

**Tanner Electric Cooperative
Board Meeting Minutes
January 20, 2009
North Bend Office**

The President of the Board of Directors called the meeting to order at 5:05pm. Present at the meeting were directors Tim Moore, Julie Fromm, Jeff Cook, Susan Serrette-Egan, Jim Singer, and Jeff Gillette. Randy Anderson, Roger Guay and Mike Hodge participated via conference call. Also present were General Manager, Steve Walter, CFO, Rob Carr, Operations Manager, Glen Livengood, Attorney, Joel Merkel, and Administrative Assistant, Lisa Peabody.

***Regular Business
(Open Session)***

General Manager's Comments

The Manager's comments were reviewed. Also shared with the Board were the important issues discussed at the NRECA Managers' Conference, which he attended.

Operations Report

The Union Hill project is awaiting sign off from King County for the contractor's piece of the project. Once signed off Tanner will proceed with the next segment of the project.

Applications are being reviewed for the line worker position available on the North Bend line crew.

The permitting process still continues with King County for the new carport being constructed at the North Bend yard. Construction will begin after we get the approval from the County.

The engineering firm of Brown & Kysar is beginning the process of evaluating vendors and AMI systems available for upgrading all of Tanner Electric's meters.

The Board was made aware of an accident involving a company vehicle in January, due to snow and icy conditions. No serious injuries were reported and no citations were issued. The vehicle will remain in use until the scheduled vehicle replacement date.

Area Concerns

Ames Lake - A decision was made by the Ames Lake Community Club to not proceed with the new street light plan that was proposed in 2008.

North Bend - The planned outage that was scheduled in December with PSE went as planned with no complications.

Anderson Island - It is a concern that the Island still has additional tree trimming that must be completed to reduce the number of outages on the Island.

Unfinished Business
(Closed Session)

Consent Agenda

Motion: To accept the consent agenda; seconded and carried.

Reading and Approval of the Minutes

Motion: To accept the minutes as amended, seconded and carried.

Summary Minutes for Ruralite

Motion: To accept the minutes for the Ruralite, seconded and carried.

Strategic Planning Agenda

On the agenda for the planning meeting scheduled for February 21st is a rate review for 2009, systems improvements and reliability discussion (5 year plan), and Tier II power resources.

Scholarships

The Board reviewed and accepted the revised application for high school students. Also approved were the guidelines and naming of the Allan Billett Memorial Scholarship for Electric Lineworker Training.

NRU LLC and BPA Timeline

Attorney Joel Merkel presented a PowerPoint to the Board explaining the NRU LLC results of the RFP and Lands Energy. On March 1, 2009 a load commitment signature is required for all participants.

SCADA

The Manager reviewed with the Board the new data that is now available through the SCADA system that is in operation for the Casino. The North Bend substation SCADA is being installed at this time and should be operational by mid February.

Pole Contacts

BroadStripe formerly Millennium Digital has filed bankruptcy. They did pay in full an outstanding invoice for pole contacts.

New Business

CFC Securities

Since Tanner Electric is a 100% CFC borrower the Board has decided to invest in CFC securities.

Motion: To invest \$50,000 in CFC securities to be reviewed annually by the finance committee; the motion was seconded and carried.

Storm Overview & System Improvement

After reviewing the winter storm incurred for 2008 the Manager discussed further options for adding a PSE loop to maintain system reliability to our commercial accounts.

Financial Reports

The financial reports were reviewed and discussed. Copies of the 2009 Operating and Capital budget were distributed to the Board.

The audit for 2008 is being scheduled with Kuhn & Company.

BPA CRC Credit

The management will be focusing on utilizing the remaining conservation credits from BPA by the end of 2009.

Meeting Adjourned

Motion: To adjourn the meeting; seconded and carried. Next meeting scheduled for February 20, 2009 at 3:00pm in Auburn, WA.