

TANNER ELECTRIC COOPERATIVE, INC
BOARD OF DIRECTORS
Regular Meeting October 20, 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 October 20, 2020.

I. CALL TO ORDER

Board President Ed Stephenson called the meeting to order at 1:00 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

Quorum : Yes, a quorum was established.

Guest Presenters:

Bonneville Power Administration Deputy Administrator, Dan James
Washington Rural Electric Cooperative Associations General Manager, Kent Lopez

Staff Present:

Steven Walter, Chief Executive Officer
Nick Himebauch, Operations Manager
Steve Chamberlin, Controller
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 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 October 2020 TEC Board meeting agenda be, and is hereby approved.

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

IV. BONNEVILLE POWER ADMINISTRATION GUEST SPEAKER

Mr. Dan James, Deputy Administrator for Bonneville Power prepared a presentation for the Board and is responsible for providing policy and strategic guidance to the administrator, particularly with respect to BPA's public responsibilities. He oversees BPA's Compliance, Audit, Risk Management and Equal Employment Opportunity organization, Communications, Intergovernmental Affairs and Technology Innovation.

V. APPROVAL OF THE CONSENT AGENDA (Action Items)

Monthly Check List and Write Offs

Motion: To accept and approve the consent agenda items as presented in the Board on October 20, 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 October 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:** Mike Hodge **Status:** Passed

New Membership Applications

The new membership list was distributed and reviewed by the Board.

Motion: To accept the new membership applications for the month of September

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

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

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

Board of Directors Meeting Minutes for September 2020

Motion: To accept and approve the September 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 September 15, 2020 TEC Board of Director's meeting be, and are hereby approved as presented.

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

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

Motion: To accept and approve the September 15, 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 September 2020 minutes for the *Ruralite* magazine be, and are hereby approved.

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

VIII. OTHER UNFINISHED BUSINESS

King County Update – General Counsel, Joel Merkel

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

Since the last Board meeting, the County did respond to discovery requests by the utilities. However, the County made general objections to providing much of the necessary materials on grounds that may suggest they may seek in the future to dismiss many of the claims of the utilities beyond the scope of this lawsuit or to otherwise force utilities to negotiate individually with the County or pursue their claims individually. The utilities may request a discovery conference with the County.

As to a legislative solution, we had an attorney's conference call yesterday regarding the King County lawsuit. The consensus was that Washington Association of Sewer and Water District (WASWD) current position not to pursue legislation in this session was not a good decision. It was generally agreed were that it may get harder to get any legislation adopted the longer we wait as other counties follow in King County's footsteps and adopt similar ordinances. Better to try to get the law changed before other counties adopt a rental fee and become dependent on the revenues, which would only increase opposition to the bill. In this regard, I spoke to the attorney for Big Bend a month or two ago and he indicated that Benton County was starting to look at such an ordinance. The staff at Peninsula tells me that Pierce County is also monitoring the situation and may have an interest in adopting an ordinance. I have been working with Mr. Kent Lopez on Washington Rural Electric Cooperative Association's (WRECA) support for a legislative fix.

WRECA Update – Kent Lopez - General Manager

Mr. Lopez talked with the Executive Director of the water districts association and her comment was that they were evaluating the pros and cons of introducing legislation in 2021 to address the supreme court ruling. He has not heard back from her to date. In his opinion, there are pros and cons to seeking a legislative fix in 2021, which will be more difficult considering the fiscal issues facing the state and local governments, and the legislative process that will need to be implemented in 2021 due to the COVID.

WRECA has been in talks with legislators concerning proposals for a carbon tax, a low carbon fuel standard, and a carbon cap and trade program. Our position is that any such legislative proposal should exclude the electric utility sector since we're already subject to CETA which requires electric utility portfolios to be 100% emissions free. Therefore, any compliance requirements with a carbon pricing program would simply be an administrative burden for electric utilities without any reduction in carbon emissions.

IX. REPORTS

CEO Report – Steven Walter

Mr. Walter submitted a written report that was distributed to the Board as an attachment to the agenda that discussed some of the long-term effects of the pandemic on the Cooperative's financials. During the Board meeting he announced that the NRECA's annual Youth Tour scheduled for June of 2021 has been cancelled due to the pandemic.

Operations Manager's Report – Nick Himebauch

Mr. Himebauch submitted a written report to the Board and during the meeting discussed the progress on the current capital projects, the new residential growth in the North Bend service area and the recent storm & outage activity.

Policy & Bylaws Committee - Chairman Dutch Siedentopf

The committee has been working online to review employee policy No. 307 and the Anti-Harassment Policy and will make a recommendation to the Board approval when they have a final draft prepared.

Finance & Audit Committee – Chairman Paul Bay

The committee met in October to review the TWE margin losses related to Capital Credits, the preliminary draft of the budgets for 2021 and the proposed revisions to the TEC Financial Policy Statement.

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

New Technology and Conservation – Chairman Roger Guay

The committee has not met in person but continues their research online on trending issues.

X. Financial Reports –Controller Steve Chamberlin

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

No action or motion was made to receive the financial reports as presented.

XI. NEW BUSINESS

Nominee for the Anderson Island Citizens Advisory Board

The Tanner Board supports the Anderson Island Citizens Advisory Board (AICAB) and the President requested a nomination for a committee member. Long time island resident, Richard Macpherson was nominated for the position.

Motion: To accept the nomination for Richard Macpherson to serve on the AICAB.

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 nomination for Mr. Macpherson be, and is hereby approved.

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

Release of Easements/Lot Combination Anderson Island

Finding no conflicts with TEC electric facilities it was recommended to the Board that TEC release easements to combine lots 110 and 111 Lake Josephine Riviera No. 02, according to the plat thereof recorded in Pierce County, Washington.

Motion: To accept and approve the release of easement 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 October 20, 2020.

Moved: Susan Serrette-Egan **Second:** Mike Hodge **Status:** Passed

XII. ADJOURN MEETING

There being no further business, the October 2020 TEC Board meeting was adjourned by the Board President at 3:28 p.m. The next Board of Directors meeting is scheduled for November 17, 2020.