

**TANNER ELECTRIC COOPERATIVE
BOARD OF DIRECTORS**

**Regular Meeting
April 20, 2021**

MINUTES

The Board of Directors of Tanner Electric Cooperative (TEC) met in Regular Session at 1:00 p.m. online with video conferencing on Tuesday, April 20, 2021.

I. CALL TO ORDER

Board President Ed Stephenson called the meeting to order at 1:03 p.m.

II. ROLL CALL

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

President Ed Stephenson
Vice President Paul Bay
Treasurer Mike Hodge
Roger Guay
Dutch Siedentopf
John Saatela
David McGoldrick

Absent: Secretary-Susan Serrette-Egan and Steve Nicholes.

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 video conference as follows:

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

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

IV. FINANCIAL AUDIT PRESENTATION (Action Item)

In March, auditors from Bolinger, Segars, Gilbert & Moss, L.L.P. conducted the Cooperative's annual financial audit for 2020. A representative of the firm presented a comprehensive report for the Board to review. The Cooperative received a clean opinion.

Motion: To receive the audit report as presented on April 20, 2021. 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 2020 TEC financial audit report be and is hereby received as presented to the TEC Board of Directors.

Moved: Paul Bay **Second:** Mike Hodge **Status:** Passed

V. UNFINISHED BUSINESS

Receive the Consent Agenda (Action Item)

Motion: To receive and file the consent agenda items as presented during the April 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 April consent agenda including Write Offs, Release of Easements on Anderson Island, and Monthly Outage Reports be, and are hereby received without modifications.

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

Approval of the Board Meeting Minutes – March 16, 2021 (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 March 16, 2021 as written. The motion was seconded and passed by a unanimous voice vote of all Directors participating by video conference as follows:

RESOLVED, that the TEC Board meeting minutes for March 2021 be, and are hereby approved.

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

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

Motion: Move to approve the March 2021 Board meeting minutes as written, for the *Ruralite* magazine. The motion was seconded and passed by a unanimous voice vote of all Directors participating by video conference as follows:

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

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

VI. 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 March 2021.

Monthly P & L

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

Motion: To receive and file the Financial Reports that were presented to the Board for the month of March. 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 March 2021 Financial reports as presented be, and are hereby received by the Board.

Moved: Paul Bay

Second: Dutch Siedentopf

Status: Passed

VII. REPORTS

CEO Report – Mr. Steven Walter

Mr. Walter submitted a written report that was distributed to the Board as an attachment to the agenda. He included various informational items, TEC financial data for the first quarter of 2021 and the current status of AR balances that resulted over the last year, due to the hardships caused by the ongoing pandemic.

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 included progress updates on the current transmission line construction and underground conversion projects.

Finance & Audit Committee – Chairman Paul Bay

Mr. Bay reported the committee met with the auditors on April 13th to review and discuss the results of the 2020 financial audit. They are also working with the General Counsel on a final draft of a Charitable Fund Resolution and will make a recommendation to the Board for approval.

Policy & Bylaws – Chairman Dutch Siedentopf

Mr. Siedentopf reported that the committee continues to meet online to review the TEC Board policies and the Bylaws. Several policies and Bylaws revisions will be recommended to the Board for approval.

New Technology & Conservation – Chairman Roger Guay

The committee continues to work online reviewing some of the latest technology and developments on hydrogen fuel for electric vehicles.

Personnel Committee – Chairman Ed Stephenson

Mr. Stephenson reported the committee met a couple of times since the March Board meeting to discuss personnel issues and bylaw amendments related to Director elections and terms of Board Officers.

Union Affairs – Chairman Steven Walter

Operations Manager and the union representative from IBEW Local 77 are coordinating a meeting to open union negotiations on a new contract.

Youth Development Committee – Chairman Susan Serrette-Egan

The committee chairman was absent from the meeting, but a fellow committee member made a recommendation to the Board for approval of the 2021 scholarship recipients as presented:

Clara Soltys from North Bend, Raymond Silverman from Ames Lake and Kia Steen from Anderson Island.

Motion: To approve the committee’s recommendation for the 2021 scholarship winners as presented.

The motion was seconded and passed by a voice vote of all Directors participating by video conference as follows:

RESOLVED, that the 2021 scholarship recipients be, and are hereby approved.

Moved: Dutch Siedentopf

Second: Roger Guay

Status: Passed

There was no Operations and Facility report this month.

VIII. OTHER REPORTS

General Counsel Report – Mr. Joel Merkel

Federated Insurance Claim

Mr. Merkel together with Federated Rural Electric Exchange were working together on an insurance claim to investigate an email phishing scam. Following their review of the claim Federated has approved to reimburse TEC for the total amount of the loss not recovered from Umpqua Bank

Amend the TEC Bylaws Article VII - Capital Credits - Resolution No. 21-268 (Action Item)

The Board with the assistance of TEC's General Counsel reviewed the bylaw Article VII and determined it would be beneficial to the Cooperative and to its members to update section 3(j) related to unclaimed capital credits.

Motion: To approve the bylaw revision for the Article VII, section 3(j) as outlined in Resolution No. 21-268. The motion was seconded and passed by a voice vote of all Directors participating by video conference as follows:

RESOLVED, that the Board of TEC hereby adopts the revisions to the bylaws for unclaimed Capital Credits and is hereby approved.

Moved: Paul Bay

Second: Dutch Siedentopf

Status: Passed

King County ROW Update

General Counsel Joel Merkel reported that there was status conference with the Court and King County on April 9, 2021 in the King County ROW lawsuit. As a result of the Status Conference, the Court approved an amended Case Schedule, including a hearing date on July 23, 2021 for several motions for partial summary judgment, including Tanner's motion based on its Easement Bylaw. Tanner's brief on its Easement Bylaw motion will be filed with the Court on June 23.

Other utility motions for partial summary judgment that may be heard that day may include (but are not limited to): (i) utility motions on their right to "condemn" access and use of the ROW under municipal and private condemnation statutes, (ii) whether the County is precluded from charging "rent" under the terms of the existing franchise agreement, (ii) the amount of a "fire flow" or credit that can be claimed by water utilities, (iii) whether water utilities may be compelled to "indemnify" the County for fire suppression activities, and (iv) whether the County is barred by statute from depositing franchise compensation into its General Fund. The County had not yet identified any motions for partial summary judgment that it intends to bring at the July hearing.

Additional motions for partial summary judgment will be heard by the Court in mid-October, including a motion on the County's methodology for calculating rent.

It is anticipated that legislation will be proposed by the utilities in the 2022 session of the Washington Legislature in an effort to resolve many of the issues in the pending lawsuit.

IX. NEW BUSINESS

New Membership Applications

The monthly new membership listing was distributed and reviewed by the Board.

Motion: To receive and file the new membership applications for March 2021.

The motion was seconded and passed by a voice vote of all Directors by video conference as follows:

RESOLVED, that the new memberships as presented in an attachment to the Board meeting agenda be, and are hereby approved on April 16, 2021.

Moved: Roger Guay

Second: Dutch Siedentopf

Status: Passed

Amending TEC Bylaws - Membership Procedures & Adopt Board Resolution No. 21-267 (Action Item)

The Board with the assistance of TEC's General Counsel reviewed the bylaw Article I, section 2, related to Membership Procedures. The revision authorizes the CEO to make the determination if applicants are eligible and approve any applications for a new membership and service connections.

Motion: To authorize and approve the bylaw revision to Article I, section 2, related to Cooperative membership procedures as stated in Resolution No. 21-267. The motion was seconded and passed by a voice vote of all Directors by video conference as follows:

Moved: Dutch Siedentopf

Second: David McGoldrick

Status: Passed

Amend Board Policy 104 – CEO Signature Authority (Action Item)

Motion: Move to approve the Policy committees' changes to Policy 104 as recommended by the Chairman. The motion was seconded and passed by a unanimous voice vote of all Directors participating by video conference as follows:

RESOLVED, that TEC Board Policy 104 be, and is hereby approved by the Board.

Moved: Dutch Siedentopf

Second: Roger Guay

Status: Passed

Amend TEC Bylaws -Article V, & Article VI for Directors and Adopt Resolution No. 21-266 – (Action item)

The Board with the assistance of TEC’s General Counsel reviewed the bylaw Article V, section 9 on Standing Committees and Article VI, section 1 & 2 for Required Officers, Election and Terms.

Motion: To approve and adopt the amendments to TEC bylaws as defined in Resolution No. 21-266. The motion was seconded and passed by a unanimous voice vote of all Directors participating by video conference as follows:

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

Amend Board Policy 105 - Job Descriptions for Directors (Action Item)

The Board reviewed the Policy committee’s recommendation for revisions to Policy 105 and were in favor of the modifications.

Motion: To approve Board Policy 105 as amended by the committee. The motion was seconded and passed by a unanimous voice vote of all Directors participating by video conference as follows:

RESOLVED, that TEC Board Policy 105 be, and is hereby approved by the Board.

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

Amend Board Policy 102- Director Reimbursement & Compensation (Action Item)

The Board reviewed the Policy committee’s recommendation for revisions to Policy 102 and were in favor of the modifications.

Motion: To approve Board Policy 102 as amended by the committee. The motion was seconded and passed by a unanimous voice vote of all Directors participating by video conference as follows:

RESOLVED, that TEC Board Policy 102 be, and is hereby approved by the Board.

Moved: Dutch Siedentopf **Second:** Mike Hodge **Status:** Passed

Amend Policy 103- Director Meetings (Action Item)

The Board reviewed the Policy committee’s recommendation for revisions to Policy 103 and were in favor of the modifications.

Motion: To approve Board Policy 103 as amended by the committee. The motion was seconded and passed by a unanimous voice vote of all Directors participating by video conference as follows:

RESOLVED, that TEC Board Policy 103 be, and is hereby approved by the Board.

Moved: Dutch Siedentopf

Second: Roger Guay

Status: Passed

X. ADJOURN BOARD MEETING

Following no further business, the Board President adjourned the April 2021 Tec Board of Directors meeting at 4:40 p.m. The next Board of Directors meeting is scheduled for May 26th at 3:00 p.m. and will be an in-person meeting at the Administration building in North Bend.