

**Tanner Electric Cooperative  
Board Meeting Minutes  
March 17th, 2009**

The Board of Director's meeting was called to order by the President at 5:05pm in the North Bend office. Present at the meeting were Directors Tim Moore, Julie Fromm, Jeff Cook, Susan Serrette-Egan, and Mike Hodge. Also present were General Manager, Steve Walter, CFO, Rob Carr, Administrative Assistant, Lisa Peabody, Attorney, Joel Merkel, and from Kenneth Kuhns & Company, Scott Muller and Mandy Born. Directors Roger Guay and Jeff Gillette participated via conference call. Absent were Directors Jim Singer and Randy Anderson and Operations Manager, Glen Livengood.

**Regular Business**

**Auditors Comments to the Board**

Scott Muller from Kenneth Kuhns & Company discussed the procedures for the 2008 audit. He will be conducting the audit during the upcoming week for Tanner Electric Cooperative.

**Manager's Comments**

The General Manager provided a detailed progress report to the Board regarding the Anderson Island cable repairs. He also provided updates on the SCADA system.

**Area Reports**

Ames Lake--No concerns at this time

Anderson Island--No concerns other than the cable repairs

North Bend--No concerns at this time

**Unfinished Business**

**Consent Agenda**

*Motion:* To approve the items on the consent agenda, the motion was seconded and carried.

**Reading and Approval of the Minutes**

*Motion:* To approve the minutes as amended, the motion was seconded and carried.

**Summary Minutes for Ruralite**

*Motion:* To approve the summary minutes for Ruralite as amended, the motion was seconded and carried.

**Member Access to Information Policy & Resolution No. 09-177**

Our attorney drafted a new policy and resolution 09-177 to support member access to cooperative information and records in compliance with Washington law while protecting Tanner from burdensome or unlawful requests for information.

*Motion:* To approve the Member Access to Information Policy and Resolution No. 09-177, the motion was seconded and carried.

**New Rate Increase Resolution No. 09-176**

The Board of Director has determined that an increase in the price at which Tanner sells electric services to members in 2009 is necessary to maintain and improve electric service to Tanner's members and otherwise to operate the electric cooperative in a fiscally responsible manner. This new rate shall be effective for all electricity provided to members in the billing cycle that includes deliveries of electric power from mid-March, 2009 to mid April, to be invoiced approximately May 1<sup>st</sup>, 2009, and for all future billing cycles.

*Motion:* To approve the proposed rate increase for 2009 as follows, motion seconded and carried.

Residential	Facility Charge	\$ 14.50	All KWH	\$ 0.0795
Small Commercial	Facility Charge	\$14.50	Up to 20,000KWH	\$0.0735
			Over 20,000 KWH	\$0.0635
			Over 40KW Demand	\$6.00
Large Commercial	Facility Charge	\$29.50	Up to 20,000KWH	\$0.0700
			Over 20,000KWH	\$0.0600
			Over 40 KW Demand	\$6.00

### **Emergency Funds**

It was proposed and discussed to replenish the Emergency Homestead Funds. The Manager would like a formal accumulation line item on the budget to reflect the repayment amounts.

### **New Rate Billing Insert**

The Board will review the draft copy included in the packet and notify the CFO with any amendments before the next billing cycle. A copy of the final draft will be inserted into the billing for Residential and Commercial member notification.

### **Rate Comparison Top Ten Commercial**

The Manager provided the Board with a comparison of the old commercial rates vs. the new rates. After the new rate, Tanner will still be below our competitor's commercial rates.

### **Multiple Meter Policy**

Some Tanner members have multiple meters on one property and are billed the full facility charge for each meter. The Manager and Board agreed to have Tanner's attorney draft a new multiple meter policy for the Board to review and approve at the April meeting.

### **PSE discussion - New Tie Line/New Substation**

The manager had a follow up meeting with PSE regarding a new tie line from the Tanner NB substation to the PSE substation. Brown & Kysar will be conducting a study on the cost and reliability of this proposed project. The cost of the study and permitting is estimated at \$ 20,000.00.

## **New Business**

### **Financials/Budget Review**

The monthly financial reports were reviewed and discussed. A budget revision was discussed at this time due to the Anderson Island cable failure expenses. It was proposed to cut down on expensed labor costs, and focus on capital projects. Based on the budget committee's approval the budget will be revised to adjust \$600,000 from the expense/maintenance budget to \$400,000.

*Motion:* A motion to approve the budget revision as proposed, motion seconded and carried.

### **Scholarship Application**

The Board was informed of the upcoming deadline for the High School scholarships. The scholarship chair and the Board President will review the applications and announce the winners at the April meeting.

### **Meeting Adjourned at 7:20pm**

Next scheduled meeting - April 21<sup>st</sup>, 2009 at 3:00pm in the North Bend Office.