

TO: PEC Board members

FROM: Concerned employees

Enough is enough.

When are you, James Oakley, going to accept the fact that in spite of your intentions, what you did when you posted the comments has harmed the Cooperative and employees in many ways? Your most recent article in the Austin American Statesman is clear evidence that you cannot and will not accept responsibility for your actions. Why did you feel it necessary to publish this article? Employees are trying to move on and get past this harm that you have inflicted on the Cooperative, and you on the other hand, seem determined to prove that you are right. Ok, you succeeded and your actions, in part, attributed to Mr. Hewa's departure. Do you have to be right about what caused him to leave?

This issue is not about who you supported in the presidential election. Employees are well aware of the fact that you are a Republican and supported Donald Trump. That was evident when you were pictured standing behind him during one of his visits to Austin. We are very smart and can deduce that you were of that political persuasion, given where you live and the number of Republicans who indicated their political persuasion during the meetings when they spoke in favor of your actions. They were very quick to point out that they were Republicans. Not sure that had to do with anything but it is clear that it had meaning for you. We had no way of knowing their political affiliation until they stated it publicly. You and the other board members are the ones who have turned serving on the PEC board into a political venue. It is blatantly obvious, to the casual observer, that you and Emily Pataki in particular, are using this as a stepping stone for higher political gain. Employees would greatly appreciate it if you would focus your attention on the matters that concern the Cooperative rather than how a seat on the board may benefit you later.

This quote from the Statesman is pathetic:

Oakley has chalked up the ongoing controversy regarding the post to political foes, saying he is being targeted because of his status as a supporter of President Donald Trump during the election last fall, and because he hasn't embraced the use of alternative energy sources as a co-op board member. He said his apology should have sufficed for anyone legitimately upset by the post.

It appears that you have no interest in doing what is good for the membership and employees. You guys certainly do not have any requisite skills in the power distribution industry and seem bent on running the day to day operations rather than allowing a competent staff, led by a Chief Executive Officer, to run the business and you provide oversight, set the strategic direction, monitor and measure results.

Several of your supporters attempted to make this about a dispute between you and another director. Can you just accept the fact that she did not take the picture from the San Antonio Express, copy, paste pen a note and press send. Those were your actions. At any point along that path, a person who is tuned in to sensitivities and some awareness of history, would have paused to think about the potential impact. You did not do that and your attempts to blame this is absurd.

Another quote from the article:

"I think that when someone sincerely apologizes, that you should make an effort to accept that," he said.

For the record, your feeble attempt at an apology was not sufficient because it came across as very arrogant and insincere. By definition, an apology is 'something that you say or write in order to tell someone that you are sorry that you have hurt them or caused trouble for them'. It is not up to you to decide whether or not an apology is sufficient and should be accepted. That is left up to the people who felt hurt by the comments.

"I will be fully compliant with whatever they came up with," Oakley said of the commission's punishment. "I don't have to agree with it, but I'm not contesting it. I know in my heart what I meant." You are correct, you do not have to agree. Yet another example of you not taking full responsibility for your actions and the harm that the posting caused. What is wrong with you that you cannot accept that regardless of your intentions, your actions caused harm? No one can see into your heart to determine what you meant we can only judge you by what you do and say. Words have meaning, consequences and they do cause harm.

Conflict of interest:

"Oakley and Pedemales Electric's other board members earned \$38,250 from the co-op last year, according to the most recent figures available. Oakley also receives a salary of \$79,082 as Burnet County judge, as well as a supplement of \$25,200 for extra judicial duties that he performs for the county."

How is it that you are comfortable driving your county provided vehicle to PEC board meetings, parking it in full view of employees. Are the citizens of Burnet County aware that you drive a vehicle that they pay for to another paying jobs? Looks like this is out of line and perhaps you would say that it is ok if those who elected you are ok with it. Just think about the optics of this to employees whose annual salary is far below your combined income and to the casual observer.

At what point did Mr. Hewa's performance become questionable? I have been in numerous Co-op Connect Meetings, watched board meetings and the board was highly complementary of his performance and accomplishments. I assure you that you and Emily Pataki totally changed the way you interacted with him after the Facebook posting. It was very clear to employees that something changed and you guys would not talk to him. I can say for certain that he remained respectful of the board members who attended these meetings. How dare you go to the newspaper and imply that his departure was performance related.

Please know that this charade is having a very negative impact on the Cooperative and its employees. Employees simply want to do their jobs without having to deal with comments by 'rouge' board members who seem to be determined to keep the Cooperative in the news and spread negativity. How can we ever move forward and focus on improving business operations.

Please rise above the fray and concentrate on the following:

- Remove yourselves from the day to day operations and focus on ensuring that the Cooperative remains viable and returns value to members
- Stop focusing on your selfish political agendas and do what is right for the Cooperative
- Do not allow employees to come to you with issues that should be addressed by the management team
- Separate your personal friendships from the business of the Cooperative

- Do not be influenced by those who undermine change and are determined to keep the status quo. Several of the most vocal members of management and employees are the least qualified individuals for the positions that they hold.

The Engagement Survey clearly indicates that there are problems with the senior management team, their ability to work together as a cohesive unit. We certainly do not need these distractions from you.

- These articles are harmful and damaging to the PEC brand
- Negativity is contagious, harmful and very dangerous to an organization.

Emily and other board members, please, please stem the tide on this nonsense and get to the business of functioning as a board of directors. Emily indicated during the Leadership Meeting last week that the board wanted someone who knows PEC, intimating that it would look inside to fill the CEO position. Seriously? How is that a possibility when their engagement scores were worse in 2017 than 2016? This group is very dysfunctional, publicly critical of each other, distrusting of each other and have been unable to work as a cohesive group. Please do not do further damage to the employees by selecting one of the existing leadership team members. Your focus should be on identifying a top tier leader and allowing them to determine how the organization should be structured. The start, stop, start, stop, shifting of responsibilities is very disruptive to the organization.

Are we so arrogant that we do not, cannot, will not or choose not to seek help from professionals? We truly need assistance with organizational structure, how effective organizations work, etc. Employees are weary of hearing that we are the 'largest cooperative'. We need to get to a point where we are operating like the largest and best run cooperative.

In closing, and as a reminder and a point of reference, the ten basic responsibilities of nonprofit boards are as follows:

1. Determine the Organization's Mission and Purpose

2. Select the Executive (PEC needs to select an individual with great business acumen, not necessarily someone currently within the organization)

3. Support the Executive and Review His or Her Performance (allowing the CEO to run the organization without interference from the board of directors)

4. Ensure Effective Organizational Planning (what is the boards plan to focus on this area)

5. Ensure Adequate Resources

6. Manage Resources Effectively

7. Determine and Monitor the Organization's Products, Services and Programs

8. Enhance the Organization's Public Image (newspaper articles that seem to be directed at disparaging the former CEO fit this category)

9. Serve as a Court of Appeal

10. Assess Its Own Performance (when does the board conduct a board assessment)

Attention is needed in the areas that are highlighted in yellow.

James Oakley, please stop the madness. Your arrogance is very disturbing!

Signed,

Very, very concerned employees who give it our best day in and day out and desperately want a board of directors that 'stays in their lane'!