

**Minutes of the Board Meeting
Tanner Electric Cooperative
February 16, 2010**

The President called the meeting to order at 5:00pm in the North Bend office. The Directors present were Tim Moore, Mike Hodge, Jeff Cook, Susan Serrette-Egan, Roger Guay, Jim Singer, and Jeff Gillette. Julie Fromm and Randy Anderson participated via conference call. Also present were Attorney Joel Merkel, General Manager Steve Walter, CFO Rob Carr, Operations Manager Rich Kent, Bob Schneider P.E. with Hittle and Associates, and Executive Assistant Lisa Peabody.

Regular Business (Open Session)

Manager's Comments

The Manager's comments were discussed.

Operation's Report

A project report was presented to the Board.

Area Reports or Concerns

No concerns were reported at this time.

Sub Cable Update

Bob Schneider reported to the Board on the recent progress being made on the new cable project for Anderson Island. A new cable route and project completion timeline was discussed. Permits are being finalized and will be submitted in March.

Unfinished Business

Consent Agenda

Motion: Approval of the consent agenda, the motion seconded and carried.

Approval of the Minutes

Motion: Approval of the December 2009 and January 2010 minutes as amended, the motion seconded and carried.

Summary Minutes for Ruralite

Motion: Approval of the summary minutes for Ruralite as amended, the motion seconded and carried.

Legislative Day

The Board President, General Manager and Board Secretary attended a Legislative day in Olympia. They met with the Senators and Representatives for each of Tanner's three service areas.

Line Extension Policy

A letter from a member was presented to the Board requesting an amendment to the current Line Extension Policy. After discussion, the Board suggested that no reimbursement shall be given to a member in the event that new members move onto a system that he or she originally paid for. Motion: To authorize an amendment to the current Line Extension Policy, no second was made, the motion did not carry.

Automated Metering Infrastructure

The Board approved the business case for installation of Automated Meter Infrastructure (AMI). The new metering equipment will be installed to the Ames Lake service area in 2010. Anderson Island and North Bend have installation dates targeted for 2011 and 2012. The estimated payback period for AMI is approximately 6- 8 years. AMI will provide meter accuracy, reliability, and it will offer advanced support in detecting outages.

New Business (Closed Session)

Financial Review

The monthly financial reports were reviewed with no objections.

2010 Capital Budget Revision

Motion: Approval to amend the original budget amount for the Pole Barn in the North Bend yard and to amend the 2010 Capital Budget by adding 50K to the Ami line item, motion seconded and carried.

Federated Insurance Renewal

The 2010 Federated Insurance renewal was reviewed by the Board. The new policy rate reflects a 5% increase.

Multiple Meter Policy

The multiple meter policy will be amended to reflect the new 2010 facility charge on Anderson Island. Additional meters on a property are billed at a discounted rate. Final draft will be presented to Board next month.

Adjourn Meeting 9:30pm