

MINUTES



**Tanner Electric Cooperative
TEC Board of Directors
June Board of Directors Meeting
Tuesday, June 21, 2022, 3:00 pm - 6:00 pm
TEC North Bend Office & ZOOM**

In Attendance

Member

Carol Paschal; Dutch Siedentopf; John Saatela; Mike Hodge; Paul Bay (remote); Roger Guay; Steve Nicholes; Susan Serrette-Egan (remote)

Staff

Joel Merkel; Kevin Burns; Lisa Peabody; Nick Himebauch; Steven Walter

Not In Attendance

Member

David McGoldrick

A. Empower Youth Network (EYN) - Introduction by Dutch Siedentopf

1. Guest Speakers: Karla Russell, Program Coordinator and Programs Director, Jerry Blackburn, and Communication & Development Director, Helene Wentink.

B. ROLL CALL

Mike

1. Establish a Quorum

Mike

C. CALL TO ORDER

Mike

The Board President called the June TEC Board or Director's meeting to order at 3:54 p.m., following the presentations from Empower Youth Network

1. *Action Item - Approve the Agenda*

Motion to approve the June 2022 TEC Board meeting agenda as presented.

Move: Dutch Siedentopf Second: Roger Guay Status: Passed

D. UNFINISHED BUSINESS

1. Consent Agenda

Motion to approve the consent agenda as presented.

Move: Roger Guay Second: Steve Nicholes Status: Passed

- a. New Memberships List
- b. Monthly Outage Reports

- c. Release of Easement Rights Anderson Island

Finding no conflicts with TEC electric facilities, it is recommended to the Board that TEC

release both easements to combine lots as listed below in the Riviera according to the plat thereof recorded in Pierce County, Washington, Lake Josephine Riviera No. 14, Lots 148 and 149
location: 10121 Matthews Way

2. *Action Item - Receive the Consent Agenda*

Motion: To approve the consent agenda as presented

Move: Roger Guay Second: Steve Nicholes Status: Passed

3. *Action Item - Approve the May Board Meeting Minutes*

Motion to approve the minutes from the May 2022 TEC Board of Directors meeting as modified.

Move: Carol Paschal Second: Paul Bay Status: Passed

4. *Action Item - Approve Summary Minutes for Ruralite*

Motion to approve the June minutes for the Ruralite magazine

Move: Dutch Siedentopf Second: Roger Guay Status: Passed

5. Strategic Planning Discussion

Steve

Kevin

E. FINANCIAL REVIEW

1. Funds Disbursement List

2. Monthly P & L

3. Misc. Financial Data

4. *Action Item - Receive the Financial Reports*

Motion to receive the Financial reports as presented.

Move: Paul Bay Second: Susan Serrette-Egan Status: Passed

F. REPORTS

1. CEO Report

Steve

The CEO gave a verbal report during the meeting and discussed market power costs, NRECA consortiums and the new Snoqualmie Casino hotel construction progress.

2. Operations Report

Nick

Operations Manager submitted a written report for the Board that was included as an attachment to the meeting agenda.

3. Committee Reports

a. Finance & Audit

Paul

b. *Action Items - Approve the Finance Committee's Recommendations*

i. Amend Capital Credit Policy

Motion: To accept and approve the Finance Committee's two amendments to the TEC Capital Credit Policy as presented by the Chair.

Move: Paul Bay Second: John Saatela Status:

ii. Capital Credit Allocation Action Items

Motion: To accept the Finance Committee's recommendation to the board and approve the allocation of the 2021 net margin in the amount of \$200,000 to the members of TEC. The result of this allocation will allow Tanner to offset an additional \$272,000 of prior Tanner Wind Energy overallocated capital credits.

Move: Paul Bay Second: John Saatela Status: Passed

iii. General Capital Credit Retirement

The Finance Committee recommends the board approve a General Capital Credit Retirement in 2022.

Motion: To accept the Finance Committee's recommendation and approve a General Capital Credit Retirement in the amount of \$350,000.

Move: Paul Bay Second: Roger Guay Status: Passed

iv. Budget Revision for Wage Increases

Motion: To accept the Finance Committee's recommendation and approve a budget increase total \$57,000 to cover the additional proposed 9% in wage increases due to inflation and CPI increases.

Move: Paul Bay Second: John Saatela Status: Passed

v. Resignation of Director Paul Bay, Treasurer and Finance Chairman

Paul Bay announced his resignation as Treasurer and Finance Chair immediately following today's meeting. He will remain on the Board as a Director until a replacement can be appointed to finish out his remaining two year term.

Motion: To accept and approve the recommendation to elect Carol Paschal as the TEC Board Treasurer and Audit Budget & Finance Committee Chairperson.

The Board President appointed the Ames Lake Directors to an Ad Hoc committee to vet potential Director(s) candidates for Board consideration to fill Paul Bay's vacant position.

Move: Paul Bay Second: Roger Guay Status: Passed

c. New Technology & Conservation

Roger

Chairman Roger Guay will discuss with the committee members their opinion about joining the NRECA EV and microgrid consortiums and report back to the board next month.

d. Operations & Facilities

Steve

The CEO made the Board aware of some recent homeless camping activity on the TEC administration building property and that a police report was filed.

e. Personnel

Mke

Chairman Mike Hodge will announce the 2022-2023 Board committee assignments next month.

f. Union Affairs Steve

Nothing to report at this time.

g. Youth Development Susan

Nothing to report at this time.

G. Other Reports

1. Director Area Reports

2. General Counsel Report - KC ROW Joel

King County has not taken any steps to respond to the questions and challenges to the reasonableness of the County's methodology for calculating the "rental fee" under Ordinance 18403 submitted by the utilities. It is not anticipated that the County will do so for a month or more.

Representatives of the Boards of Tanner, Ames Lake Water Association, Sallal Water Association, Union Hill Water Association, and Foothills Water Association have scheduled a June 30 meeting with King County Council member Sarah Perry to discuss repeal of Ordinance 18403. These utilities were "Intervenors" (along with 22 water districts) in the now dismissed litigation that challenged the authority of the County to adopt ordinance 18403. Paul Bay is Tanner's representative on that group and took the lead in arranging the June 30 meeting. The group will ask Sarah Perry to support repealing the Ordinance.

H. NEW BUSINESS

1. Distribute the annual Director's Conflict of Interest Forms for signatures.

I. ADJOURN MEETING

The June TEC Board of Director's meeting was adjourned by the President at 5:52 p.m.

J. EXECUTIVE SESSION

Mike

There will be an Executive Session today following the regular Board meeting.