

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

**MINUTES**

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

**Quorum:** Yes, a quorum was established.

**Staff Present:**

Steven Walter, Chief Executive Officer  
Nick Himebauch, Operations Manager  
Lisa Peabody, Executive Administrative Assistant  
Joel Merkel, General Counsel

**Guest:** Robert Carr

**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 December 2020 TEC Board meeting agenda be, and is hereby approved.

**Moved:** Dave McGoldrick      **Second:** Mike Hodge      **Status:** Passed

**VI. APPROVAL OF THE CONSENT AGENDA (Action Items)**

**Monthly Check List**

Motion: To accept and approve the consent agenda items as presented on the TEC Board meeting agenda for December 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 December consent agenda as set forth in an attachment to the meeting agenda that was distributed to all the Board members be, and is hereby approved.

**Moved:** Roger Guay      **Second:** Steve Nicholes      **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 November  
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 2020 new membership applications as presented in an attachment to the Board meeting agenda be, and are hereby approved.

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

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

**Board of Directors Meeting Minutes**

Motion: To accept and approve the November 2020 TEC Board meeting minutes 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 minutes of the November 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 November 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 November 2020 minutes for the *Ruralite* magazine be, and are hereby approved.

**Moved:** Mike Hodge                      **Second:** Dave McGoldrick                      **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:

The three most significant recent developments in the King County ROW lawsuit have been: (i) production of additional documents by the county in response to discovery requests by the non-profit and cooperative utility group, (ii) it is not expected that the WASWD will be able to obtain a legislative resolution of the “rental fee” issue in the 2021 legislative session, and (iii) the Soos Creek Water District agreed to pay the county a franchise fee of 6% of its water and sewer

revenues from its customers in unincorporated areas of the county, retroactive to 2018. Soos Creek is a large water district. The agreement is short term, it only runs for five years (Jan. 21 through Dec. 2025). Soos is subject to a number of circumstances that do not apply to Tanner or to other Water utilities. Soos has more sewer customers than water customers and being able to exclude King County Metro pass through charges for treatment was apparently a big deal. There are no other water districts that we know of that are planning to follow Soos Creek's example. Soos Creek is not a member of the group of districts represented by WAWSD in the litigation and the agreement is not expected to have any impact on willingness of members of the coalition to continue pursuing the litigation, or, eventually, a legislative solution.

## **IX. REPORTS**

### **CEO Report – Steven Walter**

Mr. Walter provided a verbal report for the Board with updates on the 2020 A/R balances in comparison to 2019. Also discussed was Governor's Inslee's extension of his emergency proclamations until April 30, 2021 and what challenges that puts on the Cooperative.

### **Operations Manager's Report – Nick Himebauch**

Mr. Himebauch submitted a written report to the Board which included an outline of the new major projects planned for 2021 for all three service areas. The new year will also bring changes to the operations crew with the retirement of our General Foreman, Russ Anderson.

### **Policy & Bylaws Committee - Chairman Dutch Siedentopf**

The committee met online following the November Board meeting to work on a modified draft of employee policy No. 309 (PTO and Shared PTO). The Chairman reviewed all the changes and then made a recommendation to the Board for approval of the proposed final draft.

### **Finance & Audit Committee – Chairman Paul Bay**

The Finance Chairman reported the committee will continue to meet online and focus on revising the capital credit policy, the allocation process and associated member service policy.

### **Union Affairs – Chairman Steven Walter**

Mr. Walter announced to the Board that in January 2021, he will begin coordinating the meeting schedule for the union negotiations with IBEW Local 77.

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

## **X. Financial Reports**

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

**Motion:** To receive the financial reports as presented for November.

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 financial reports for November were received by the Board and are hereby approved.

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

## **XI. NEW BUSINESS**

### **Release of Easements on Anderson Island (Action Item)**

1) Finding no conflicts with TEC electric facilities, it is recommended to the Board that TEC release both easements to combine lots No.136 and 137, Lake Josephine Riviera No. 01, according to the plat thereof recorded in Pierce County, Washington.

2) Finding no conflicts with TEC electric facilities, it is recommended to the Board that TEC release both easements to combine lots No.87 and 88, Lake Josephine Riviera No. 09, according to the plat thereof recorded in Pierce County, Washington.

Motion: To accept and approve the proposed release of easements as presented for Anderson Island. 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 above two lot combinations were approved by the Board as presented and are hereby approved.

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

**Approval of Employee Policy 309 - PTO and Shared PTO**

Motion: To accept and approve the revised employee policy No. 309 as recommended by the Policy and Bylaws Chairman. The motion was seconded and passed by a unanimous voice vote of all Directors present and participating by video conference as follows:

RESOLVED, that TEC employee policy No. 309 be, and is hereby approved.

**Moved:** Dutch Siedentopf                      **Second:** Steve Nicholes                      **Status:** Passed

**XII. ADJOURN MEETING**

There being no further business, the December 2020 TEC Board meeting was adjourned by the Board President at 2:43 p.m. The next Board of Directors meeting is scheduled for 1:00 pm on January 19, 2021.