

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

Monday, September 24, 2007

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon at 5:10 p.m. The following Board members were present:

Thomas C. Irwin III	-- Chairman
Robert Sikes	-- Vice Chairman
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Jon Swanzy	-- 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 Financial Services
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative

- (Motion) **AGENDA:** A motion was made and seconded to approve the agenda as presented. Motion carried 5-0.
- (Motion) **CONSENT AGENDA:** The following items were pulled for discussion: disbursements, work orders, and Staff Monthly Reports. Questions were answered and discussion was held on a number of checks, a work order regarding damaged poles, and that the lumber industry market is the worst in a long time with no margin between logs and lumber. A motion was made and seconded to accept the consent agenda. Motion carried 5-0.
- (Motion) **FINANCIALS:** Manager of Financial Services Ms. Jami Bartunek reviewed BLEC's financials, highlighting CFC's Key Ratio Analysis, line loss, rate of return on equity, and our current ratio. Discussion was held on the operating statements, the affect of the sawmills' market, and cost of wholesale power. A motion was made and seconded to accept the financials. Motion carried 5-0.
- (Motion) **SAFETY MINUTES:** A motion was made and seconded to accept the safety committee minutes and the safety minutes. Motion carried 5-0.
- (Motions) **PNGC/PRC REPORT:** Director Sikes reported on his recent attendance to the PNGC meeting mainly that Flathead Electric was voted in as a PNGC member; he discussed and presented an evaluation format of their CEO; and some legal issues that are occurring with

Benton's sale of Coffin Butte and Boardman. Manager Tracy lead a question and answering session regarding the history of BPA, the GTA contract, transmission issues of non-federal power, the Southern Idaho Exchange, and PP&L's involvement. Other items discussed were equal representation at the PNGC table; PNGC looking at garbage collection from Washington State; water being short but there is no need to change the rates in 2008.

ORECA REPORT: Representative Irwin reported Bryan Wolfe is the only candidate for Region IX representation. The Board of Directors instructed Chairman Irwin to endorse Bryan Wolfe by casting the vote. Discussion was held on resolutions encouraging the use of hydro as a renewable resource. Directors were encouraged to attend the ORECA Annual Meeting December 6 & 7 in Tigard.

(Motion) MANAGER'S REPORT: Discussion was held on the disappointment of not having the Grange Car Show in the Ruralite. Manager Tracy reported we need to be more accurate on our commitments to our members, specifically the lack of the safety trailer at the Triangle Lake Fair. Junction City football lights are not working and BLEC has offered to repair the problem.

Workshop topic - Budget: At the workshop previously held this day, the Board of Directors discussed the value of capacity will increase due to the volatile market, the importance of educating our members on the need to know the market will change including the structure and level of rates. Manager Tracy informed the Board of Directors that in the budget planning process, Staff has kept the quality of service, the quality of employees, maintained TIER and the equity requirements, did not reduce the cash position, are able to retire capital credits, and achieve these goals without raising rates. Discussion followed on educating our members on the importance of using electricity, along with the importance of keeping up with the brushing and maintaining our system.

USFS Special Use Permits: Manager Tracy informed the Board of the expiration of 2 or 3 permits over the last few years with discussion following on establishing a tickler system so this does not happen again.

Misc: A motion was made and seconded to draft language for a ballot regarding the acceptance or rejection of prayer at the annual meeting. The Board reviewed and discussed the Benefit Compensation presented by management. Cooperative Response Center is allocating capital credits and BLEC's share for 2006 is \$1,501.30, of which \$313.62 was retired.

OLD BUSINESS: There was no old business.

(Motion) NEW BUSINESS:

Policies: Management presented some of the 400, 500, and 600 series plus policy 306.00 to the Board with the changes they addressed in their policy workshop earlier this month. After questions were answered, a motion was made and seconded to approve the following policies with the effective date of September 24, 2007:

300 Series: Financial Management
306.00 Collection of Unpaid Accounts

400 Series: Operations and Engineering
401.00 Area Boundaries
403.00 Meter Tampering and Theft of Cooperative Assets
406.00 Safety Program 407.00 Interconnection Generation
408.00 Hazardous Materials Project

500 Series: Member and Consumer Relations
503.00 Member Assistance
504.00 Members Use of Conference Room
505.00 Assistance of Area Development Organizations
506.00 Use of Membership Information 507.00 Effective Energy Management

600 Series: Personnel
603.00 Bloodborne Pathogens/Exposure Control Plan
605.00 Donation of Vacation 607.00 Workplace Violence
609.00 Working Rules 610.00 Wage & Salary Administration
611.00 Performance Appraisals 612.00 Exempt Employees
614.00 Use of Cooperative Equipment & Vehicles 615.00 Grievances
618.00 Retirement and Security Plan 620.00 Employee Insurance Program
621.00 Holidays 622.00 Vacation Leave
623.00 Sick Leave 625.00 On Call Duty
626.00 Drug-Free Workplace 627.00 Nepotism
628.00 Harassment / EEO Discrimination

Motion carried 5-0.

Calendar: All directors except Director Rust and Director Jacksch will be attending the PNGC annual meeting, starting at Coffin Butte's ribbon cutting ceremony on October 1. Director Sikes was appointed the CFC voting delegate at NRECA's Region IX meeting with Director Rust alternate.

STATE HOSPITAL/PRISON: There probably will be no updates on this project until after the first part of 2008.

MEMBER COMMENTS: Manager Tracy presented three comments from the members to the Board, one on their delinquent account, one on BLEC workers, and one stating *Ruralite* articles need to have the author's name attached.

DIRECTOR ASSESSMENTS:

Comments: Good meeting.

Expenses: The directors turned in their expense reports.

Attendees to events: Director Rust and Director Sikes plans to attend Region IX. Director Swanzy will be attending the Director Fast Track conference in Montana. All directors except Director Jacksch and Director Rust will be attending the ribbon cutting ceremony at Coffin Butte in October and the PNGC Annual Meeting. Director Rust, Chairman Irwin, and Director Sikes will be attending the ORECA annual meeting December 6 & 7 in Tigard. Director Jacksch and Director Swanzy will check their schedules.

EXECUTIVE SESSION

Executive Session was held with no action taken.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:35 p.m.

(SEAL)

Audrey Rust
Secretary/Treasurer