

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, February 28, 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 5:04 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, ORECA Executive Director Ted Case, Line Crew Foreman Kris Myers, ROW Foreman Kevin DeBates, and Administrative Assistant Mary Cirks.

Some BLEC members present were: Mr. and Mrs. Kenneth Northrup, Jim McLaughlin, Cheryl Haskell, Beverly Mattheisen, Chuck Coty, Nancy Nichols, and Wayne Lemler. Liz Vollmer-Buhl of the Siuslaw Watershed and Paul Burns of USFS were present to discuss the USFS/Siuslaw Watershed project (Misery Creek).

AGENDA: Additions to the agenda were under Old Business - "Board Meeting Format" and under New Business - "Capital Credits". Personnel Issues will be discussed in Executive Session.

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

MEMBER COMMENTS: Visitors present expressed their comments which are noted under the Misery Creek discussion and Audit Committee discussion.

CONSENT AGENDA: Discussion was held on the consent agenda with regard to approving all of the items at one time without detail discussion.

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

FINANCIALS: Ass't General Manager/Finance Manager Jami Bartunek reviewed the financials.

A motion was made and seconded to accept the financials as presented. Motion carried 4-0 with Director Kelley being out of the room at this time.

PNGC/PRC REPORT: Ms Bartunek summarized the PNGC board meeting. Snowpack is

now up and PNGC is selling some energy on the open market. The COSA will be coming with the loads included. PGE and Boardman plant negotiations are developing.

ORECA REPORT: Mr. Ted Case, Executive Director of ORECA, was present to remind the Board of the benefits of donations to the Action Committee for Rural Electrification (ACRE) program. He also reported there were about 70 people that attended the ORECA Legislative Days and visited with 50 members of the legislature, stating it was a very successful couple of days. Ass't General Manager / Finance Manager Jami Bartunek will be attending the WDC Legislative Conference in WDC May 2-5, 2011.

MANAGER'S REPORT: If it proves to be efficient, BLEC will rate base the investment for the capacitors to eliminate the power factor penalty. We are obtaining quotes on the caps.

MONTHLY POLICY REVIEW:

Policy 615.01 (Grievances): After review, a motion was made and seconded to have management obtain employee's feedback, make the discussed changes, and bring it back to the March board meeting. Motion carried 5-0.

Policy 610.02 (Wage and Salary Administration): Motion was made and seconded to accept the policy as presented. Motion carried 5-0.

OLD BUSINESS: *Board Directives:* Topic was discussed during Executive Session.

Misery Creek Update: Manager Tracy reported he has received two bids for the brushing of the Misery Creek project. The amounts were approximately \$28,000 individually for about three to four weeks of work. Manager Tracy explained the actual outage times on this West Fork Road portion of line were about five in six years. Trees have been planted by the Forest Service on this property and they will remove the trees that remain in the power line right-of-way after completion. Ms. Liz Vollmer-Buhl explained the timeline for the project, desiring a starting time of approximately July 1, and they have \$75,000/\$85,000. Meanwhile BLEC Management and the Siuslaw Watershed Management are to formulate an agreement/contract and be brought to the Board of Directors for signature.

Audit Committee: Committee Member Marlene Northrup addressed her letter concerning the Audit Committee Chair appointment made by the BLEC Board of Directors. Ms. Northrup stated her preference that the Audit Committee elect the Chair from among its members. Attorney Greening reminded the Board that the Audit Committee is a committee the Board has established under the guidance of the BLEC bylaws. It was agreed that the Audit Committee will meet March 28 at 3:15 p.m. at the BLEC office and attend the Board of Directors meeting later that same day to make their recommendations.

AWARE Committee Chairman: Attorney Greening proposed an amendment to Resolution 2011-02 that was presented and approved at the January 2011 board meeting. After discussion,

A motion was made and seconded to amend Resolution 2011-02 to have the AWARE Committee an independent committee of members that select its own Chair

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at the Committee's first meeting following the BLEC annual meeting. Motion carried 5-0.

A motion was made and seconded to have all one-year terms of AWARE Committee members expire as of June 30 each year, and to have the Board appoint or re-appoint Committee members prior to the Committee's first meeting in September. Motion carried 5-0.

Annual Meeting: The board discussed a new starting time for the annual meeting. Three options were presented with starting times each being at a different time. After discussion, A motion was made and seconded to choose Option A which has a luncheon served at noon, meeting to start at 2 p.m. and conclude at approximately 3:30 p.m. followed by the dessert social. Motion carried 5-0.

Appoint Counting Committee: After some discussion, A motion was made and seconded to make appoint Barbara Glenzer, Betty Herbert, Ethlyn (Babe) Forcht, Charles Coty, and Marlene Northrup to the Counting Committee for the 2011 BLEC Annual Meeting. Motion carried 5-0.

A motion was made and seconded to permit director candidates access to a list of members in their districts for campaign purposes only. This list is to be returned to the office after use. Motion carried 5-0.

Rate Schedule GP-2011 (Green Power Product): The board reviewed this rate schedule. A motion was made and seconded to approve the Green Power Product Rate Schedule GP-2011. Motion carried 5-0.

Board Meeting Format: The Board discussed several possible changes to the Board meeting format to facilitate full transparency and meaningful Board discussions without getting bogged down in less-important details. Accordingly, the directors agreed to put routine matters in the consent agenda, and discuss only those matters from the consent agenda about which directors have questions. The directors also decided to discuss financial results in detail on a quarterly (April, July, October, and December), instead of monthly basis. The Board's monthly package will continue to include monthly financial results.

A motion was made and seconded to place monthly financial results in the consent agenda, to hold a detailed quarterly financial review, and to put financial Form 7 on the BLEC website after the Board has approved the form. Motion carried 5-0.

A motion was made and seconded to amend the previous motion by deleting the posting of the Form 7 on the website. Motion carried 3-1 with Director Jacksch casting the dissenting vote and Chairman Irwin abstaining.

NEW BUSINESS: *Resolution 2011-03 (Political Contributions)*

A motion was made and seconded to adopt Resolution 2011-03 pertaining to political contributions. Motion carried 4-1 with Chairman Irwin casting the dissenting vote.

Manager Search: According to the information received from NRECA, the search for a General Manager would be completed by December of 2011.

A motion was made and seconded to commence with the General Manager search through NRECA but cut the timeframe to September 1, 2011. Motion carried 5-0.

NRECA Annual meeting voting delegate / alternate:

A motion was made and seconded to appoint Director Kelley as the voting delegate and Director Sikes as the alternate to the all of the meetings held by various entities during the NRECA Annual Meeting. Motion carried 5-0.

Capital Credits: A request was made to show the balance of the capital credit retirement for individual members in their notifications.

Misc: Discussion was held on the scholarship fund and the need to establish a policy indicating the distribution stipulations of the fund.

FUTURE LOADS: The prison is now planned for years into the future but dirt work for the hospital should start soon.

DIRECTOR ASSESSMENTS: *Comments / Calendar:* Calendar was reviewed.

Expenses: Expense reports were turned in.

Meeting Attendance: Ass't General Manager / Finance Manager Jami Bartunek will be attending the WDC Legislative conference May 2-5, 2011.

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 10:50 p.m.

(SEAL)

Ernie Jacksch, Board Secretary