

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES**

Monday July 18, 2005

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon. A quorum was declared present and Chairperson Tom Irwin III called the meeting to order at 4:10 p.m.

INTRODUCTION OF GUESTS: The following Board members were present:

Thomas C. Irwin III	-- Chairperson
Audrey Rust	-- Vice-Chairperson
Mike Tayloe	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Robert Sikes	-- Director

Others attending the Board meeting:

Bud Tracy	-- General Manager
Joe McFadden	-- Manager of Member Services
Mary Locke	-- Manager of Office Services
Jami Bartunek	-- Manager of Finance
Bill Gabriel	-- Manager of Operations
Mary Cirks	-- Administrative Assistant
Chip Greening	-- Attorney
Todd Payne	-- Large Power Representative
Guest	-- Pat Reiten, PNGC

AGENDA

(Motion) Director Sikes made a motion to approve the agenda with the addition of Capital Credits under New Business. Director Jacksch seconded it. Motion carried 5-0.

CONSENT AGENDA:

(Motion) The following items were pulled for discussion: Minutes, Disbursements, Work Order 1139, and monthly reports. Director Rust called attention to the "financials" section of the minutes where it stated the motion was to "approve" the financials and should have been "accept". The error was corrected on the minutes. Director Jacksch inquired on how many people attended the re-certification school, and how credit card charges for BLEC would be handled. Check 1856 was discussed relative to the refrigerator at the caretaker's home. It was reported that work order 1139 (Parker Substation) would be closed in July. Manager of Operations Services Bill Gabriel reported BLEC was the victim of theft in the early hours of Sunday, July 17. Many items were stolen including the all terrain vehicle, chain saws, and numerous other items. The Lane County Sheriff department, Home and Land Security, and Federated Insurance have been notified. Precautionary measures were discussed. Director Sikes made a motion to allow action be taken by Chairperson Irwin and Management to

reduce theft. Director Jacksch seconded it. Motion carried 5-0. Manager of Office Services Mary Locke reviewed Form 5500, referencing the resolution in March of 2004. Ms. Locke reported an adjustment would be made for the time period of Dec 1, 2003 to August 1, 2004. Director Rust made a motion to accept the consent agenda. Director Tayloe seconded it. Motion carried 5-0.

(Motion) FINANCIALS:

Manager of Finance Jami Bartunek informed the board equity currently is at 43.7%. Ms. Bartunek reviewed loan interest rates and reported about \$700,000 of the loans are at a variable rate; cash has increased about \$70,000; we have four less memberships this month; and inventory is \$10,000 less than last year. Discussion was held on the line loss being so high and it is believed to be the timing of the meter readings and billings from BPA. PNGC's new meters could help in coordinating the line loss. Ms. Bartunek reported that Residential Sales were over budget for the month, and contributed this to the colder than normal weather. Director Rust made a motion to accept the financials. Director Jacksch seconded it. Motion carried 5-0.

GENERAL MANAGER'S REPORT:

PNGC: Manager Tracy stated BLEC's wholesale power contract with PNGC expires in 2011. PNGC's CEO Pat Reiten was present and informed the board of the various projects occurring at PNGC. Mr. Reiten informed the BLEC board that PNGC power supply costs are close to benchmark; the hydro spillage is a great cost to us; future supply contracts are being reviewed; any new large power customer would be on the new large single load program; a miscalculation of PNGC's billing will approximately cost BLEC an additional \$3,000; the review of future supply contracts; and allocations from BPA. Mr. Reiten thanked the board for allowing him to participate in the Seneca tour as well as the board meeting.

Bylaws: Manager Tracy noted that our members have received the July issue of the Ruralite and the new bylaws that were included in the magazine. Mr. Tracy thanked the Bylaw Committee and employees for their diligent work.

Answering Service: Discussion was held regarding some members' concerns on the present answering service. It is the desire to switch to the Cooperative Response Center (CRC) as quickly as possible.

SAFETY MINUTES:

Manager Tracy informed the board that the Safety Committee meeting minutes would be included on the agenda in an effort to show how the outcome of the safety committee meetings direct the agenda topics for upcoming safety meetings. No action was taken on the safety minutes since they were in draft form.

Precautions and increased security were discussed at length.

ORECA REPORT

Several board members have received phone calls regarding the funding of the *Salem Scoop*. Manager Tracy informed the board that the stage is being set for Director Tayloe's candidacy for Region IX.

PNGC REPORT

Discussion was held earlier in the meeting with Mr. Pat Reiten.

OLD BUSINESS

Office Remodel: Manager Tracy informed the board that the Accounting Technician's office has been relocated and the next commitment is moving counters and carpet with the CSR's relocating closer to the door entrance in an effort to establish an ADA meeting room on the ground floor.

Credit Card Analysis: Office personnel have performed four comparisons as to the feasibility of the implementation of credit cards to pay their bills. Discussion was held on the initial buy in as a monthly charge, the use of a debit or credit card, acceptance of corporate credit cards, and the cost of service planning. Management is to give a recommendation at the August board meeting.

Operation Roundup: Legal counsel has been asked to review the contract prior to next month's board meeting for action.

NEW BUSINESS

(Motion) Capital Credits: Manager of Office Services Mary Locke reported NISC couldn't provide information that is necessary for proper 2002 allocation. Director Rust made a motion to combine 2002 and 2003 and allocate it based on 2003 patronage capital. Director Sikes seconded it. Discussions were held on drafting an explanation for our membership and make it a part of the capital credit work papers for future reference. Motion carried 5-0.

MEMBER COMMENTS: There were none.

DIRECTOR ASSESSMENTS: Comments: The board was informed Ms. Northrup has accepted the nomination to the Audit Committee.

Director Jacksch expressed his appreciation for Large Power Representative Todd Payne being present at the meeting.

Expenses: Directors turned in their expense reports.

Meeting Attendance: Directors Irwin and Tayloe, along with Manager Tracy, will be attending the ORECA meeting in Welches, OR on July 20. Directors Rust, Tayloe, and Irwin will be attending the NRECA Summer School in the West in Big Sky, Montana the end of July.

EXECUTIVE SESSION: Executive session was held with no action taken.

ADJOURNMENT:

With no further discussion, Chairperson Irwin adjourned the meeting at 8:45 p.m.

(SEAL)

Michael E. Tayloe
Secretary