

**Tanner Electric Cooperative
Board Meeting Minutes
July 21, 2009 4:00pm**

The President of the Board of Directors called the meeting to order at 4:00pm at the North Bend office. Present at the meeting were Tim Moore, Julie Fromm, Mike Hodge, Roger Guay, Jeff Gillette, Jim Singer, and Randy Anderson. Others present were General Manager, Steve Walter, CFO, Rob Carr, Attorney, Joel Merkel, and Administrative Assistant, Lisa Peabody. Director Jeff Cook participated via conference call and Director Susan Serrette-Egan was absent.

Regular Business (Open Session)

Manager's Comments

The General Manager's comments were discussed.

Operations Report

The Manager updated the Board on the current progress of the Union Hill conversion and the Lake Josephine project. He also announced that the new Engineer & Operations Manager, Richard Kent Jr., will arrive at Tanner on July 27th.

Area Reports or Concerns

Ames Lake - No concerns at this time

North Bend - No concerns at this time

Anderson Island - No concerns at this time

Unfinished Business (Closed Session)

Consent Agenda

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

Approval of the Minutes

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

Summary Minutes for Ruralite

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

Amending By Laws - Articles III, IV & VI

The Attorney prepared a draft of the amended Articles III, IV & VI. They were discussed and accepted. Further review and amendments of the articles will continue at each meeting until all have been updated.

New Business

Financials

The financial reports and budgets were reviewed. Also discussed was the 2008 BPA fuel mix disclosure. We are required by BPA to post this on our Tanner website.

CFC

Motion: A motion was made and seconded to keep the CFC loan short term and re-price annually, motion carried.

Smart Metering Grant

Tanner will apply for a federal grant to aid in the cost of the installation of AMI to all Tanner service territories. It was requested by management to hire a grant writer to assist in the application process.

Motion: To approve the request to hire a grant writing consultant for Tanner Electric's grant application, the estimated cost will be \$10,000.00, motion seconded and carried.

Strategic Planning Meeting

A planning meeting for the Tanner Board of Directors was scheduled for August 11th at 10:30am in the North Bend office. Meeting was rescheduled due to lack of data.

New Cable Update - Bob Schneider, P.E. of D. Hittle & Associates

Bob presented to the Board an overview of the environmental studies, cost comparisons, and schedule review for the cable replacement project. Based on his recommendations the Board was asked to approve the installation of one 3-phase cable.

Motion: A motion was made and seconded to approve the configuration of a new single 3-phase cable for Anderson Island, motion carried subject to strategic planning meeting results.

Regular meeting adjourned at 9:00pm. Next scheduled meeting is August 18, 2009 at 4:00pm in the North Bend office.

***Executive session followed regular meeting.**