

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, August 23, 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 5:10 p.m., following the board workshop. Chairman Irwin welcomed and expressed appreciation to Gerry Doyle for his willingness to represent District 3 on the board. The Board of Directors expressed their thanks to Ms. Bartunek for a job well done in Manager Tracy's absence. The current Board of Directors, General Manager Bud Tracy, 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 Pam Gardner of USFS were present to discuss the USFS/Siuslaw Watershed project as well as two BLEC members, George Uriona and Nancy Nichols.

AGENDA:

A motion was made and seconded to move USFS underground Misery Creek area update up in the agenda to accommodate the guests; and to accept the agenda with the addition, as well as requesting LP representative Todd Payne be more involved in discussions. Motion carried 5-0.

MEMBER COMMENTS/Misery Creek update: Nancy Nichols addressed the current reliability of the overhead Misery Creek lines and the opportunity to get these lines put underground. George Uriona reported he walked the lines and shared his findings with the board, noting the age of some poles. Manager Tracy shared BLEC's records with those in attendance, reporting there were a few outages from 2005-2010. Ms Vollmer-Buhl reported where the funding comes from, the \$45,000 from the USFS and \$45,000 from lottery dollars, and listed possible benefits to BLEC and its members. Ms. Gardner addressed restoration, recreation, and partnership to get public lands improved informing the Board of Directors the contract stipulates BLEC will participate. Chairman Irwin addressed the funding we already pay for in the BPA rates and this project expects our members to pay again. There are less than 12 people on this line and it is not reasonable to the remaining members that they pay for this improvement.

Director Kelley removed himself from the director position and addressed the board as a member. His debit card was stolen and to start the automatic payment plan, he needed to come in to the office to start the process and feels that is not a good way to do business as it is inconvenient for the membership.

CONSENT AGENDA: The minutes, disbursements, work orders and safety minutes were pulled from the consent agenda. The correct Misery Creek USFS numbers are to be adjusted from \$95,000 to \$90,000 and seeking \$78,540 (incorrectly stated as \$73,540 in last month's minutes) from BLEC, work orders need budget item numbers added back for better tracking, and the board discussed why the wrecked meter reader car was sent to Corvallis instead of Eugene. The accident occurred in Benton County. Discussion was held on a few checks.

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

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. Sales are short of budget, and revenue is continuing on a downward trend.

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

PNGC/PRC REPORT: All of the Board of Directors will be participating in the PNGC annual meeting and the dam tour. Manager Tracy reported PNGC will be having another rate increase this year. For FY 2012, TIER 1 is expected to increase 12% – 20%.

A motion was made and seconded to nominate Manager Tracy as the Director of PNGC as stated in Resolution 2010-01. Motion carried 5-0.

A motion was made and seconded to appoint Manager Tracy as the designated membership representative for PNGC with Ms. Bartunek as the designated alternate membership representative for PNGC from BLEC as stated in Resolution 2010-02. Motion carried 5-0.

ORECA REPORT: Much discussion was held regarding how many directors and who should attend the NRECA annual meeting in 2011. NRECA annual meeting attendees will be Director Kelley, and Director Sikes.

MANAGER'S REPORT: Members of the Board of Directors attended various political actions over this past month. Each reported on their attendance and no support was given to any of the political candidates. Manager Tracy informed the Board of the visit from CFC Representative Bill Edwards wherein they discussed BLEC's basis for establishing a new rate class. Discussion was held on a customer, following disconnection of service due to non-payment, preventing BLEC from crossing his bridge; this customer wants no BLEC lines on his property anymore.

MONTHLY POLICY REVIEW:

Policy 204.01 (Board and General Manager Relationships): Management continues to work on this policy.

Policy 301.01 (Financial Practices and Equity Management): Motion made and seconded to accept policy as submitted. Motion carried 5-0.

Policy 302.02 (Approved Depositories for Cooperative Funds and Authorized Check Signatures): Motion made and seconded to accept policy as submitted. Motion carried 5-0.

Policy 303.01 (Loans and Loan Guarantees): Motion made and seconded to accept policy as submitted. Motion carried 5-0.

Policy 304.01 (Retail Rates): Discussed the New Large Single Loads, recognizing the obligations for the NLSL and retail rates between PNGC and BPA. Motion made and seconded to accept policy as submitted. Motion carried 5-0.

Policy 305.02 (Consumer Accounting Practices): Ms. Locke discussed the bylaws and how they correlate together, clarifying an inactive account in good standing. Motion made and seconded to accept policy as reworded for simplicity. Motion carried 5-0.

Policy 310.00 (Credit Cards): After discussion a motion was made and seconded to accept policy as submitted. Motion carried 5-0.

Policy 602.02 (Employee Travel Expense): The board accepted the requirements for reimbursements to be the same as the board travel expense. A motion was made and seconded to accept policy as submitted. Motion carried 5-0.

Policy 631.00 (Employee Recognition Program): This policy was rejected by the Board of Directors due to the main idea was having it a member recognition policy instead of an employee recognition.

OLD BUSINESS: *AWARE Committee District 5 appointment:* Director Kelley reported he continues to search for a candidate to fill this district's representation to the AWARE Committee.

PUC Territory Issue: Key Accounts Representative Joe McFadden informed the Board of Directors we've talked with the other utilities involved, noting all parties need to agree if this is to be finalized and some are not ready to become involved.

BLEC service territory update – BLEC and EPUD: Management reported we have been in contact with EPUD and it is now up to the customer(s) involved in the territory issues, the opportunity to make their choice.

USFS underground Misery Creek area update: See Member Comments and Executive Session.

NEW BUSINESS: *Touchstone Agreement Renewal:* Motion made and seconded to continue participation in this program. Motion carried 5-0.

Budget Concern: Discussion was held on budgeting enough dollars so more directors can attend the Region and Annual meetings; allocating a certain amount to each director, and the situation that the economy is in at this time.

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

FUTURE LOADS: Contribution to Aid in Construction has been received from Grain Millers. The State is willing to sign their contract to proceed with their construction.

DIRECTOR ASSESSMENTS: *Comments:* There were none.

Expenses: Expense reports were turned in.

Meeting Attendance: Director Jacksch will be attending the Region 9 meeting along with Ass't General Manager Jami Bartunek. All the board, Manager Tracy and Ms. Bartunek will be attending the PNGC annual meeting. Director Sikes and Director Kelley will be attending the NRECA Annual meeting in Orlando, Florida in March of 2011.

EXECUTIVE SESSION: Executive session was held. Upon coming out of the session, A motion was made and seconded to not participate in the Misery Creek Project unless legal council determines we have a legal obligation to participate and if so, the Board of Directors would be consulted on what that obligation would be. Motion carried 5-0.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 10:02 p.m.

(SEAL)

Ernie Jacksch, Board Secretary