

**Tanner Electric Cooperative
Minutes of the Board of Director's Meeting
October 21, 2008**

The Board President called the meeting to order at 5:05 pm at the North Bend office. Roll call was taken and the Directors present were Tim Moore, Julie Fromm, Mike Hodge, Jeff Cook, Susan Serrette-Egan, Jeff Gillette, and Jim Singer. Randy Anderson participated in the meeting via conference call, and Roger Guay was absent. Also present at the meeting were General Manager Steve Walter, CFO Robb Carr, Attorney Joel Merkel, Regional Vice-President of NRUCFC Dan Kessler, and Administrative Assistant Lisa Peabody.

NRUCFC

Dan Kessler, Regional Vice-President of NRUCFC, updated the Board on CFC's financial stability during this unstable economy.

Manager's Comments

The Manager's comments that were distributed to the Directors were reviewed.

Operations Report

The General Manager updated the Board on the Luhr Beach facility upgrade that occurred on October 16th. All went well, and the new system will enable a larger load pick-up after outages. Tanner Electric still has 30 more change outs recommended by its engineering firm to be 100% efficient. The SCADA system should be online by the end of 2008.

Area Concerns

Ames Lake - The Union Hill underground conversion is going well.

North Bend - No concerns reported at this time

Anderson Island - No concerns reported at this time.

Unfinished Business

Reading and Approval of the Minutes

- **Motion:** After reviewing the minutes from September's meeting a motion was made, and seconded, to approve the minutes as amended, motion carried.

Summary Minutes for the Ruralite

- **Motion:** A motion was made, and seconded to accept the minutes as amended for the Ruralite, motion carried.

Capital Credit Bylaws & Policy

After a review of the current capital credit bylaws and policy, the Board discussed making some amendments as recommended by Tanner's attorney.

- **Motion:** A motion was made, and seconded to accept the amendments as written, motion carried.

BPA Update

The new BPA contract is ready for signatures and will commit TEC to purchase Tier I power from Bonneville Power Administration.

- **Motion:** A motion was made, and seconded to approve the signing of the contract with BPA and TEC, motion carried.

NISC Software Conversion

The new software conversion took place on October 1st, and with only minimal issues. The first billing cycle with NISC is scheduled for October 29th.

Review Co-op accountability checklist

After attending the Region IX meeting, it was suggested that the Directors review a Co-Op accountability checklist for TEC. It was discussed that some areas need enhancement but overall TEC is compliant with the checklist.

Board Acknowledgement of Load Study

The engineering firm of Brown & Kysar has prepared a future Load Forecast study for TEC. After a discussion and a recommendation from the General Manager, the Board accepted the forecast as reasonable.

- **Motion:** A motion was made, and seconded to accept the Load Forecast from Brown & Kysar, motion carried.

Conflict of Interest Board Policy No. 1 - Resolution 08-168

Under the advice of Tanner's attorney, the Board reviewed a new conflict of interest policy that TEC will adopt to be in effect at the close of the meeting. All Directors and management will to sign the Conflict of Interest statement.

- **Motion:** A motion was made, and seconded to accept the new Conflict of Interest Policy for TEC, motion carried.

Resolution 08-169

After reviewing the current TEC Customer Service Policy regarding line extensions, the Board made amendments to policy # 32, section D, #1 & 2. A new Customer Service Policy on street lighting will be added to the current policy, under section 32A-Street Lighting Service.

- **Motion:** A motion was made, and seconded to approve the above amendments as written in Service Policy #32, motion carried.

New Business

Financial Report- Check List Review-Write Offs

The financial reports and check list were reviewed with no objections. There were no write-offs at this time.

Identity Theft Policy 08-170

Under the regulations of the Federal Trade Commission, TEC has adopted a policy to be in compliance.

- **Motion:** A motion was made, and seconded to approve the above resolution.

Budget 2009

The preliminary draft of the 2009 budget was reviewed and the key points discussed. The final draft will be brought before the budget committee and the Board for approval before the end of the year.

Other Business**New Membership List**

The transfer of service list was reviewed by the Board.

Meeting Adjourned at 10:00pm. The next meeting is scheduled for 5:00pm on Wednesday November 19, 2008 at the North Bend office.