

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, July 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 5:00 p.m., following the board workshop. The current Board of Directors, staff members Jami Bartunek, Joe McFadden, and Mary Locke were present. Attorney Chip Greening, Large Power Representative Todd Payne, and Administrative Assistant Mary Cirks were also present. Liz Vollmer-Buhl of the Siuslaw Watershed and Paul Burns of USFS were present to discuss the USFS/Siuslaw Watershed project. Manager Tracy was present for a short time.

AGENDA: Director Kelley requested to add under New Business, Board Recognition Policy. A motion was made and seconded to accept the agenda with the addition. Motion carried 4-0.

MEMBER COMMENTS: There were none.

CONSENT AGENDA: The minutes and disbursements were pulled from the consent agenda. Director Kelley clarified the minutes with regards to his *expected* arrival time at last month's board meeting. The correction was made. Discussion was held on a few checks. A motion was made and seconded to accept the consent agenda with the correction. Motion carried 4-0.

FINANCIALS: Ass't General Manager/Finance Manager Jami Bartunek reviewed the financial highlights, statement of financial position, and statement of operations, cash flows, sales report, and the balance sheet. A motion was made and seconded to accept the financials as presented. Motion carried 4-0.

PNGC/PRC REPORT: Ass't General Manager/Finance Manager Jami Bartunek reported on the PNGC meeting where they stated rates will increase primarily due to Slice generation being at 79%. BPA revenue requirement for Tier 1 could be 10% to 20% higher for FY2012. The Wheeler Interest Group Project was voted down by the PNGC members.

ORECA REPORT: Chairman Irwin reported on the rate strategies class he attended, stating it is important for all board members to learn about rate making and setting philosophy.

MANAGER'S REPORT: The Board of Directors reviewed the monthly report in the board packet.

MONTHLY POLICY REVIEW:

Policy 201.01 (Functions of the Board of Directors): Discussion was held on the changes to the objective section. Motion made and seconded to approve policy as presented. Motion carried 4-0.

Policy 202.01 (Committees of the Board of Directors): Motion was made and seconded to change the wording that committees will be used sparingly and normally in an ad hoc capacity. Motion carried 4-0.

Policy 203.01 (Board Fees and Expenses): Discussion was held on what the business travel covers, and change the word fee to compensation, and the title from Board Fees and Expenses to *Director Fees and Expense Reimbursement*. Motion was made and seconded to approve this policy with the changes. Motion carried 4-0.

Policy 204.01 (Board and General Manager Relationships): A motion was made and seconded to table this policy for the purpose of an entire revision. Motion carried 4-0.

Policy 205.01 (Service of Consultants): Motion was made and seconded to accept this policy as presented. Motion carried 4-0.

Policy 206.01 (Board Education): Motion was made and seconded to accept this policy with the revisions. Motion carried 4-0.

OLD BUSINESS: *AWARE Committee appointment:* Director Kelley reported he will submit a candidate for the AWARE Committee to the board by August.

Strategic Planning: A motion was made and seconded to have this discussion later with the new director in attendance. Motion carried 4-0.

PUC Territory Issue: Key Accounts Representative Joe McFadden explained the PUC map and the areas that are unclaimed service territory. The Board of Directors stressed the importance of negotiating with the other electric entities that surround this territory.

A motion was made and seconded to inform the PUC that BLEC is interested in pursuing ownership of stated unclaimed territory. Motion carried 4-0.

District 3 appointment: A motion was made and seconded to appoint Mr. Gerry Doyle to fill the board vacancy from District 3. Motion carried 4-0.

Region 9 Alternate voting delegate: Discussion was held on who should attend the Region 9 meeting as an alternate voting delegate.

A motion was made and seconded to appoint Jami Bartunek as the alternate voting delegate to the NRECA Region 9 meeting. Motion carried 4-0.

A motion was made and seconded that only Director Jacksch and Ass't General Manager/Manager of Financial Services Bartunek attend with the Region 9 meeting Motion carried 3-1, with Director Kelley casting the nay vote.

NEW BUSINESS: *Deadwood Creek (Siuslaw Watershed):* Two representatives of the Siuslaw Watershed management team were present to discuss the Lower Deadwood restoration project by Misery Creek. They are in the final component of the project which is

the burial of power lines. The advantages and disadvantages of the project were discussed as well as the costs associated. The total cost of the project is \$168,540 of which they have \$95,000 and seeking \$73,540 from BLEC members to finish; which some directors called a form of double dipping from our members. Implementation of the project would be September of this year. Discussion was held on other entities that could possibly assist in funding the USFS project and the benefits of this project to all of our members.

NISC Conversion: Office Manager Mary Locke explained BLEC has considered changing from the Horizon software we are using to the newer iVUE program for several years. There are many features of the new system that would increase productivity. Many other cooperatives have switched to the iVUE program. NISC reported there are only three cooperatives in the US using the old system and are considering phasing it out. NISC has reported they will waive \$53,000 to get BLEC updated. BLEC's cost would be approximately \$24,000 - \$27,000.

A motion was made and seconded to convert to the NISC iVUE program.
Motion carried 4-0.

Board Recognition Policy: A question was raised as to how the recognition was given at the annual meeting this past year and suggested a policy be developed.

A motion was made and seconded to address the issuance of awards in the future thru a policy. Motion carried 3-1 with Director Sikes casting the naye vote.

Calendar: The calendar was reviewed and suggested the current month be included in the board packet.

FUTURE LOADS: A draft agreement has been received from the State Hospital/Prison and Attorney Greening will review it. Grain Millers agreement will come in the near future.

DIRECTOR ASSESSMENTS: *Comments:* There were none.

Expenses: Expense reports were turned in.

Meeting Attendance: Director Jacksch and Ass't General Manager Jami Bartunek will be attending the 2010 Region 9 meeting.

EXECUTIVE SESSION: There was none.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 8:05 p.m.

(SEAL)

Ernie Jacksch, Board Secretary