

**TANNER ELECTRIC COOPERATIVE
BOARD OF DIRECTORS**

**Regular Meeting
November 18, 2021
3:00 p.m.**

MINUTES

The Tanner Electric Cooperative (TEC) Board of Directors met in Regular Session at 3:00 p.m. on Thursday, November 18, 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 3:02 p.m.

II. ROLL CALL & PLEDGE OF ALLEGIANCE

Roll call was taken, and the following Directors were present or participated by video conference:

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

Absent: David McGoldrick

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 Board 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 November 2021 TEC Board meeting agenda be, and is hereby approved.

Moved: Paul Bay **Second:** Carol Paschal **Status:** Passed

IV. UNFINISHED BUSINESS

Receive the Consent Agenda (Action Item)

Motion: To receive the consent agenda items for the November 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 set forth in an attachment to the meeting agenda that was distributed to all the Board members be and is hereby received as presented.

Moved: Dutch Siedentopf **Second:** Paul Bay **Status:** Passed

Approval of the 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 October 19, 2021, as amended. 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 October 2021 TEC Board of Director's meeting minutes be, and are hereby approved.

Moved: Roger Guay **Second:** Steve Nicholes **Status:** Passed

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

Motion: Move to approve the October Board meeting minutes as amended 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 October 2021 minutes for the *Ruralite* be, and are hereby approved.

Moved: Dutch Siedentopf **Second:** Susan Serrette-Egan **Status:** Passed

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

TEC Funds Disbursement List

The Board reviewed the Checks, ACH and Wire Transactions for October.

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 October. The motion was seconded and passed by a voice vote by all the Directors present and participating by video conference as follows:

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

Moved: Paul Bay **Second:** Dutch Siedentopf **Status:** Passed

VI. REPORTS

CEO Report – Mr. Steven Walter

Mr. Walter gave a verbal report to the Board during the meeting and discussed AR balances, the retirements of WRECA Manager, Kent Lopez and Northwest Requirements Utilities CEO, John Francisco.

Operations Manager Report – Nick Himebauch

Mr. Himebauch submitted a written operations report that was distributed to the Board as an attachment to the meeting agenda. During the meeting he reviewed storm/outage response procedures.

Personnel Committee –Mike Hodge, Chairperson

Mr. Hodge reported that the committee will meet on December 1st for the CEO annual performance review.

Finance & Audit Committee – Paul Bay, Chairperson

Mr. Bay reported the committee supports the final version of the 2022 draft budgets and made a recommendation to the Board for approval.

Motion: To accept and approve the proposed 2022 Budgets as presented and recommended by the Finance committee. The motion was seconded and passed by a unanimous voice vote of all Directors present and participating by teleconference as follows:

RESOLVED, that the 2022 TEC budgets be, and are hereby approved by the TEC Board on November 18th, 2021.

Moved: Paul Bay **Second:** Susan Serrette-Egan **Status:** Passed

Policy & Bylaws – Dutch Siedentopf, Chairperson

Mr. Siedentopf reported the committee is proceeding with their review of TEC policies and recommended Board for approval of the employee policies included on the agenda under New Business.

New Technology & Conservation –Roger Guay, Chairperson

Mr. Guay shared with the Board information about an article published in the October NWPPA Bulletin about Bonneville Power and their support of electric vehicles.

Operations and Facilities – Steven Walter, Chairperson

Nothing to report.

Union Affairs – Steven Walter, Chairperson

Nothing to report.

Youth Development – Susan Serrette-Egan, Chairperson

Ms. Serrette-Egan commented that students are falling behind academically and socially due to the pandemic. She would like the committee to look into some positive incentives for 2022.

VII. OTHER REPORTS

King County Right of Way Report- Joel Merkel

There will be a hearing on the County's motion to dismiss the utilities lawsuit challenging the ROW "rental fee" on Friday December 10. Both parties agree that the case should be dismissed. The only real dispute at this point is the terms of the Order of dismissal. The County wants the court to uphold the "facial validity" of the Rule implementing the ordinance. The utilities want the Court to say that because the County has argued that whether the Rule is facially valid is non-justiciable at this time, therefore the Court cannot rule at all on the validity of the Rule, facially or otherwise, as the County requests.

The utilities' position is that because the County initially argued that the utility motion that the rule was not valid "on its face" was premature and, therefore, the utilities lacked "standing" to seek a ruling on that issue. The County's "standing" argument was based on the reasoning that all the rule does is to form the basis of an "initial ask" for rent by the County and until negotiations are unsuccessful the utilities are not "harmed" sufficient to have standing to bring the claim. The utilities argue that the County cannot have it both ways, i.e. the County cannot argue that the utilities lack "standing" to sue the County on the issue, and at the same time ask the Court to decide the legal issue in favor of the County.

The utilities are willing to have the Court dismiss the lawsuit as long as it is "without prejudice" so that they can later sue the County, if need be, on any issues raised in the lawsuit that is being dismissed, including the facial validity of the ordinance and the Rule. Depending on what the ruling is, the utilities may need to consider whether to appeal from that ruling.

East King County PUD Petition

General Counsel, TEC CEO met online with a few East King County PUD Committee members who are part of a citizen activists group working to create a Public Utility District on the Eastside. Per state law, they will begin collecting signatures in January 2022 to support getting the PUD measure on the ballot.

VIII. NEW BUSINESS

TEC Policy Review and Approval

The Board reviewed the amendments to the employee policies, and a discussion followed.

Motion: To support the recommendation of the Policy Committee chairperson and approve policies 301, 302, 303, and 304 as amended. The motion was seconded and passed by a voice vote of all Directors present and participating by teleconference as follows:

RESOLVED, that the revised employee policies be, and are hereby approved by the TEC Board of Directors on November 18, 2021.

Moved: Paul Bay **Second:** Steve Nicholes **Status:** Passed by majority vote

IX. ADJOURN TEC BOARD MEETING

Following no further business, the Board President adjourned the November 2021 Board of Directors meeting at 5:15 p.m.

The next Board of Directors meeting is scheduled for December 14th at 3:00 p.m. and will be a virtual meeting on Zoom for all Directors and General Counsel. Staff will be present and attend in person at the TEC Headquarters building in North Bend, WA.