

BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday October 24, 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 5:03 p.m. Director Jacksch arrived about 10 minutes later.

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
Mary Cirks	-- Administrative Assistant
Todd Payne	-- Large Power Representative

CALENDAR: The Board of Directors emphasized the importance of having all board members present for this board meeting, the Wage and Benefits Committee has not received the necessary information for completion of their study, and the Budget Committee has not met due to the lack of information from the Wage and Benefits Committee. Pertaining to the budget, Manager Tracy informed the Board that the Audit Committee has recommended anything under \$2,500 be expensed and the Board will notice that in the budget numbers. Manager Tracy also informed the board a re-classification has been done, mostly to the Junction City Substation where transmission expenses are clarified.

(Motion) AGENDA: Director Sikes made a motion to approve the agenda as presented. Director Rust seconded it. Motion carried 5-0. Discussion was held that the ORECA annual meeting (7a1) be moved to follow Executive session.

(Motion) Director Rust made a motion to recess the meeting until 1 p.m. on Saturday, October 29, 2005. After discussion, the motion was withdrawn. Director Jacksch made a motion to hold the Budget workshop at 9 a.m. on Friday, October 28 followed by Executive Meeting, followed by the reconvening of this board meeting. Director Tayloe seconded it. Motion carried 5-0.

RECESS: The Board recessed at 5:30.

RECONVENE: Chairperson Tom Irwin III reconvened the meeting at 3:10 p.m. on Friday, October 28, 2005. A quorum was declared present.

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
Mary Cirks	-- Administrative Assistant
Chip Greening	-- Attorney
Todd Payne	-- Large Power Representative

(Motion) **CONSENT AGENDA:** Items pulled from the consent agenda were minutes, disbursements, work orders, memberships, and staff monthly reports. On the last page of the minutes under the Seneca Report regarding the co-generation project, "is working on" should read "has considered". A number of items were discussed with questions answered. A question and answer period on work orders was held. Discussion was held that a policy is needed to address the issue of 116 non-refunded memberships. Manager of Office Services Mary Locke reported payments by credit cards have been established and within the first few days alone, about \$5,500 in revenue has been collected. As of November 1, 2005 BLEC will be converted to a new answering service. Director Rust made a motion to approve the consent agenda with the changes. Director Jacksch seconded it. Motion carried 5-0.

(Motion) **FINANCIALS:** Manager of Finance Jami Bartunek highlighted various segments of the financials and answered questions from the Board of Directors. Cash is down due to the timing of the power bills being paid; monies have come back on the slice true-up; there is an irrigation account that is over 91 days that has not paid therefore BLEC will be writing off \$5,900 and sending the account to collections next month. Lengthy discussion was held on BLEC securing liens on member's property so as to be in a better position for collection of an unpaid bill and having the UCC1 in place. Discussion was held on the LP-1 revenue being low due to a business shutting down. Director Rust made a motion to accept the financials as presented. Director Jacksch seconded it. Motion carried 5-0.

(Motion) **GENERAL MANAGER'S REPORT:** Manager Tracy reported on the Energy Symposium he attended in Montana. Items discussed were that most of the western Governors were in attendance, very few representatives from BPA territory were present but representatives from generators and raw resource companies were present; future generation and how it ties with transmission; lack of support for TIG; and financial gain must be present before any transmission project would begin, thus the need to work together. Manager Tracy informed the Board that it was good strategy to attend and if meetings meet the strategic objectives of the cooperative, he will make the call to attend. Manager Tracy stated an employee has been issued and accepted corrective action to a written reprimand to safety rules. Director Rust made a motion to accept the Manager's Report. Director Jacksch seconded it. Motion carried 5-0.

(Motion) SAFETY MINUTES: Management informed the Board that club reimbursements are dues to an exercise club for \$50 per month for 6 hours of exercise but the most important value of this membership is the company-wide 1% wellness discount. For safety reasons, there will be two people tending the front office at all times. Director Jacksch made a motion to accept the safety meeting minutes. Director Rust seconded it. Motion carried 5-0.

ORECA REPORT: Annual Meeting: ORECA holds quarterly meetings and sends minutes of each meeting to cooperatives involved. Representative Irwin has served on the ORECA Board for two years. Director Rust stated her interest in representing BLEC on the ORECA Board of Directors. Discussion was held on continuity of service; working relationships; some good changes that have been accomplished; trust; legislative success; the desire for 100% Oregon co-op membership in ORECA; and additionally sending a BLEC director to the ORECA meeting to observe. Director Sikes made a motion to allow Chairman Irwin to continue to serve on the ORECA Board of Directors. Director Tayloe seconded it. Motion carried 5-0. Discussion was held on concerns from other Boards where newer members are attempting to “lead changes” within ORECA. The BLEC board will encourage other cooperative representatives by presenting ideas with win-win situations, and refining our presentations at that level.

Resolutions Request: BLEC has no resolutions to be prepared for their annual meeting. Discussion was held on the subsidiary resolution presented by Coos-Curry that is the only resolution slated for discussion at the ORECA annual meeting.

ACRE: The directors discussed the importance of ACRE and BLEC’s participation in the program.

PNGC REPORT: Manager Tracy informed the Board of a proposed transfer of assets from one member to another, which cannot be financially harmful to any entity. Manager Tracy also informed the Board that it appears Grid West’s principles are being accepted. Director Tayloe presented several scenarios that triggered questions if BLEC is at risk through the actions of PNGC. Chip, Eric and PNGC will research the questions and report answers back to BLEC.

OLD BUSINESS: The BPA overprice reimbursement has not been received yet.

NEW BUSINESS: Wage and Benefit Report: An earlier workshop was held therefore there was no discussion.

(Motion): Work Plan and Budget: Director Sikes made a motion to accept the 2006 Work Plan and 2006 Operating Budget as presented, considering the finalization of the Benefits Compensation Committee with additional justification of capital items to the Manager. Director Jacksch seconded it. Motion carried 5-0.

(Motion): Rates: After reviewing present rate circumstances, Director Tayloe made a motion to postpone a rate increase and monitor the conditions within the budget. Director Jacksch seconded it. Motion carried 5-0.

(Motion): Director Rust nominated Director Tayloe be voting delegate for Federated Insurance's annual meeting to be held during the Region IX meeting. Director Sikes seconded it. Motion carried 5-0.

MEMBER COMMENTS: There were none.

(Motion): DIRECTOR ASSESSMENTS: Comments: On behalf of the Board of Directors, Chairman Irwin expressed a sincere thank you to Management for presenting a well thought out and affordable budget. Clarification was made that no board member is forced to attend any meetings. With \$500,000 cut from the budget, directors need to pick and choose which meeting they desire to attend; however all did not share that opinion. Director Jacksch made a motion that directors not receive mileage for their monthly board meetings. Director Rust seconded it. Discussion was held. Motion failed 1-4 with Director Jacksch being the only "aye" vote.

(Motion): Director Jacksch made a motion to disband the dinner served at monthly board meeting. This motion died for lack of a second.

(Motion): Director Jacksch made a motion the Board purchase their own meals when out of town while attending meetings. BLEC has an obligation to its directors to be treated as directors. This motion died for lack of a second.

Language and profanity has no place in the workforce. A Harassment Policy was discussed and the Board of Directors sets the example.

Expenses: Directors turned in their expense reports.

Meeting Attendance: The Board of Directors, with the exception of Directors Jacksch and Tayloe, will plan to attend the ORECA annual meeting in Tigard on December 6 - 8, 2005. Director Tayloe will be attending the PNGC meeting December 6 - 8, 2005. PPC's annual meeting will be held December 1, 2005 where they will need to discuss changing their bylaws to allow a Seattle power entity to join their group immediately, and automatically receive a board seat. Manager Tracy and Director Tayloe will attend the PPC annual meeting.

EXECUTIVE SESSION: None was held.

ADJOURNMENT:

With no further discussion, Chairman Irwin adjourned the meeting at 5:45 p.m.

(SEAL)

Michael E. Tayloe
Secretary