

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, September 28, 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 5:10 p.m., following the board workshop. 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
Jami Bartunek	-- Manager of Financial Services
Mary Locke	-- Manager of Office Services
Greg Gardner	-- Operations Manager
Mary Cirks	-- Administrative Assistant

AGENDA: Items added to the agenda were an AWARE committee report, Region 9 Report and removal of the policy review due to Attorney Greening's absence.

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

MEMBER COMMENTS: The Board inquired if people follow up on the member comments they receive and it was reported follow-up does occur.

CONSENT AGENDA: It was noted that Patrick Utter was appointed to the AWARE committee, the spreadsheet should be added to the minutes regarding the caterer decision, and that Attorney Greening was present at the meeting. Expenditures to school for donations are paid for by BLEC, spreading the amount equally among all schools in the rural area of our service territory. BLEC is not participating in the Youth Energy Tour Washington DC but instead participates in the Youth Energy Seminars. It was discussed that a member committee could be sought to achieve more activity in this program. Vehicle #3 inspection / tear down are not done and will be in next year's budget. Discussion was held on some work orders. Manager of Operations Services Greg Gardner reported spans are pretty long along Highway 99 so we will be setting poles within some of the spans. Right-of-Way is starting on the M line but the Takeuchi mower caught fire so we hope to start it next week. Lack of OCR maintenance used up most all of the budget and we're about 10% over budget, which is about \$52,000. Instead of the installation of some fans, back-up spare transformers will be repaired this year. Back-up transformers are very important. The Board of Directors asked if we're going to be overall under or over budget with a report that we are now under budget, which gave the Board comfort and were supportive and granted the variance. The starlings that are causing outage problems will get guards on the wire when the Parker Substation is down for change-outs. Greg thanked the Board for the term at Linfield College as he has

1

completed his BS in Business Management. A second intern student is coming to BLEC as he is working on a marketing project. Manager of Member Services Joe McFadden reported the ductless heat pump rebates came out of the same account as the appliance rebate program. Discussion was held on the consumer accounts expense that is under budget \$5,200 and why that is so.

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

FINANCIALS: Discussion was held on the average residential usage, the accounts receivable over 60 days as a percent of operating revenue, and the amount written off as a percent of operating revenue. Accounts receivable are lower due to fewer sales than in 2008. COSA by class indicated the 3 Phase Commercial class has a negative margin to-date. Inventory is down from last year due to lack of new construction.

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. Discussion was held on obtaining a contract reader to work in our meter reader's absence. Also discussed was the delay in writing up of an accident that occurred April 1, 2009 which was stated as not work related then in July it was reported that it was work related. All employees have been informed that they must fill out an accident report anytime there is an incident.

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

PNGC/PRC REPORT: Manager Tracy reported Coffin Butte has been operating high on the 35/20 units but efficiency may not be there. With the push for renewable, we can expect consumers will want more. At the Region 9 meeting, they stressed hydro to be a renewable, upgrade the hydro in place, and learn more about nuclear energy. Director Kelley will not be able to attend the PNGC annual meeting in October.

ORECA REPORT: The annual meeting will be held in December.

MANAGER'S REPORT: Manager Tracy reported that the budget has come together and a draft was presented to the Board. The Board will study the budget over the next month. There will be an employee/board meeting prior to the October board meeting to discuss benefits and any other issues of importance. Manager Tracy informed the board that the CFC Independent Borrowers Conference in Tucson this November has requested his presence as a panel speaker with a topic of increasing cash and stabilizing rates. Manager Tracy reported Attorney Greening's accident has left him unable to be present tonight but all in all, he is recuperating well.

OLD BUSINESS: *Worker's Comp issue:* Manager Tracy informed the board he has been communicating with our attorney regarding a Worker's Compensation issue.

NEW BUSINESS: *Consideration of rate structure:* Rates were discussed but finalization of them will be later to coincide with the budget.

December board meeting: After discussion, it was decided to hold the December board meeting on Monday, December 21 instead of Dec 28.

Calendar: The calendar was reviewed.

Region 9 Attendee report: Chairman Irwin reported on the class he took while attending the meeting, *Energy Efficiency and Demand*. He also reported the resolution was unanimously adopted by participants. Manager Tracy reported Chairman Irwin deserves the credit for bringing the resolution to the meeting. Much discussion was held on how the achievement was accomplished and the board needs to discuss how we are going to get some of the political decisions accomplished, possibly by the ORECA. Manager Tracy reported Federated is doing well and he visited with NISC and CRC at the Regional meeting regarding software and procedures. Ron Patton of NISC will come and discuss the iVUE software materials.

AWARE Committee report: Manager Tracy reported the AWARE committee would like to see annual smaller increases on rates rather than big rate increases so there is not a yo-yo effect. Stable rates would be the goal. The committee will continue to meet the 3rd Tuesday every other month at 6 p.m. instead of 7 p.m. for the 2009-2010 season. The AWARE members were challenged to bring two younger people to the meeting in an effort to start getting the younger generations aware of what a cooperative is about.

FUTURE LOADS: Grain Millers could start construction in 2011 and be finished by 2012, remaining on the same schedule. At the prison meeting, the project manager stated the hospital intends to be open sometime in 2013 and the prison could follow in 2014.

DIRECTOR ASSESSMENTS:

Comments: There were none.

Expenses: Expense reports were turned in.

Meeting Attendance: All of the Board of Directors except Director Kelley will be attending the October PNGC 2009 Annual Meeting.

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 8:45 p.m.

(SEAL)

Ernie Jacksch, Board Secretary