



Legislation Details (With Text)

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**File created:** 10/22/2019      **In control:** Board of Directors

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**Title:** Resolution - Approval of Defined Benefit Plan Funding Policy Amendments - J Davis / W Burns

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 2019-11-22 Defined Benefit Plan Funding Policy (Clean) - J Davis W Burns, 2. 2019-11-22 Defined Benefit Plan Funding Policy (Redline) - J Davis W Burns

Date	Ver.	Action By	Action	Result
11/22/2019	1	Board of Directors	adopted	Pass

**Resolution - Approval of Defined Benefit Plan Funding Policy Amendments - J Davis / W Burns**

**Submitted By:** Sylvia Romero on behalf of John Davis

**Department:** Legal Services

**Financial Impact and Cost/Benefit Considerations:** None - Revised language does not result in any immediate financial impact since plan is currently funded at a level that exceeds the revised Adjusted Funding Target Attainment Percentage (“AFTAP,”) of 85%.

The Board previously approved a Defined Benefit Funding Plan Policy April 19, 2010 and approved subsequent amendments. The amendments to the Defined Benefit Funding Plan Policy to be considered today consist of the following revisions, among others:

The proposed language in the policy increases the minimum AFTAP from 80% to 85%. This allows the plan to continue operating in a manner and further avoid restrictions that could result if the AFTAP was below 80%.

Also, language was revised to allow greater flexibility for funding the plan by removing reference to legislation passed under the Moving Ahead for Progress in the 21<sup>st</sup> Century (“MAP-21”) law passed in 2012.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that pursuant to its regular review of Board policies, the Board has reviewed and adopts the amendments to the Defined Benefit Plan Funding Policy presented and discussed this day, with modifications, if any, as were approved by the Board; and

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