

**TANNER ELECTRIC COOPERATIVE
BOARD OF DIRECTORS**

**Regular Meeting
June 22, 2021**

MINUTES

The Board of Directors of Tanner Electric Cooperative (TEC) met in Regular Session at 3:00 p.m. on Tuesday, June 22, 2021, in the boardroom at the TEC administration building in North Bend, Washington.

I. CALL TO ORDER

Board President Mike Hodge called the meeting to order at 3:08 p.m.

II. ROLL CALL & PLEDGE OF ALLEGIANCE

Roll call was taken, and the following Directors were present:

President Mike Hodge
Vice President Roger Guay
Treasurer Paul Bay
Secretary-Susan Serrette-Egan
Dutch Siedentopf
John Saatela
Steve Nicholes
David McGoldrick
Carol Paschal

Absent: All Directors were present.

Quorum: A quorum was established.

Staff Present:

Steven Walter, Chief Executive Officer
Nick Himebauch, Operations Manager
Kevin Burns, Director of Finance
Lisa Peabody, Executive Administrative Assistant
Joel Merkel, General Counsel

III. APPROVAL OF THE BOARD MEETING AGENDA (Action Item)

Motion: To accept the meeting agenda as presented. The motion was seconded and passed by a unanimous voice vote of all Directors present and participating by teleconference as follows:

RESOLVED, that the June 2021 TEC Board meeting agenda be, and is hereby approved.

Moved: Dutch Siedentopf **Second:** David McGoldrick **Status:** Passed

IV. UNFINISHED BUSINESS

Receive the Consent Agenda (Action Item)

Motion: To receive and file the consent agenda items as presented during the June 2021 TEC Board meeting. The motion was seconded and passed by a voice vote of all Directors present and participating by teleconference as follows:

RESOLVED, that the June consent agenda including Write Offs, New Memberships, Release of Easements on Anderson Island, and Monthly Outage Reports be, and are hereby received by the Board without modifications.

Moved: Roger Guay **Second:** Dutch Siedentopf **Status:** Passed

Approval of the May Board Meeting Minutes (Action Item)

The minutes from the previous meeting were included as an attachment to the agenda and distributed to the Board for review.

Motion: To accept and approve the TEC Board meeting minutes from May 27, 2021, as written. The motion was seconded and passed by a unanimous voice vote of all Directors present participating by teleconference as follows:

RESOLVED, that the TEC Board meeting minutes from May 27, 2021 be, and are hereby approved.

Moved: Roger Guay **Second:** Paul Bay **Status:** Passed

Approval of the Summary minutes for the *Ruralite* (Action Item)

Motion: Move to approve the May Board meeting minutes as written for the *Ruralite* magazine. The motion was seconded and passed by a unanimous voice vote of all Directors present and participating by teleconference as follows:

RESOLVED, that the May 27, 2021, minutes for the *Ruralite* be, and are hereby approved.

Moved: Paul Bay

Second: Roger Guay

Status: Passed

V. FINANCIAL REVIEW – Mr. Kevin Burns (Action Item)

TEC Funds Disbursement List

The Board reviewed the monthly Checks, ACH and Wire Transactions for the month of May.

CFC Loan Repricing

The TEC Board of Directors voted to reprice one of the CFC Loans at a significantly reduced interest rate of 2.5%. The interest savings to the Cooperative over the remaining six-year life of the term would total more than \$49K.

Motion: To approve and authorize the re-pricing of CFC loan #9023001 at the rate of 2.5% as recommended by the CEO and Director of Finance. The motion was seconded and passed by a voice vote by all the Directors present and participating by teleconference as follows:

RESOLVED, that the CFC loan re-pricing as presented on June 22, 2021, be, and is hereby approved by the Board.

Moved: Paul Bay

Second: David McGoldrick

Status: Passed

Monthly P & L

Mr. Burns presented the monthly profit and loss reports to the Board.

Motion: To receive and file the Financial Reports as presented to the Board for the month of May. The motion was seconded and passed by a voice vote by all the Directors present and participating by teleconference as follows:

RESOLVED, that the May 2021 Financial reports as presented be, and are hereby received by the Board without modifications.

Moved: Paul Bay

Second: Ditch Siedentopf

Status: Passed

VI. REPORTS

CEO Report – Mr. Steven Walter

Mr. Walter submitted a written report that was distributed to the Board as an attachment to the agenda. During the meeting he discussed the Columbia River Treaty. He also informed the Board that the Paycheck Protection Program (PPP) Loan for the Cooperative has been forgiven and has been deemed a grant with no payback required.

Operations Manager’s Report – Nick Himebauch

Mr. Himebauch submitted a written report that was distributed to the Board as an attachment to the meeting agenda. During the meeting he discussed the Middle Fork transmission line and the infrastructure installation for the Dahlgren project.

Finance & Audit Committee – Chairperson Paul Bay

Mr. Bay reported the committee did not meet in person but did have online discussions about the Clean Energy Transformation Act. The committee will be meeting on July 20th at 1 p.m., prior to the TEC Board meeting.

Policy & Bylaws – Chairperson Dutch Siedentopf

Mr. Siedentopf reported that the committee met in person today June 22nd prior to the TEC Board meeting. They discussed the purpose, policy review process and objectives of the committee.

New Technology & Conservation – Chairperson Roger Guay

The committee continues to work online, researching the newest technology on solid state batteries and how they will affect TEC.

Union Affairs – Chairperson Steven Walter

The Operations Manager and the union representatives from IBEW Local 77 will continue to meet over the next few weeks to renegotiate a new contract.

There were no Personnel, Operations & Facility or Youth Development reports this month.

VII. OTHER REPORTS

General Counsel Report – Mr. Joel Merkel - King County ROW Update

Corporate Counsel Joel Merkel reported that the County, the Water Districts and the five water associations plus Tanner will all be filing their initial motions for partial summary judgment on June 23. The filing will include Tanner's motion that the County ordinance imposing a "rental fee" violates the County's obligations under its membership agreement with Tanner and that the membership agreement requires the County to limit any Franchise fees to its actual regulatory costs to administer the ROW. Among the other issues that the Districts, Tanner and the small water associations will include in the motions include requests for declaratory rulings that: (i) they have authority under condemnation statutes to condemn access to the ROW at much lower cost than the County's proposed rental fee; and (ii) that the County may not eject the utilities from the ROW while any condemnation action is pending. The water utilities will also include their claim that the County's ordinance requiring that the water utilities indemnify the County for any claims involving fire suppression is contrary to state law; and that they are entitled to a credit for providing "fire flow" that equals or exceeds the proposed rental fee. The motions will be heard on July 23.

VIII. NEW BUSINESS

TEC Board Resolution 21-272 – Appointing the Tanner Wind Energy (TWE) Board of Directors (Action Item)

Motion: To accept and approve Resolution 21-272 declaring that the TEC Board of Directors will also serve as the TWE Board of Directors for 2021-2022. The motion was seconded and passed by a unanimous voice vote of all Directors present and participating by video conference as follows:

RESOLVED, that the Resolution 21-272 be, and is hereby approved by the TEC Board of Directors on June 22, 2021.

Moved: Roger Guay

Second: Paul Bay

Status: Passed

Board Committee Assignments

Board President Mr. Hodge would like it noted in the meeting minutes, that Carol Paschal will be appointed as a member of the Youth Development and New Technology committees.

IX. ADJOURN TEC BOARD MEETING

Following no further business, the Board President adjourned the June 2021 Board of Directors meeting at 4:50 p.m. The next Board of Directors meeting is scheduled for July 20, at 3:00 p.m. at the Administration building in North Bend.