

**TANNER ELECTRIC COOPERATIVE
BOARD OF DIRECTORS**

**Regular Meeting
August 17, 2021**

MINUTES

The Tanner Electric Cooperative (TEC) Board of Directors met in Regular Session at 3:00 p.m. on Tuesday, Aug 17,2021, 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 3:01 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
John Saatela
Steve Nicholes
David McGoldrick
Dutch Siedentopf

Absent: Carol Paschal

Quorum: A quorum was established.

Staff Present:

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

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 video conference as follows:

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

Moved: Roger Guay

Second: Steve Nicholes

Status: Passed

IV. UNFINISHED BUSINESS

King County ROW Litigation Update – Attorney David Jurca

General Counsel Joel Merkel introduced Dave Jurca, the lead attorney for the non-profit utility group, including Tanner, who reported on the results of the July 23, 2021 hearing on utility motions for partial summary judgment, including Tanner’s individual claim that based on its Easement Bylaw the County was precluded from charging fees other than for the purpose of recovering its costs to administer the ROW.

Mr. Jurca summarized the Court’s rulings as follows:

He noted that the Court did deny Tanner’s motion based on its easement bylaw, however, the denial was based on unspecified factual questions that required a factual hearing or that this claim was premature to decide (not “ripe”) and should first be raised in negotiations with the County.

Mr. Jurca noted that the Court did grant the non-profit group’s motion to affirm that the Supreme Court’s decision precludes King County from compelling the utilities to agree to its rental terms. However, it also affirmed that the Supreme Court held that the utilities may not use the county's right-of-way without a franchise agreement. In addition, several other utility motions for partial summary judgment were denied on various grounds. Several claims were deemed, “not ripe for determination on summary judgment,” in part because negotiations between the County and the utilities on the specific terms of an agreement had not been held, and/or that the utility claims involved factual issues that could not be determined in a summary judgment motion without a factual hearing.

The Court also stated that the particular rights of individual utilities, e.g. whether the rental fee is “reasonable” may depend on case by case circumstances. The County broadly took a position that the claims of the utilities could be resolved in negotiations between the utilities and the County and it would be premature for the Court to decide such claims. The Court also rejected the utilities request for a general determination that they had the right to “condemn” ROW

(which would affect the “reasonableness” of the County’s rental fee) and that they could not be ejected from the ROW while such a claim was pending.

The next phase of the proceeding will be that the County is scheduled to file its own motions for partial summary judgment. That process will start on September 10th with a hearing on the County’s motions and any cross-motions by the utilities to be heard by the Court on December 3, 2021.

Receive the Consent Agenda (Action Item)

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

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

Moved: Dutch Siedentopf

Second: Roger Guay

Status: Passed

Approval of the July 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 July 20, 2021, as written. 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 TEC Board of Director’s meeting minutes from July 2021 be, and are hereby approved.

Moved: Steve Nicholes

Second: Roger Guay

Status: Passed

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

Motion: Move to approve the July 2021 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 video conference as follows:

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

Moved: David McGoldrick

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 June.

Monthly P & L

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

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

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

Moved: Steve Nicholes

Second: Dutch Siedentopf

Status: Passed

Authorized Persons and Signatories for Tanner Wind Energy (TWE) Bank Accounts

The bylaws of TEC authorize the Board of Directors to oversee the business affairs of the Cooperative and its subsidiary, including oversight of the finances and depository accounts.

Motion: To accept and approve the authorized persons and signatories for the Key Bank account as recorded on TWE Resolution 21-13. The motion was seconded and passed by a voice vote by all the Directors present and participating by teleconference as follows:

RESOLVED, that Resolution 21-13 as presented be, and is hereby approved on August 17, 2021.

Moved: Paul Bay

Second: John Saatela

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 updated the Board on the current AR balances, BPA's rate discussions for the new power contract, and the recently passed Infrastructure Bill by the Senate.

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 and during the meeting responded any questions from the Board.

Personnel Committee –Mike Hodge, Chairperson

Mr. Hodge reported the committee met on August 3rd to discuss if CCD courses should be offered to new Directors who has been appointed to fulfill an unexpired term and the need for continuing education for the Directors beyond the CCD accreditation

The committee supported allowing Carol Paschal to begin her CCD training immediately as registration allows and will make a recommendation to the Finance committee for a budget revision to accommodate the expense.

Pending further discussion, the Board President tabled any action on the matter of continuing education for Directors if they so desire, until the September Board meeting.

Finance & Audit Committee – Paul Bay, Chairperson

Mr. Bay reported that the committee will meet prior to the September Board meeting with the staff to work on the draft budgets for 2022.

At this time, Chairperson Bay made a recommendation to the Board for a budget revision to allow for Director Carol Paschal to attain her CCD certification.

Motion: To support the recommendation of the Finance committee and authorize a budget revision of \$4000.00 for Director education. The motion was seconded and passed by a unanimous voice vote of all Directors present as follows:

RESOLVED, that the revision of the 2021 TEC budget be, and is hereby approved by the TEC Board of Directors on August 17, 2021.

Moved: Paul Bay

Second: Roger Guay

Status: Passed

Policy & Bylaws – Dutch Siedentopf, Chairperson

Mr. Siedentopf reported the committee is proceeding with their review of TEC Employee Policy No. 305 Confidentiality, No. 524 Member Access to TEC Records and No. 526 Member Data Privacy.

New Technology & Conservation –Roger Guay, Chairperson

The committee met on August 9th to discuss Snake River Dam controversy. The Chairperson recommends that TEC should not endorse a hard decision for or against the dams at least for now, but rather let the real experts duke it out and let new technology evolve. This subject is a moving target and advised the Board to wait, listen and take appropriate action if and when it becomes necessary.

Operations and Facilities – Steven Walter, Chairperson

Nothing to report currently.

Union Affairs – Steven Walter, Chairperson

Nothing to report currently.

Youth Development – Susan Serrette-Egan, Chairperson

Nothing to report currently.

VII. NEW BUSINESS

Motion: To support the recommendation of the Policy Committee chairperson and approve policies 305, 524 and 526 as amended. The motion was seconded and passed by a unanimous voice vote of all Directors present and participating by teleconference as follows:

RESOLVED, that the revised policies 305, 524 and 526 be, and are hereby approved by the TEC Board of Directors on August 17, 2021.

Moved: Steve Nicholes

Second: Paul Bay

Status: Passed

VII. ADJOURN TEC BOARD MEETING

Following no further business, the Board President adjourned the August 2021 Board of Directors meeting at 6:20 p.m. The next Board of Directors meeting is scheduled for September 14th at 3:00 p.m. at the Administration building in North Bend.