

**Tanner Electric Cooperative
Minutes of the Board Meeting
August 18, 2009 4:00pm**

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

Regular Business (Open Session)

Manager's Comments

The General Manager's comments were discussed.

Operations Report

The Manager introduced Richard Kent Jr. to the Board. He is the new Operations Manager and Engineer for Tanner Electric Cooperative.

Area Reports or Concerns

Ames Lake - No concerns at this time.

Anderson Island - Jim Singer requested to be notified during large outages on the Island as soon as we have any information about restoration time and the cause.

North Bend - No concerns at this time

Unfinished Business (Closed Session)

Consent Agenda

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

Reading and Approval of the Minutes

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

Approval of the Summary Minutes for Ruralite

Motion: A motion was made and seconded to approve the summary minutes for the Ruralite as amended, motion carried.

Amending Articles VI, VII, VIII

Attorney Joel Merkel distributed a draft of the amended articles VI, VII, VIII. They were reviewed and accepted by the Board.

BPA Response to New Cable

We have formally asked Bonneville Power Administration (BPA) to own and install the new submarine cable to Anderson Island. This would allow Tanner to maintain a stronger debt to equity ratio. We are expecting to receive a reply in September.

New Sub Cable

A Summary report of the cable failure and repair summary was prepared by Hittle & Associates and distributed to the Board. The cost estimate was also reviewed. The JARPA permit will be ready to file in September and we are on task with timeline for the new cable project.

Strategic Planning Meeting

A meeting has been planned for September 21st at 10:30am in the North Bend office.

New Business

Financial Reports

The capital budget YTD was reviewed along with the regular monthly financial reports.

Grass Roots

Director Jeff Cook and CFO Rob Carr attended a Grass Roots seminar supported by NWPPA and WRECA. They shared information with the Board about getting Tanner involved with this organization.

NRU LLC/ NESC

For the record, let it be known that Joel Merkel is also the legal counsel for NRU LLC.

A Load commitment agreement needs to be signed by the General Manager to allow Tanner to withdraw or stay in the organization NRU LLC. The General Manager recommended to the Board that Tanner Electric remain in the NRU LLC/ NESC.

Motion: The Board will support the recommendation of the General Manager and Tanner Electric will not withdraw their load commitment from the NRU LLC.

Regular Meeting Adjourned at 7:25pm. The next scheduled Board of Directors meeting will be on September 15th at 5:00pm