

BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday August 22, 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 5:00 p.m.

INTRODUCTION OF GUESTS: The following Board members were present:

Thomas C. Irwin III	-- Chairman
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	-- James Bellingham
Guest	-- Gordon Smith

AGENDA

- (Motion) Director Sikes made a motion to approve the agenda as presented. Director Rust seconded it. Motion carried 5-0.

CONSENT AGENDA:

- (Motion) Items pulled from the consent agenda were disbursements, work orders, accounts receivable transfers, and staff monthly reports. Staff explained that Metro Fueling is where Safety Director John Gander purchases his gas. Questions were asked on the purchasing policy for some of the expenses. Staff will review the purchasing policy. Discussion was held on personal purchases where we need a purchase order to pay and how that can be streamlined. The Qwest damage was not in the safety meeting minutes because there was no call before you dig performed on the outage that occurred during the night. Regarding the work order providing lighting to the airport, BLEC is protecting what is ours. Discussion was held on the damage to equipment caused when a consumer landed a tree on BLEC power lines. Management is to check into the possibility of filing an insurance claim with the consumer's insurance. The BLEC investigation team should go to inspect any time there is

damage done on our system and make a report for our file. Discussion was held on the importance of following Oregon Statutes.

A question and answer session was held regarding the Staff Monthly Reports. Manager of Member Services Joe McFadden reported the PEAK Internet class provided education on spam filters to configure email, reviewed basic computer options and overall was an educational expansion. The garbage issue at Triangle Lake Park was discussed as to why the local garbage service is not being used. Management is to check into having the garbage hauled more than once a week. Discussion was held regarding the age of the agreement that we have with the caretakers at the park and the possible need to have a new agreement. Discussion was held on having board packets be provided via emails.

(Motion) Director Rust made a motion to accept the consent agenda. Director Jacksch seconded it. Motion carried 5-0.

(Motion) FINANCIALS:

Manager of Finance Jami Bartunek informed the board Operating Margins are less than budgeted; PNGC's final projection should be good for BLEC; and new PNGC rates will be in affect October 1. The balance sheet indicates the removal of the audit adjustment entry since it is now completed. Discussion was held on the section of M line that is to be completed by the end of this year, how the shop time is being recorded, and if time is more accurately accounted for now as before. In an effort to control rates, information is needed to know how the costs are broken out. The sales report indicates sales are down from last year. Director Rust made a motion to accept the financials. Director Tayloe seconded it. Motion carried 5-0.

GENERAL MANAGER'S REPORT:

(Motion) Manager Tracy reported Article XVI was unintentionally stricken out of the bylaw book when it was presented to the members at the 2005 annual meeting. The bylaws of 2004 approved language that made provisions for clerical errors by omission, it is not taking anything away from the members therefore this correction can be made by the Board of Director's authority to correct grammatical errors. After much discussion, Director Tayloe made a motion to correct the error, print new bylaw books, notify members of such action via Ruralite Magazine, and have the revised date on the front cover. Director Jacksch seconded it. Motion carried 5-0.

The Industrial Corridor Community Organization will hold its annual meeting at the BLEC headquarters on August 24, 2005. Seneca Sawmill could put on an additional 2,500 horsepower by next year. Discussion was held on how the growth of the industrial corridor could affect us, and where to acquire the future power needs.

(Motion) Discussion was held on how much BLEC should pay of the election costs for the two board members seeking regional and national board seats. After discussion, Director Sikes made a motion pending further information on the resources necessary to win these offices, BLEC will match up to \$500 for offices that are contested on a state position and a match up to \$1500 for offices that are contested on a national or regional position. Director Jacksch seconded it. Motion carried 5-0.

Discussion was held on brushing concerns that we need to establish consistency in that when we clear trees it should be years before we need to go back to clear again. Staff will be focusing on increasing production and maintaining public relations in doing so.

SAFETY MINUTES: Director Rust made a motion to accept the safety minutes from the June and July Safety Meetings. Director Sikes seconded it. Motion carried 5-0.

(Motion) ORECA REPORT: Director Sikes nominated Director Tayloe as the voting delegate for Oregon NRECA Board Election. Director Jacksch seconded it. Motion carried 5-0. Director Sikes made a motion to nominate Director Jacksch as alternate Oregon NRECA Board Election voting delegate.

(Motion) PNGC REPORT: Director Sikes nominated Manager Tracy as the designated voting representative at the membership meetings of PNGC Power with Director Rust as alternate. Director Jacksch seconded it. Motion carried 5-0.

OLD BUSINESS: Office Remodel: The Board complimented Staff on the way the downstairs boardroom is progressing. Work will continue.

(Motion) Credit Card Analysis: Manager of Office Services Mary Locke presented her findings on a credit card proposal to the Board of Directors. After discussion, Director Rust made a motion to accept staff's recommendation of using NISC software to establish a credit card program for our members. Director Tayloe seconded it. Motion carried 5-0.

(Motion) Operation Roundup: Attorney Greening reported his findings on the Operation Roundup Program. After discussion, Director Sikes made a motion to not become involved in Operation Roundup. Mike Tayloe seconded it. Motion carried 5-0.

NEW BUSINESS

General Manager / CEO Appraisal: Discussion was held on various approaches to use the General Manager appraisal packet that was presented to the Board. Discussion followed which included topics as prioritizing goals, collective goals, concerns need to be addressed within 30 days, having a checklist/goals discussion after every meeting, the importance of having criteria set for management on a monthly basis, and use monthly assessment for the final evaluation at year end.

MEMBER COMMENTS: Mr. Jim Bellingham and Mr. Gordon Smith were in attendance to discuss with the board the irrigation rates and idle services. The question of why irrigators have to bear the brunt of every irrigation on the system was reviewed. James Bellingham thanked the board for the opportunity to attend the board meeting. The board explained the how the cost of service is an indicator as to how rates are set and the importance of each rate class standing on its own. The Board of Directors stressed to our member visitors the importance of not taking out the electric service that could cause them to loose their water rights.

DIRECTOR ASSESSMENTS: Comments: Executive sessions will meet in the library until we get the boardroom walls are finished.

Expenses: Directors turned in their expense reports.

Meeting Attendance: Chairman Irwin will seek election of a board seat on the NRECA Board of Directors left vacant by the resignation of Jean McKinney. Approval for all Directors, including Todd Payne, wishing to attend the *New Director's Introduction Conference* being sponsored by PNGC was authorized. The PNGC new directors' meeting is scheduled for September 19 in Portland. The entire board will be attending the PNGC annual meeting October 4 and 5, 2005 in Portland.

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

ADJOURNMENT:

With no further discussion, Chairman Irwin adjourned the meeting at 10 p.m.

(SEAL)

Michael E. Tayloe
Secretary