

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, August 24, 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. Ms Bartunek was attending a CFC conference. The following were present:

Thomas C. Irwin III	-- Chairman
Bob Sikes	-- Vice Chairman
Ernie Jacksch	-- Sec/Treasurer
Jon Swanzy	-- Director
Cliff Kelley	-- Director
Bud Tracy	-- General Manager
Joe McFadden	-- Manager of Key Accounts
Mary Locke	-- Manager of Office Services
Greg Gardner	-- Operations Manager
Mary Cirks	-- Administrative Assistant
Chip Greening	-- Legal Counsel
Todd Payne	-- Large Power Representative

AGENDA:

A motion was made and seconded to accept the agenda with no additions.
Motion carried 5-0.

MEMBER COMMENTS: There were none.

CONSENT AGENDA: Some questions were asked regarding the work orders closed. Retired idle services can extend over a few years if the conditions are not right for retiring or there is better timing within a schedule. The rating system is used so there is a five year window to achieve the completion of the project. Operations Manager Greg Gardner informed the Board of Directors on the newly purchased transformer and reviewed the corridor expansion process. He presented a brief overview of the suggested 99 corridor electric distribution system development beginning with the completion of the Parker Substation expansion to the reasons and advantages of converting the Junction City Substation to a distribution substation. Development of the Junction City sub would include consideration for re-location of the 34.5 kV transmission to Alderwood. The goal of this work is to provide adequate capacity to serve projected new loads as well as to improve reliability at the lowest possible costs. Mr. McFadden also reported there is a student doing his internship in the LCC Energy Management Program and is setting up a home audit₁

database and another intern is looking at an internship in marketing. Neither is a cost to BLEC. Mr. McFadden reported the ductless heat pump offer of \$1,500 rebate from BPA along with a federal tax credit of \$1,500 is being used by several members. Large Power Representative Todd Payne reported the prices of lumber are still low and there has been a slight improvement in production.

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

FINANCIALS: In Manager of Finance Jami Bartunek's absence, Manager Tracy reviewed the Line Loss Chart, the Power Cost per kWh Purchased Chart and the Annual Growth in kWh Sold Chart. Equity is at 61%, the cost of service figures indicate the accuracy of the rates that are set. Discussion followed.

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

SAFETY REPORT: The safety reports were reviewed and discussed.

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

PNGC/PRC REPORT: Director Kelley attended the PNGC monthly meeting and reported there was plenty to learn, stating we missed an opportunity for our members by not taking stimulus money. The Board of Directors opted not to take any stimulus money at a former board meeting. PNGC will discuss the Boardman project again at the November meeting. Coffin Butte could be having trouble with the operation of the new engines. A rate adjustment is coming from PNGC; they are looking at providing renewable resources for their members. All of the BLEC Board of Directors will attend the PNGC annual meeting in October.

ORECA REPORT: Discussion was held regarding the resolution presented to ORECA for Region 9 consideration. BLEC Chairman Irwin, Manager Tracy, Glenn English of NRECA and Ted Case of ORECA will possibly have a discussion prior to the Region 9 meeting. Manager Tracy will carry the message to ORECA to set the resolution in place for voting at Region 9.

After lengthy discussion, a motion was made and seconded to prepare a resolution addressing our request for separate yearly annual meetings. Motion carried 5-0.

MANAGER'S REPORT: The BLEC annual meeting location, board meal, and Manager Tracy's meeting with the new DOE director Mark Long on the hospital/prison were discussed. Manager Tracy informed the Board he has much respect for Mr. Long's work.

A motion was made and seconded to hold the BLEC 2010 annual meeting Saturday, May 22, 2010 at Triangle Lake School.

A motion was made and seconded to return to the catered meal for the board meetings. Motion carried 3-2 with Director Jacksch and Director Kelley casting the nay votes.

Manager Tracy discussed the net metering findings, informing the Board that BLEC has the minimum number of employees to operate efficiently. At all of the Blachly Sessions that₂

were held, the members said our reliability is great and they are satisfied with the technology as it now stands. Until we have “smart” devices in our area, the “smart grid meters” have no advantages in that spectrum. The smart meters could provide many good things like not going on member’s property, are more efficient than the old meters, provide more access to customer’s information, and are a safety tool for our members and employees. Manager Tracy reported the budget will look at monitoring and meeting our long term goals.

OLD BUSINESS: *Triangle Lake Park:* Manager of Member Services Joe McFadden reported he has been to Triangle Lake Park and found it to be in a very clean condition, operations have been very busy this year, and the Caretaker is doing a wonderful job. Discussion was held on the property boundary and if there could be any trading of land. The bridge could become a problem if it was ever in need of repair. Management will continue to check into this project.

AWARE meeting date: Director Kelley reported Jim McLaughlin, Patrick Utter, and Jim or Michelle Sodeman who have been requested to be on the AWARE Committee and one more member will be sought. The meetings will be held on the third Monday nights, every other month at the office.

Policy 608.01 Physicals: This policy was reviewed and given back to legal counsel and management for more work and have it ready for the next board meeting.

Policy 630.00 HIPAA: We are a health plan therefore are a covered entity and subject to HIPAA rules. Worker’s Compensation is an exception to the rules. Legal Counsel will review this policy and present it at the next board meeting.

NEW BUSINESS:

Touchstone: Discussion was held that the \$0.75 per member turned out to be a good investment and the board sees only advantages for our members. Manager of Member Services Joe McFadden indicated pharmacy savings hit \$947 for June. To date, members have saved \$4,057.65 in pharmacy prescriptions alone.

A motion was made and seconded to continue in the Touchstone program for another year at the same price (\$2,100) paid as last year. Management is to publicize the benefits more and market the plan more than last year. Motion carried 5-0.

Calendar: The calendar was reviewed.

FUTURE LOADS: Discussed previously throughout the meeting.

DIRECTOR ASSESSMENTS:

Comments: There were none.

Expenses: Expense reports were turned in.

Meeting Attendance: All of the Board of Directors will be attending the October PNGC 2009 Annual Meeting. All Board of Directors members except Chairman Irwin will be attending the Columbia Generation Site tour in October.

EXECUTIVE SESSION: Executive session was not held.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:45 p.m.

(SEAL)

Ernie Jacksch, Board Secretary