

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION  
BOARD OF DIRECTORS  
MEETING MINUTES  
Monday, November 23, 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 which specifically addressed the future options and costs associated with the Boardman Plant. 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	-- Attorney
Todd Payne	-- Large Power Representative
John Prescott	-- CEO PNGC

**AGENDA:**

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

**MEMBER COMMENTS:** There were none discussed.

**CONSENT AGENDA:** Discussion was held on the railroad crossing that is an annual payment; the Salvation Army's administration fee for managing the BLES fund; the cost of one tire being relatively high; a 1% charge for using credit cards for payments of consumer's bills.

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

**FINANCIALS:** Manager Tracy reviewed the Small and Large Commercial Revenue per kWh sold, the total operating expenses per kWh sold, all sales are down, and equity continues to grow.

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

**SAFETY REPORT:** Manager of Operations Services Greg Gardner informed the board that the flame retardant clothing is bought by the cooperative and it is the responsibility of the co-op to make sure they are being worn. All employees are now back to work and that is wonderful.

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

PNGC/PRC REPORT: John Prescott discussed the Boardman Plant and its future. The presentation given to the PRC board was given to the BLEC Board of Directors. Mr. Prescott explained the plant's improvements are up to Portland General Electric (PGE). PRC has been taken out of the litigation. Discussion was held on the potential Boardman future and recommendations. Combined combustion and turbine costs will just about be equal to the costs of an upgrade to Boardman. Pollution costs are very high. PGE is looking at projects such as building CT's at Boardman. Participants of the Boardman Coal Plant tour shared their discoveries with the rest of the board. Discussion was from the 600 MW produced and 26 of them being used to operate the plant; the dangerous jackhammers; the 3,750 hp motor running the fans; how little it pollutes the air; and overall, the directors who attended were very impressed with the tour and plant. Discussion was held on having NWPPA sponsor an Economic Summit.

ORECA REPORT: ORECA board representative Tom Irwin III reported it was the consensus of their board that it would be good to move the board meeting around the state more frequently. Discussion was held on the two resolutions that passed and will go on to the national meeting; and participation in the ACRE program. The ethanol tour was a surprise in that it is not a power producing plant. Lane Electric nominated Manager Tracy for the ORECA Pioneer Award of which he has been selected to receive. The Board of Directors congratulated Manager Tracy on a job well done.

MANAGER'S REPORT: Manager Tracy reported on his attendance at the CFC Independent Borrowers 2009 Summit of which he participated in as a panelist. He explained the slides of his presentation which indicated how BLEC went from a low equity position and in five years changed into a higher equity position. He also reported there were very dynamic speakers and it was one of the best conferences he has attended. Discussion was held on issuing BLEC credit cards for the board members. With the approval there are a few things that will be expected from the Board of Directors. One is that the statement received each month "must" have receipts attached. If there are no dated receipts, there will be no payment issued; the receipts must match the credit card statement; it is the responsibility of the Board of Directors to handle the card in the proper manner.

OLD BUSINESS: *Membership Deposit Issue:* Manager Tracy addressed the board on a consumer requesting not to pay a deposit since the account was in the parent's name but the BLEC bill has been paid for by the child. The Board of Directors advised Manager Tracy to adhere to the policy in place. Discussion was held on consumers receiving their bill on line with no paperwork being issued. Office Manager Locke is looking into this possibility.

*Bank Discussion:* The workshop focused on this topic so the following was presented:

A motion was made and seconded stating the responsibility of the Audit Committee is to advise the Board of Directors and from this point forward, the Chairman position will always be the designated Board of Directors member, that currently being Director Swanzy. Motion carried 5-0.

A motion was made and seconded to direct management to report back on how the State Collateralized Deposit Program works and the elements of it relative to a banking relationship. Motion carried 5-0.

*WildBlue Satellite:* Director Kelley has been on the WildBlue Satellite program for a month and a half now and reports that it is working nicely. Director Kelley reported he obtained his membership through a cooperative in California and BLEC can offer it to our members at no

cost to BLEC. BLEC would receive \$100 per member that signs up from the offering utility, and that money could be donated to the BLES program. ADDED as an addition: Manager Tracy is to follow-up the request to talk to a Cooperative in CA and report at next month's meeting.

*Scope of Audit Committee:* Attorney Greening submitted there is authorization in the BLEC bylaws as to the scope of their work and that is sufficient enough, along with the appointing of the board representative as the Chairman.

NEW BUSINESS:

*Calendar:* The calendar was reviewed.

*Annual Meeting Schedule:* Manager of Key Accounts McFadden reported the bios for those directors running for re-election in 2010 need to have their biographies to him by February 1, 2010.

FUTURE LOADS: Glory Bee's article in the *Register Guard* was discussed and they are waiting for the economy to stabilize before they decide when they will be expanding. Grain Millers are waiting on the State to settle urban growth boundaries which should come in the spring of 2010.

DIRECTOR ASSESSMENTS:

*Comments:* Discussion was held on taking a tour of Seneca for an enlightenment of the project they are currently working on.

*Expenses:* Expense reports were turned in.

*Meeting Attendance:* Director Swanzy and Manager Tracy will be attending the NRECA Annual Meeting in February.

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 8:35 p.m.

(SEAL)

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Ernie Jacksch, Board Secretary