

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, October 26, 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 5:00 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
Chip Greening	-- Attorney
Todd Payne	-- Large Power Representative
Mitch Hagstrom	-- Pacific Continental Bank
Charley Snellings	-- Pacific Continental Bank
Mick Reynolds	-- Pacific Continental Bank

Others present were

AGENDA: Items added to the agenda were under Old Business – Wild Blue and add Pacific Continental Bank dialogue to follow approval of the agenda.

A motion was made and seconded to accept the agenda with the additions.

Motion carried 5-0.

PACIFIC CONTINENTAL BANK DIALOGUE: Members of the Audit Committee had concerns and questions relating to the financial conditions and investment opportunities there were in where BLEC's securities are held, both present and in the future. The Board of Directors stressed the money invested is money that belongs to the members and must be handled in the most prudent and safe way possible. With that in mind officers from BLEC's current bank were present and explained the strength of the bank, security and total capital ratio being around 16.5%. Discussion was also held Asset Pledge Program through the State of Oregon. Information is currently being discussed on a regular basis from the bank to BLEC.

MEMBER COMMENTS: There were none.

CONSENT AGENDA: Discussion was held on some of last month's disbursements, the increase of account receivables, and the Junction City substation coordination is underway.

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

FINANCIALS: Manager of Finance Jami Bartunek reviewed the long term debt as a percentage of total assets; the blended interest rate on debt; and the general funds per total utility plant. Bad debt reserve was discussed.

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

SAFETY REPORT: The safety reports were reviewed and discussion was held on the "abandoned" cable incident that continued to have the original neutral connected.

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

PNGC/PRC REPORT: TIER II will be purchased from BPA. This is included in our load forecast. PNGC is looking and working very hard to make sure BLEC gets the green tags. NRECA realizes the northwest doesn't have but little carbon footprints. Discussion was held on renewable energy credits which are green tags for the future. There are about 60 BLEC consumers that purchase green power. Director Jacksch reported on his tour of the Columbia Generating Station nuclear plant. He noted that nuclear waste, if recycled two times, fits into a pop can.

ORECA REPORT: Discussion was held on courses for the ORECA annual meeting in December. A panel of four will talk about current issues with the board members and managers. The next step for the proposed language change to the resolution submitted at the Regional meeting was presented prior to it going to the national meeting. Attendees to the ORECA 2009 annual meeting are Chairman Irwin, Director Sikes, and Manager Tracy.

After discussion, a motion was made and seconded to vote for Bryan Wolfe as the Oregon NRECA Board of Directors member. Motion carried 5-0.

A motion was made and seconded to appoint Chairman Irwin as the delegate to the ORECA annual meeting. Motion carried 5-0.

MANAGER'S REPORT: The CFC e-Pay Resolution was discussed which allows maturing commercial paper to be used to pay Blachly-Lane specified vendors.

A motion was made and seconded to appoint Manager of Finance Jami Bartunek and Manager Tracy as the individuals to use this service. Motion carried 5-0.

Manager Tracy discussed the happenings of the Government Affairs Committee meeting. Discussion was held on a property jointly held by individuals and joint membership. As per the bylaws, a joint membership is either a civil marriage or a domestic partner.

OLD BUSINESS: *Policies:* Policies 608.01 (Physical Examinations) and Policy 630.00 (HIPAA) were discussed.

A motion was made and seconded to approved both policies as presented. Motion carried 5-0.

2010 Budget Approval: The Board thanked employees for a great discussion earlier today, which the Board took into consideration during the lengthy discussion on the budget and rates. Manager Tracy explained our power supplier is looking at a 7% rate increase but with trimming of expenses to the leanest possible, the issuance of capital credits in 2010, and the cooperation of employees, proposed a 2% revenue adder overall with the exception of the 3 phase commercial class which needs a larger increase due to meeting their cost of service.

A motion was made and seconded to approve the budget as presented with a 2% rate overall increase except for the 3 phase commercial effective January 1, 2010 for the February 5, 2010 billing, and freeze employee wages for 2010. Motion carried 5-0.

Wild Blue Report: Director Kelley reported his findings of the Wild Blue Broadband satellite program he is trying. He reported it is working well but not ready to make any recommendation to the Board. He will continue to monitor the system.

NEW BUSINESS: *Health Insurance program:* The Board reviewed the claims report of premiums earned and paid from January 2006 – September 2009.

Audit Committee Scope and Role: Discussion was held on concerns from the Audit Committee regarding insurance coverage of our principal bank. The responsibilities/roles of this Committee, as per the bylaws were discussed. The Board of Directors heard from PCB earlier and the voice of the board is that of the Audit Committee. The bank we work with is very stable and strong and there's no problem in looking at more than one institution.

Letter to banks from Audit Committee recommendation: A lengthy discussion was held on a recommendation from the Audit Committee regarding sending a request for proposal to area banks. After questions were asked and answered, the Board of Directors decided not to pursue the request for proposals at this time.

FUTURE LOADS: Manager Tracy informed the Board of Directors that he has had some communication with the Oregon Department of Corrections and this project continues to develop.

DIRECTOR ASSESSMENTS:

Comments: There were none.

Expenses: Expense reports were turned in.

Meeting Attendance: All of the Board of Directors will be attending the ORECA board meeting in Boardman, Oregon and taking in a tour of the Boardman Coal Fired Plant as well as an ethanol plant.

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 9:15 p.m.

(SEAL)

Ernie Jacksch, Board Secretary