

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, February 26, 2007**

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon. A quorum was declared present and Chairman Tom Irwin III called the meeting to order at 5 p.m. The following were present:

Thomas C. Irwin III	-- Chairman
Audrey Rust	-- Vice-Chairperson via telephone
Mike Tayloe	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Robert Sikes	-- Director
Bud Tracy	-- General Manager
Jami Bartunek	-- Manager of Financial Services
Joe McFadden	-- Manager of Member Services
Mary Locke	-- Manager of Office Services
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative
Sharron Resides, Florence Vouse, Maxine Renken, Mabel Barnett, and Sherrill Harder	--Grange Reps/BLEC Members
Bruce Cleton	-- BLEC Member

CALENDAR

The AWARE Committee meeting in March will be moved up one week to March 13 instead of March 20 because two board members and General Manager Tracy will be out of town.

AGENDA

(Motion) Director Tayloe made a motion to move "Member Comments" on the agenda to the beginning of the meeting to accommodate the Grange Representatives/BLEC Members and allow for the addition of Director Rust's meals for the crews under Director Comments. Director Jacksch seconded it. Motion carried 5-0.

MEMBER COMMENTS: Chairman Irwin welcomed the Representatives of the Grange/Park and BLEC members to the meeting, explaining Board action would take place later on in the meeting. The representatives/members informed the Board that they did not want the park sold. They further explained reservations have been made for the upcoming year, the community loves the park, requested a year to make improvements and prove to the entire BLEC membership that this park is an asset, and requested pictures be placed in the *Ruralite* magazine so our entire membership realizes this asset. Attorney Greening informed those present that since the Park does not represent 10% of the cooperative's

assets, a sale of the park would not need to be presented to the entire membership for a vote. The final decision on the park will be conveyed to the members as quickly as possible.

(Motion) CONSENT AGENDA

The minutes, disbursements, and monthly reports were pulled from the consent agenda. Minutes – it was thought that Director Sikes’s motion regarding the Park was that the crews remove the equipment from the park instead of sending a letter to the Grange to remove the playground equipment. Director Sikes did not remember his precise motion therefore the minutes stand as presented. Discussion was held on two checks and the safety minutes reporting the mower chopping up the chain saw. Director Jacksch made a motion to accept the consent agenda. Director Sikes seconded it. Motion carried 5-0.

(Motion) FINANCIALS: Manager of Finance Jami Bartunek reviewed the financial highlights. Discussion was held on line loss, the delivery and taking of power and how it is calculated, equity being at 51%, which is above the national average, and a method of obtaining information from the Work Plan and Budget through an easier process.

Director Sikes made a motion to accept the financials as presented. Director Jacksch seconded it. Motion carried 5-0.

(Motion) SAFETY REPORT: The Board appreciated and extended kudos for the good attendance to the safety meeting in January. Director Sikes made a motion to accept the safety meeting minutes. Director Jacksch seconded it. Motion carried 5-0.

PNGC/PRC REPORT: Manager Tracy reviewed the Strategic Education Program (SEP) *Power Supply Planning Post-2011 Vision* paperwork that was received from PNGC in preparation for the upcoming SEP session in Eugene on March 2, 2007. Discussion was held on the possibility of cooperatives falling into a tax status by virtue of the 85/15 Rule; surplus power and load shape, the Slice billing allowing flexibility, and the ability to possibly purchase wave power at 90% of market value. This green power would cost Ocean Power Technologies \$250 / kW verses the \$30 / kW BLEC is presently paying.

ORECA REPORT: Chairman Irwin reviewed the February 9 ORECA meeting highlights, including the water rights of the Salmon River being closed upstream for salmon and then being used down stream for irrigation in northeastern Oregon.

MANAGER’S REPORT: Manager Tracy reported that local support for the possible site of the State Hospital south of Junction City has been generated. Discussion was held on the new criteria and load shape for development at PNGC. Manager Tracy reported issues on metal theft or power theft in that if the theft is under \$750 a case will not be established, the importance of BLEC establishing their own policy and educating our members regarding electric theft, and the progress of the safety trailer. Large Power Representative Todd Payne reported Tyree Oil has purchased the veneer plant, has leased part of the property to be used for log exporting, and is in the process of establishing a gas station, which will feature a card lock system. BLEC is actively looking into the use of the card lock system.

(Motion) Director Sikes made a motion to accept the reports from PNGC, ORECA and the General Manager. Director Jacksch seconded it. Motion carried 5-0.

Policies: The Board of Directors reviewed the following policies:

- a) Policy 302.00 Approved Depositories
- b) Policy 303.00 Loans and Loan Guarantees
- c) Policy 304.00 Retail Rates
- d) Policy 309.00 Record Retention
- e) Policy 401.00 Area Coverage and Boundaries
- f) Policy 609.00 Working Rules
- g) Policy 610.00 Wage and Salary Administration
- h) Policy 612.00 Exempt Employees

After review and discussion, the Board instructed management to re-work the policies and present them again for consideration. Each policy will have original signatures.

OLD BUSINESS: BLEC Annual Meeting: Several Nomination Packets have been picked up by interested BLEC members. Manager Tracy reminded the Board that as per the bylaws, there is no need for a run-off election or use of the lock-box this year.

(Motion) Wage situation last month: Director Jacksch made a motion to amend last month's motion to freeze the current salary ranges for exempt staff members to exclude the Safety Coordinator. Director Tayloe seconded it. Motion carried 5-0.

Board Education Schedule: The Board discussed their education credits that have been compiled by NRECA.

(Motion) Blachly-Lane Park: The five options that were supplied to the Board of Directors were reviewed and thoroughly discussed. Options were (1) Continue to operate through a similar contract with the Grange; (2) Sell the property and absolve the Cooperative of any ownership; (3) Continue to operate the Park but under the total direction of the Cooperative (BLEC); (4) Seek potential operators as a competitive process through the issuance of a Request for Proposal (RFP); and (5) Do nothing leaving the property idle. Director Jacksch made a motion to lease the Park to the Grange for a year, with BLEC paying the monthly yard light fee and property taxes, and with the Grange paying the electric bill. Director Sikes seconded it. After lengthy discussion Director Tayloe requested an amendment of the motion to include a monthly inspection to be substantiated by photographs and documentation. Director Jacksch and Director Sikes agreed to the amendment. The motion carried 3-2 with Directors Tayloe Rust voting no. Director Rust stated her actions were due to the lack of the Grange being responsible for the payment of the property taxes. General Manager Tracy will convey the terms to the Grange and prepare the Lease Agreement which would be good for one year, with a termination clause, and insurance that would add BLEC to their policy.

(Motion) NEW BUSINESS: Voting delegates for the NRECA 2007 Annual Meeting were discussed. Director Tayloe made a motion to appoint Director Jacksch as the voting delegate for CFC, and NCSC, with Director Sikes as the alternate along with Director Sikes acting as the voting delegate for NISC, Federated Insurance, and NRTC with Director Jacksch as the alternate. Director Rust seconded it. Motion carried 5-0.

DIRECTOR ASSESSMENTS:

Comments: Chairman Irwin apologized to Director Rust for not allowing her to be reimbursed for food provided to the BLEC crews during the December outage. Director Tayloe stated he has no problem giving back the \$69 to Director Rust but it is important that management do their job. Director Rust stated the importance of the Board of Directors working together and supporting each other now and into the future.

Expenses: Expense reports were reviewed and signed.

Meeting Attendance: All of the board will be attending the SEP meeting March 2, 2007 in Eugene at 1 p.m. Director Jacksch and Director Sikes will be attending the NRECA annual meeting in Las Vegas March 15-22.

EXECUTIVE SESSION: No session was held

ADJOURNMENT

With there being no further business to come before the Board, Director Jacksch made a motion to adjourn the meeting at 9:35 p.m. It was seconded by Director Sikes and the motion carried 5-0.

(SEAL)

Michael E. Tayloe
Board Secretary