

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, January 24, 2011**

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 5:38 p.m., following the board workshop. All Directors were present. General Manager Bud Tracy and all staff were present along with Attorney Chip Greening, Large Power Representative Todd Payne, Line Crew Foreman Kris Myers, Lineman Ken Gast and Administrative Assistant Mary Cirks.

AGENDA: Request was made to add General Manager's retirement under Executive Session and move Old Business prior to the monthly Policy review.

A motion was made and seconded to approve the agenda with the additions/changes. Motion carried 5-0.

MEMBER COMMENTS: Some members objected to political contributions being made to individual political campaigns.

A motion was made and seconded to direct Attorney Greening to draft a resolution stating a direct contribution to any campaign could not be made. Motion carried 3-1 with Chairman Irwin voting no and Director Sikes abstaining from the vote. After discussion, a motion was made and seconded to require any campaign contributions directly from Blachly be presented to the Board for authorization prior to making a donation. Motion carried 5-0.

CONSENT AGENDA: In the December minutes, the last paragraph on page one should read special board meeting "minutes"; under the ORECA report, the social "meetings" should read social "media"; under New Business, the motion was wrong, "the motion failed 2-3. Nay votes were Directors Doyle, Jacksch and Kelley"; under meeting attendance, the NRECA annual meeting was listed to occur in February 2011 and should be March 2011. Questions were asked on some of the checks. Acting Operations Manager Matt Smith discussed the thumper incident. Line Crew Foreman Kris Myers reported on what the line crew is doing.

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

FINANCIALS: Ass't General Manager/Finance Manager Jami Bartunek explained some ratio and statistic comparisons for cash as a percent of total plant, year-to-date operating margins, new services, kWh sold and cost of power purchased along with the line loss percentage.

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

PNGC/PRC REPORT: Manager Tracy reported the residential exchange has not been settled yet but is getting close to acceptance, and that Boardman is now anticipating closure in 2020.

ORECA REPORT: Discussion was held on Resolution 2011-01 (Mandatory Electric Reliability Standards) that will be addressed under New Business of this meeting.

MANAGER'S REPORT: Office Manager Mary Locke explained the findings of a meter at one of our large power consumers and its replacement, and continued training of our people. The State of Oregon is considering downsizing the state hospital.

MONTHLY POLICY REVIEW:

Policy 305.03 (Consumer Accounting Practices): Motion was made and seconded to accept the policy as presented. Motion carried 5-0.

Policy 502.01 (Member/Owner Rental Property): Motion was made and seconded to accept the policy as presented. Motion carried 5-0.

Policy 503.01 (Member Assistance): Motion was made and seconded to accept the policy as presented. Motion carried 5-0.

Policy 504.01 (Members Use of Conference Room): Motion was made and seconded to accept the policy as presented. Motion carried 5-0.

Policy 505.01 (Assistance to Area Development Organizations): Motion was made and seconded to accept the policy. Motion carried 5-0.

Policy 506.01 (Use of Membership Information): Motion was made and seconded to accept the policy as presented. Motion carried 5-0.

Policy 507.01 (Effective Energy Management): Motion was made and seconded to accept the policy as presented. Motion carried 5-0.

Policy 615.01 (Grievances): Attorney Greening led the discussion on a grievance process that would provide employees with an avenue for resolution of complaints or concerns arising from the workplace. Attorney Greening's recommendations are to 1) have the HR Director or Ass't General Manager / Finance Manager discuss the grievance policy with employees to get a better sense of the sorts of issues that employees might want to raise with management; 2) schedule time for a Board discussion of this policy at this meeting so that the Board reaches a consensus on the broad outlines of the process; and 3) draft a policy for consideration at the February Board meeting.

OLD BUSINESS: *Misery Creek:* The Board once again discussed the pros and cons, including a comparison of the annual maintenance cost to the cost of putting the line underground and equitable treatment of members.

NRECA Annual Meeting delegates:

A motion was made and seconded to appoint Director Kelley as the voting delegate and Director Sikes as the alternate to the NRECA Annual Meeting.
Motion carried 5-0.

Budget Consideration: Ass't General Manager / Finance Manager Jami Bartunek reviewed changes in the budget with the Board of Directors, highlighting the net margins, cash flow, and the BPA rate change effective later this year. Discussion was held on the Financial Forecast for 2011-2020.

A motion was made and seconded to adopt the revised budget as presented.
Motion carried 5-0.

NEW BUSINESS: *AWARE Committee Bylaw Update:* A resolution, instead of a bylaw change, was discussed with the AWARE committee members prior to the board meeting. All but one of the committee members present supported a resolution that would reorganize the committee. As a result, the committee decided to give the new structure a chance to work before requesting a change to the bylaws.

A motion was made and seconded to approve Resolution 2011-02 (*AWARE Committee*) as presented. Motion carried 5-0.

BLEC Annual Meeting: Key Accounts/Member Service Manager Joe McFadden explained that the annual meeting was scheduled for April 30 at Triangle Lake School however, due to a conflict in the school's schedule; it has been moved to the Oaklea Middle School in Junction City - same date and time.

Avoided Cost Rate Schedule AC-2011: Manager Tracy explained the rate schedule has been updated to show the avoided cost for the upcoming year.

A motion was made and seconded to approve Schedule AC-2011 (Avoided Costs). Motion carried 5-0.

Green Power Product GP-2011: Joe McFadden led the discussion on this rate schedule explaining the monthly support charges. Action on this was tabled until the February meeting.

Calendar: The calendar was reviewed and discussed.

A motion was made and seconded to move the December 26, 2011 board meeting to December 19, 2011. Motion carried 5-0.

Park Agreement: Management reported there are only two weeks open at the park for the summer of 2011. There are two dead trees that need to be removed. Discussion was held on obtaining copies of quarterly inspection reports.

A motion was made and seconded to accept and execute the Park Agreement.
Motion carried 5-0.

Resolution 2011-01(NRECA Reliability Resolution): This resolution gives support to Region 9 for the Mandatory Electric Reliability Standards and how it will be presented at the NRECA Annual Meeting for approval of the membership.

A motion was made and seconded to accept and execute Resolution 2011-01.
Motion carried 5-0.

FUTURE LOADS: The Board of Directors discussed the 2011-2020 Load Forecast.

DIRECTOR ASSESSMENTS: *Comments:* There were none.

Expenses: Expense reports were turned in.

Meeting Attendance: No discussion was held.

EXECUTIVE SESSION: Executive session was held with no action taken.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 10:30 p.m.

(SEAL)

Ernie Jacksch, Board Secretary