



**BLACHLY-LANE ELECTRIC COOPERATIVE**  
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**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION  
BOARD OF DIRECTORS  
MEETING MINUTES  
Monday, April 27, 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 5:15 p.m., following the board workshop. The following were present:

Thomas C. Irwin III -- Chairman  
Bob Sikes -- Vice-Chairman  
Audrey Rust -- Secretary/Treasurer  
Ernie Jacksch -- Director  
Jon Swanzy -- Director  
Bud Tracy -- General Manager  
Mary Locke -- Manager of Office Services  
Jami Bartunek -- Manager of Financial Services  
Greg Gardner -- Manager of Operations  
Mary Cirks -- Administrative Assistant  
J B Vanhecke -- Manager Operator for a Member  
Jeff and Sandy Newman -- Members

**AGENDA**

A motion was made and seconded to approve the agenda with the addition of Electric Service Agreement and Audit Committee Report. Motion carried 5-0.

**MEMBER COMMENTS:** J B Vanhecke, Manager Operator of the High Pass Ranch was present and stated High Pass Ranch is looking at a biomass study, wetland study, and possible solar. He inquired as to the interest BLEC might have to join them. Mr. Vanhecke will visit with Manager of Operations Greg Gardner and Manager of Member Services / Key Accounts Joe McFadden. Jeff and Sandy Newman were present to address issues they have encountered regarding their businesses and personal billings. Discussion was held on who the member is that is ultimately responsible for paying the bill, and prepaid meters.

**CONSENT AGENDA:** Items pulled from the menu were disbursements, and memberships accepted / cancelled. BLEC is paying for a perpetual railroad crossing fee for our customers. Discussion was held on where/what our liability is when we open an account that claims to be a business but really aren't.

A motion was made and seconded to accept the consent agenda. Motion carried 5-0.

FINANCIALS: Manager of Finance Jami Bartunek reported we maintain approximately 160 consumers per employee; and overtime as a percent of regular hours has grown but that is due to the mandatory standby hours. We are less than the State in this category. The Board of Directors reviewed plant analysis; the balance sheet, stating equity is now at 61%; the income statement and the sales report.

A motion was made and seconded to accept the financials as presented. Motion carried 5-0.

SAFETY REPORT: Flame retardant clothing will be worn at the annual meeting. Tri-Axis is performing a study on ARC flash on our system to determine the level of flame retardant clothing is necessary for our safety and is to be done by the end of July.

After discussion, a motion was made and seconded to accept the safety report as submitted. Motion carried 5-0.

PNGC/PRC REPORT: Caution was extended regarding access to stimulus money and the strings that could be attached. No one can currently inform us what these strings could be but until we understand the entire picture, the board chose to continue with caution. Two items we will be dealing with are energy and carbon footprint. General Manager Tracy is working with Senators and Representatives to get a handle on the current issues. Manager Tracy stated water flows are up slightly and is a bigger flush coming on now. The water situation has not improved but generation has. PNGC's support of conservation has mixed signals.

ORECA REPORT: ORECA Representative Irwin informed the board discussion at the last meeting centered on the dues proposals that were reviewed. The Dues Committee proposed scenarios will be reviewed in Executive Session at the next ORECA meeting.

MANAGER'S REPORT: BPA has received BLEC's letter of intent to purchase and deliver a GE transformer. This transformer will be refurbished prior to coming on our system. We are also receiving steel structures and circuit switchers. An interconnection agreement with BPA is being worked on. Firm figures for the new customers coming on line will be able to be used in their cost calculations. Manager of Operations Services Greg Gardner shared maps with the Board of Directors indicating how EPUD, EWEB, and BLEC's territory is "intermingled" but serving a customer has been and is always in their best interest. Manager Tracy reported there is a sanction against an electric Cooperative on hearing tests given to all employees and the non-smoking issue is also a concern. The Blachly-Sessions in some places have less turn out than others. During the summer these meetings may change. Staff has produced a lean budget but has been requested to tighten it further while keeping an eye on the margins and maintaining service.

OLD BUSINESS: *Policy 302.02 Depositories:* After CFC and the Audit Committee's recommendations to said policy,

A motion was made and seconded to accept Policy 302.02 as presented. Motion carried 5-0.

*Policy 309.01 Investments:* Discussion was held on some wording changes to this policy,

mainly the percentage of funds invested to plant. BLEC is moving money for value, rates and insurance.

A motion was made and seconded to approve policy 309.01 with the agreed to changes. Motion carried 5-0.

*BLEC Annual Meeting:* Discussion was held on mailing a letter of notification to the members living in the districts which are having an election for a director. This will help the members realize their district needs them to step forward and participate in becoming a candidate.

NEW BUSINESS: *Electric Service Agreement:* Manager of Office Services Mary Locke reported the modified agreement has been thoroughly reviewed by legal counsel and management.

A motion was made and seconded approve the *Electric Service Agreement* with an established date in the footnote. Motion carried 5-0.

*Allocation:* Management reviewed the proposed capital credit allocation for 2008, stating using audited figures; all rate departments will get a capital credit allocation.

*Calendar:* Statewide systems managers and directors are attending the legislative days in Washington DC the first week in May. General Manager will be attending. Summer School for Directors is June 12-17 at Jackson Hole, Wyoming.

*Audit Committee Report:* The Audit Committee are pleased to have adequate cash on hand but suggested more diversification. Director Rust informed the Board of Directors that the Audit Committee recommends Moss Adams to perform an audit in 2009, as long as the fees are reasonable.

After discussion, a motion was made and seconded to send a letter of engagement for 2009 to Moss Adams, as long as the fees are reasonable. Motion carried 5-0.

FUTURE LOADS: Manager Tracy informed hasn't heard anything from Junction City representatives regarding the proposed Franchise Fee.

DIRECTOR ASSESSMENTS:

Comments: The Board of Directors expressed their heartfelt appreciation to Director Rust for her commitment to BLEC and stated she will be missed as a member of the Board. Kudos were extended to Manager of Operations Services Greg Gardner for his work in obtaining a transformer for our system.

Expenses: Expense reports were turned in.

Meeting Attendance: No meetings are scheduled.

EXECUTIVE SESSION - - No session was held.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:15 p.m.

(SEAL)

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Audrey Rust  
Board Secretary