



BLACHLY-LANE ELECTRIC COOPERATIVE
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**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, April 26, 2010**

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 5:03 p.m., following the board workshop. The full Board of Directors and staff were present except for Operations Manager Greg Gardner and Key Accounts Manager Joe McFadden. Attorney Chip Greening, Large Power Representative Todd Payne, Administrative Assistant Mary Cirks, and member Hans Reindel were also present.

AGENDA:

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

MEMBER COMMENTS: Mr. Reindel was again present expressing his concerns over the new rates. BLEC personnel have installed metering equipment to check his load factor and explained various engineering techniques. Mr. Reindel explained his situation with his equipment, how the fluctuations work while they are running, and explained he has not heard anything back from BLEC since the kVar equipment was installed. He wants to know if his rate is going to change or not. Director Swanzy will stop by his place and offer suggestions.

CONSENT AGENDA: Items discussed were the insurance incident not paid out last month, term limits of the Safety Committee members, and the propane incident.

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

FINANCIALS: Assistant General Manager/Finance Manager Jami Bartunek reviewed the financials page by page, answering questions as they occurred.

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

PNGC/PRC REPORT: Hot topics at PNGC are Smart Grid, WIG, and the water flow forecast. The WIG project has moved to a Strategic Planning issue due to some cooperatives not willing to participate due to costs involved. Low water flow forecasts are driving the slice portion of the rates up about 4.3%. Flathead Electric has decided not to participate in the PNGC pool. After discussion and review,

a motion was made and seconded direct staff to modify the existing budget to include the multiplier that was added on PNGC's power bill. Motion carried 5-0.

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ORECA REPORT: Chairman Irwin reported on the ORECA Strategic Meeting where topics including facility headquarters, legislative issues, safety services, cap and trade, franchise fees, and public purpose were discussed.

MANAGER'S REPORT: *Triangle Lake Park:* Manager Tracy reported a Memo of Understanding with the Grange has been accomplished and BLEC will be purchasing the swing set and supplies directly from the manufacture, the Grange will install the equipment, and repay BLEC by an annual payment of \$546 for three years.

Policies: With the appointment of Ms. Bartunek as Assistant General Manager, A motion was made and seconded to allow all policies in effect today to have the "responsibility section" of each policy be worded as follows: "When and where found throughout the policies, the administration of the policies shall be the responsibility of the General Manager or the Assistant General Manager. Motion carried 5-0.

JATC: The Joint Apprentice Training Committee has had a claim filed against them. The function of this committee was discussed.

Misc: Health care issues, water flows in the region, EPA's proposed rules of PCB's in oil in transformers be changed from 50ppm to 5ppm.

OLD BUSINESS: FERC/NERC/WECC: Maintenance procedures are being worked on through some exposure to these rulings.

Bank issue: All banking dollars invested are covered by FDIC with the balance invested in CFC.

Audit: The Audit Committee made the recommendation to the Board of Directors to approve the audit report as presented to them, stating Moss Adams did an excellent job.

A motion was made and seconded to accept the Audit of 2009 as presented. Motion carried 5-0.

NEW BUSINESS: *Policies:* Covered in Executive Session.

Counting Committee:

A motion was made and seconded to appoint Barbara Glenzer, Betty Herbert, Ethlyn Forcht, Cheryl Haskell, Charles Coty and Marlene Northrup to the 2010 Counting Committee. Motion carried 5-0.

Capital Credit Allocation and Retirement:

A motion was made and seconded to authorize the allocation and retirement of all the 1995 and 40% of the 1996 capital credits for a total of \$609,000 and checks to be ready for disbursement at the annual meeting. Motion carried 5-0.

Siuslaw Watershed Project: Discussion was held on replacing overhead with underground in the Deadwood area. US Forest Service is requesting \$62,000 additional from BLEC members when they have already been contributing to BPA for these types of improvements.

Calendar: The calendar was reviewed with the change of having the AWARE meeting on May 25, after the annual meeting.

FUTURE LOADS: BLEC personnel continue to work with the large new loads. Earth moving could be done by this summer.

A motion was made and seconded to continue working on establishing commitments with the new large power loads and to create a rate class for the new TIER II power. Motion carried 5-0.

DIRECTOR ASSESSMENTS:

Comments: Seneca will arrange for a tour of their bio-mass plant in about a month. It will need to be held after 5 p.m.

Expenses: Expense reports were turned in.

Meeting Attendance: Director Kelley announced he will be out of town for the annual meeting on May 22 and therefore unable to attend the meeting.

A motion was made and seconded to authorize Chairman Irwin attend the Co-Bank annual meeting May 18/19 in Colorado Springs. Motion carried.

EXECUTIVE SESSION: Executive session was held for about an hour. After reconvening, a motion was made to approve the following policies as proposed with their amendments: Policy 103.01, Organizational Plan; Policy 203.02 Board Fees and Expenses; Policy 305.02 Consumer Accounting Practices; and Policy 610.01 Wage and Salary Administration. Motion approved 5-0.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:30 p.m.

(SEAL)

Ernie Jacksch, Board Secretary