

TANNER ELECTRIC COOPERATIVE, INC
BOARD OF DIRECTORS
Regular Meeting September 15, 2020

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 September 15, 2020.

I. CALL TO ORDER

Board President Ed Stephenson called the meeting to order at 1:04 p.m.

II. ROLL CALL & ESTABLISH QUORUM

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

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

Absent: None

A quorum was established.

Guest Presenters: Mr. Robert Carr, CFC Regional Vice-President and Mr. Bill Miller, CPA, Tax Partner for Bolinger, Segars, Gilbert & Moss, LLP

Staff Present:

Steven Walter, Chief Executive Officer
Nick Himebauch, Operations Manager
Steve Chamberlin, Controller
Lisa Peabody, Executive Administrative Assistant
Joel Merkel, Corporate Counsel

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

Motion: To accept the meeting agenda 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 September 2020 TEC Board meeting agenda be, and is hereby approved.

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

IV. CFC CAPITAL CREDIT PRESENTATION

Rob Carr, CFC Regional Vice President, Member Services prepared a presentation for the Board on Capital Credits, Allocations and Retirements.

V. BOARD DISCUSSION ON CAPITAL CREDITS

Bill Miller, CPA, reported to the Board on his research and findings related to Tanner Wind Energy (TWE) losses and their effects on TEC. Following a discussion, the Board made a recommendation to the CEO for further action.

Motion: To approve and authorize the CEO to move forward with the approach that Bill Miller presented to the Board on resolving the Capital Credit issues related to the losses of TWE, and how they affect the TEC margins, allocations and patronage. The CEO will report back to the Board next month. 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 CEO has the authority to take the necessary steps, as recommend by Bill Miller, to resolve the Capital Credits issues related to TWE and is hereby approved.

Moved: Steve Nicholes **Second:** Paul Bay **Status:** Passed

VI. APPROVAL OF THE CONSENT AGENDA (Action Items)

Check List and Write Offs

Motion: To accept and approve the consent agenda items as presented in the Board on September 15, 2020.

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 September consent agenda as set forth in an attachment to the meeting agenda and was distributed to all the Board members be, and is hereby approved.

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

New Membership Applications

Motion: To accept the new membership applications for the month of August.

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 2020 new membership applications as presented on the attachment to the Board meeting agenda be, and are hereby approved.

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

VII. APPROVAL OF TEC BOARD OF DIRECTORS MEETING MINUTES (Action Item)

Board of Directors Meeting Minutes for August 2020

Motion: To accept and approve the August 2020 TEC Board meeting minutes 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 minutes of the August 18, 2020 TEC Board of Director's meeting be, and are hereby approved as presented.

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

VIII. APPROVAL OF THE SUMMARY MINUTES FOR *RURALITE* (Action Item)

Motion: To accept and approve the August 18, 2020 TEC Board meeting minutes as written for the *Ruralite* publication.

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 2020 minutes for the *Ruralite* magazine be, and are hereby approved.

Moved: Roger Guay **Second:** Mike Hodge **Status:** Passed

VIII. OTHER UNFINISHED BUSINESS

King County Update – Joel Merkel

Tanner's General Counsel, Joel Merkel, reported on the status of the King County ROW litigation, as follows:

General Counsel Joel Merkel reported that there were no major developments in the King County ROW lawsuit. However, since the last Board meeting, the utilities request that the Court grant a continuance of the trial date to August 2, 2021 was granted.

The County's response to the motion for a continuance did suggest that the County believes the remaining issues can be resolved by summary judgment motions. However, this seems unlikely given the fact that many of the remaining claims involve disputed facts (e.g.: the methodology for determining the amount of rent, whether the County followed the correct procedures in adopting the ordinance, etc.). Some issues that Tanner is interested in, e.g. whether the terms and legal effect of Plat Easements applicable to the ROW gives Tanner the right to use the ROW without charge, and/or the legal effect of Tanner's easement bylaw.

The Coop Group sent initial discovery requests to the County seeking copies of all documents by which the County obtained its interest in the ROW. The County asked for an extension until early October to respond, which was agreed to.

IX. REPORTS

CEO Report – Steven Walter

Mr. Walter submitted a written report that was distributed to the Board as an attachment to the agenda. During the meeting Mr. Walter informed the Board that he and the staff are working on the draft budgets for 2021 and will meet with the Finance committee next month.

The Cooperative also recently had an update to the Interactive Voice Response system and will allow more calls into the member self-service que when the office experiences a high volume of calls.

Operations Manager's Report – Nick Himebauch

Mr. Himebauch submitted a written report to the Board and during the meeting discussed the current capital projects.

- Country Club Drive Overhead – Underground Conversion – All wire was installed and completed by September 9th
- Yoman Rd Overhead – Underground Conversion – The crew has 900 ft single phase underground conversion is finished.
- Rattlesnake Ridge – Work is done for 2020
- Circuit 2 - The parts of the circuit that need repair have been documented and will be refurbished in the upcoming months
- Project Planning for 2021
In progress and budgeting and scope of projected work is in full swing
- Nespelem Electric Cooperative - A 4-man Tanner Crew will head for Nespelem to assist our fellow Cooperative that has suffered extensive pole damage during this year's wildfires.

Policy & Bylaws Committee, Chairman Dutch Siedentopf

The committee has been working online to review employee policy No. 307 and the Anti-Harassment Policy.

Finance & Audit Committee – Chairman, Paul Bay

The committee will be meeting in October to review the preliminary draft of the budgets for 2021.

There were no Personnel, Operations & Facility, Youth Development or New Technology or Union Affair reports this month.

XI. Financial Reports – Steve Chamberlin, Controller

Mr. Chamberlin presented an overview of the financials, expenses, and actual results vs. budget.

Motion: To accept and receive the August financial reports as submitted by the Controller.

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 Aug 2020 financial statements be, and are hereby accepted as presented to the TEC Board of Directors on September 15, 2020.

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

XII. NEW BUSINESS

Release of Easements/Lot Combination Anderson Island

Finding no conflicts with TEC electric facilities, it is recommended to the Board that TEC release easements to combine lots 70 and 71 Lake Josephine Riviera No. 10, according to the plat thereof recorded in Pierce County, Washington.

Motion: To accept and approve the release of easement and lot combination 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 lot combinations as stated above be, and are hereby approved as presented to the TEC Board of Directors on September 15, 2020.

Moved: David McGoldrick **Second:** John Saatela **Status:** Passed

XIII. ADJOURN MEETING

There being no further business, the September 2020 TEC Board meeting was adjourned by the Board President at 4:06 p.m. The next Board of Directors meeting is scheduled for October 20, 2020.