
203	11	2023 Texas Legislative Positions	External Relations	November Regular BOD Meeting	Strategic	Ad-Hoc
204	11	Approval Resolution – Approval of 2023 Board of Directors List of Proposed Future Meetings	Board President	November Regular BOD Meeting	Compliance	Reoccurring
205	11	Approval Resolution – Approval of 2023 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
206	11	Approval Resolution - Approval of 2023 Rate Plan	VP, Markets	November Regular BOD Meeting	Strategic	Reoccurring
207	11	Approval Resolution - Approval of Fleet Fuel Related Service Provider	Chief Operations Officer	November Regular BOD Meeting	Strategic	Ad-hoc
208	11	Approval Resolution - Approval of Power Supply Transaction Delegation of Authority	VP, Markets	November Regular BOD Meeting	Strategic	Ad-hoc
209	11	Approval Resolution - Review and Approval of the Enterprise Risk Management Policy	Compliance & Regulatory	November Regular BOD Meeting	Compliance	Reoccurring
210	11	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
211	11	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
212	11	CFC Independent Borrowers Executive Summit (IBES) - Huntington Beach, CA	General Counsel	NOV 7-9, 2022	Informational	Reoccurring
213	11	Cooperative Financial Update	Chief Financial Officer	November Regular BOD Meeting	Strategic	Reoccurring
214	11	Cooperative Operations Update	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
215	11	Cooperative Update	Chief Executive Officer	November Regular BOD Meeting	Strategic	Reoccurring
216	11	Discussion of Power Supply Contractual Resources	VP, Markets	November Regular BOD Meeting	Strategic	Ad-hoc
217	11	Draft Resolution – Approval of 2023 Election Communications Plan	External Relations	November Regular BOD Meeting	Compliance	Reoccurring
218	11	Draft Resolution – Approval of 2023 Election Timeline	General Counsel	November Regular BOD Meeting	Compliance	Reoccurring
219	11	Draft Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2023	Chief Financial Officer	November Regular BOD Meeting	Compliance	Reoccurring
220	11	Draft Resolution - Approval of Construction Contract for Junction Substation Upgrade	Engineering	November Regular BOD Meeting	Strategic	Ad-hoc
221	11	Draft Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Exception - Llano County	Compliance & Regulatory	November Regular BOD Meeting	Strategic	Ad-hoc
222	11	Ethics and Compliance Update	Ethics and Compliance Officer	November Regular BOD Meeting	Compliance	Biannual
223	11	Markets Monthly Report	VP, Markets	November Regular BOD Meeting	Strategic	Reoccurring
224	11	Personnel Matters	Human Resources	November Regular BOD Meeting	Strategic	Reoccurring
225	11	Recognition of Veterans Day	Board President	November Regular BOD Meeting	Compliance	Reoccurring
226	11	Safety and Security Matters	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
227	11	Transmission Operations and Control Center Update	Chief Operations Officer	November Regular BOD Meeting	Strategic	Reoccurring
228	11	Update on Cooperative Owned Lighting Services and Program	Markets	November Regular BOD Meeting	Strategic	Ad-Hoc

PEC Annual Planning Calendar

Item #	Month	Description	Owner	Due Date Notes	Strategic Item / Compliance Item	Reoccurring / Ad-hoc
229	12	Approval Resolution – Approval of 2023 Board of Directors List of Proposed Future Meetings	Board President	December Regular BOD Meeting	Compliance	Reoccurring
230	12	Approval Resolution – Approval of 2023 Election Communications Plan	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
231	12	Approval Resolution – Approval of 2023 Election Timeline	General Counsel	December Regular BOD Meeting	Compliance	Reoccurring
232	12	Approval Resolution – Approval of Appointment of Members to PEC Plan Administration Committee (PAC)	VP, Human Resources	December Regular BOD Meeting	Strategic	Reoccurring
233	12	Approval Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2023	Chief Financial Officer	December Regular BOD Meeting	Compliance	Reoccurring
234	12	Approval Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Exception - Llano County	Compliance & Regulatory	December Regular BOD Meeting	Strategic	Ad-hoc
235	12	Approval Resolution – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
236	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
237	12	Cooperative Financial Update	Chief Financial Officer	December Regular BOD Meeting	Strategic	Reoccurring
238	12	Cooperative Operations Update	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
239	12	Cooperative Update	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
240	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Reserve Capacity Charge	VP, Markets	December Regular BOD Meeting	Strategic	Ad-hoc
241	12	Draft Resolution – Approval of 2023 Key Performance Indicators Plan Methodology	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
242	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Industrial Rate annual update	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
243	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Interconnect Rate annual update	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
244	12	Draft Resolution - Approval of Amendments to the Tariff and Business Rules - Solar Renewable Energy Rider	VP, Markets	December Regular BOD Meeting	Strategic	Ad-hoc
245	12	Draft Resolution - Approval of Construction Contract for Relocation of Transmission Underground	Engineering	December Regular BOD Meeting	Strategic	Ad-hoc
246	12	Draft Resolution – Approval of Directive for Delegates Regarding Upcoming Regional & National Meetings	External Relations	December Regular BOD Meeting	Strategic	Reoccurring
247	12	Draft Resolution - Approval to Amend Tariff and Business Rules - Rate Plan Annual Items	VP, Markets	December Regular BOD Meeting	Strategic	Ad-hoc
248	12	Markets Monthly Report	VP, Markets	December Regular BOD Meeting	Strategic	Reoccurring
249	12	NRECA Winter School for Directors	General Counsel	TBD	Informational	Reoccurring
250	12	Personnel Matters	Human Resources	December Regular BOD Meeting	Strategic	Reoccurring
251	12	Resolution - Approval of Construction Contract for Junction Substation Upgrade	Engineering	December Regular BOD Meeting	Strategic	Ad-hoc
252	12	Resolution - Review and Approval of 2022 CEO Action Items and Bonus Evaluation	Board President	December Regular BOD Meeting	Strategic	Reoccurring
253	12	Review of 2023 CEO Action Items	Chief Executive Officer	December Regular BOD Meeting	Strategic	Reoccurring
254	12	Safety and Security Matters	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring
255	12	Transmission Operations and Control Center Update	Chief Operations Officer	December Regular BOD Meeting	Strategic	Reoccurring



File #: 2022-376, **Version:** 1

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.



File #: 2022-377, Version: 1

Litigation and Related Legal Matters - D Ballard

Submitted By: Don Ballard

Department: General Counsel

Financial Impact and Cost/Benefit Considerations: N/A



File #: 2022-378, **Version:** 1

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.



File #: 2022-375, **Version:** 1

2023 Texas Legislative Positions - J Urban/S Johnson

Submitted By: JP Urban/Shannon Johnson

Department: External Affairs

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



File #: 2022-379, Version: 1

Ethics and Compliance Update - M Beyer

Submitted By: Mark Beyer

Department: Ethics & Compliance

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



File #: 2022-355, **Version:** 1

Resolution - Approval of Fleet Fuel Related Services Provider - C Moos

Submitted By: Cody Moos

Department: Chief Operations Officer

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



File #: 2022-382, **Version:** 1

Resolution - Approval of Power Supply Transaction Delegation of Authority - D Thompson

Submitted By: David Thompson

Department: Markets

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



File #: 2022-370, **Version:** 1

Draft Resolution - Approval of Capital Credits Distribution and Payment during Calendar Year 2023 - J Smith

Submitted By: Janelle Smith

Department: Chief Financial Officer

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



File #: 2022-388, **Version:** 1

Draft 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.



File #: 2022-389, **Version:** 1

Draft Resolution - Approval of Filing of Application as to its Certificate of Convenience and Necessity (CCN) with Public Utility Commission of Texas for Service Territory Boundary Exception - Llano County - A Hagen/C Powell

Submitted By: Aisha Hagen/Christian Powell

Department: Regulatory & Compliance

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



File #: 2022-381, **Version:** 1

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.



File #: 2022-395, **Version:** 1

Update on Cooperative Owned Lighting Services and Program - D Southwell

Submitted By: Dawn Southwell

Department: Markets

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



File #: 2022-383, **Version:** 1

Markets Monthly Report - D Thompson

Submitted By: David Thompson

Department: Markets

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



File #: 2022-380, **Version:** 1

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

Submitted By: Cody Moos/John Warren/Joe Louis/Jose Treviño

Department: Operations

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



File #: 2022-384, **Version:** 1

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.



File #: 2022-385, Version: 1

**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.



File #: 2022-386, **Version:** 1

Safety and Security Matters

Submitted By: Support Services

Department: Support Services

Financial Impact and Cost/Benefit Considerations: N/A



File #: 2022-387, **Version:** 1

Personnel Matters

Submitted By: Human Resources

Department: Human Resources

Financial Impact and Cost/Benefit Considerations: N/A