



BLACHLY-LANE ELECTRIC COOPERATIVE
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**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, March 30, 2009**

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon. A quorum was declared present and the meeting was called to order at 6:45 p.m., following the board workshop. Chairman Irwin requested Vice Chairman Bob Sikes lead the meeting. Jon Swanzy was absent. The following were present:

Thomas C. Irwin III	-- Chairman
Bob Sikes	-- Vice-Chairman
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Bud Tracy	-- General Manager
Joe McFadden	-- Manager of Key Accounts
Mary Locke	-- Manager of Office Services
Jami Bartunek	-- Manager of Financial Services
Greg Gardner	-- Manager of Operations
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative
Trent Martin	-- Moss-Adams
Heather Lawrence	-- Moss-Adams

AGENDA: Additions to the meeting were Auditor and IRS Form 990 under New Business and Touchstone under Old Business.

A motion was made and seconded to approve the agenda as presented.
Motion carried 4-0.

MEMBER COMMENTS: Manager Tracy reported on consumers that are having a hard time paying their bill. No action was taken.

CONSENT AGENDA: Large Power Representative Todd Payne reported things are picking up a little for Seneca but not all of the large power accounts can report the same. The co-generation facility is moving forward. An opposing group regarding emissions and the plant itself will take the lead to public involvement.

A motion was made and seconded to accept the consent agenda. Motion carried 4-0.

FINANCIALS: Manager of Financial Services Jami Bartunek reported how equity and debt are tracking for the last 10 years. Over the last ten years, our equity has doubled. Ms. Bartunek reviewed the trends and explained where the revenue dollars went over the last few years of comparisons.

A motion was made and seconded to accept the financials as presented. Motion carried 4-0.

SAFETY REPORT: The board complimented the employees for a good job on the log books for the substations for tracking purposes.

After discussion, a motion was made and seconded to accept the safety reports as submitted. Motion carried 4-0.

PNGC/PRC REPORT: *PNGC board summary.* Manager Tracy reported a cost of service study will be run to see what will happen to our rates once PNGC indicates how the rates will need to be raised at their level. BPA rates could increase as much as 15% to 20% instead of the earlier forecasted 9%. Stimulus money for transmission and modernizing the dams are part of the stimulus package for BPA. There continues to be a PGE/Turlock situation to drag PNGC into a lawsuit. Manager Tracy informed the board that 2018 is an important date in that the Turlock contract terminates.

ORECA REPORT: Manager Tracy reported the Legislative Days were productive. Mr. Case is doing a great job at ORECA; the Board of Directors enjoyed *Keeping Pace* that he is publishing. Manager Tracy informed the Board of Directors that the County Franchise Fee has new life again but we will continue to keep fighting. Power of Community needs to be worked on. Our members must communicate with our legislators. A list of legislative contacts names and addresses are to be in the next *Ruralite*.

MANAGER'S REPORT: Rich LaRoShelle from CFC led a thorough discussion with the Audit Committee during the Board Workshop regarding the structure and investments at CFC. BPA has sent a survey with stipulations that participants must have base board heat in older homes. This survey is not for a manufactured home. The rebate could be as high as \$1,500 through BPA. There is a meeting tomorrow with Tri-Axis where we will be starting to lay plans for future growth in the Industrial Corridor. A substation transformer has been located that will not cost us nearly as much as anticipated. If the transformer passes the tests, we have the cash to purchase.

A motion was made and seconded to adjust the 2009 budget \$200,000 plus delivery fees to include a transformer and make a letter of interest to purchase the transformer, if it is still available. Motion carried 4-0.

Once the transformer is determined purchasable and other costs included, we can give our future members solid figures to calculate their needs. Discussion was held on the importance of pre-testing and post-testing.

OLD BUSINESS: *Policy 302.02 Depositories and Policy 309.00 Investments:* These policies were not finalized and will be brought back to the next board meeting.

Policy 601.00 IT Systems: After discussion a motion was made and seconded to adopt Policy 601.00. Motion carried 4-0.

Membership Application: Manager Tracy addressed the application for membership presented to the board. Policy 305.01 needs to be reviewed for consistency and have it prepared for next month board meeting for approval.

Touchstone: Jim Bausell, CEO of Touchstone was present via phone call informing the Board of the advertising savings, the strength in numbers when participating in Touchstone as well as a general overview of the hundreds of ways to benefit from membership in Touchstone. The governance and bylaws of Touchstone were passed out to the Board. Mr. Bausell informed the BLEC Board of Directors that Touchstone has 14 term limited directors which receive no per diem, they do allocate and retire capital credits to their members, have open board meetings, regional meetings are held, and operate with very low margins. Bausell explained logos help with identity and the three icons indicate the national unity that forms Touchstone.

NEW BUSINESS: *Audit:* Trent Martin reported there were no adjustments that needed to be made in this 2008 audit, stating there is no new debt, are still collecting on the Casco Note, cash is increasing, and the equity to assets are stable and strong at 58%.

990 IRS Form: The deadline for this form is May 15. Trent Martin of Moss-Adams was on hand to answer questions on Form 990. BLSI is to be included in the disclosure part.

Calendar: The calendar was reviewed by the board.

FUTURE LOADS: Manager Tracy informed the board that bid proposals are now out for general contractors for the prison/state hospital.

DIRECTOR ASSESSMENTS:

Comments: It was good to have the Audit Committee in for the workshop where we discussed financial management. The Board of Directors thanked staff and employees for the great job on the Audit and its findings.

Expenses: Expense reports were turned in.

Meeting Attendance: None

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 9:05 p.m.

(SEAL)

Audrey Rust
Board Secretary