



**BLACHLY-LANE ELECTRIC COOPERATIVE**  
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**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION  
BOARD OF DIRECTORS  
MEETING MINUTES  
Monday, June 27, 2011**

**CALL TO ORDER**

After noting the presence of all directors and the existence of a quorum, the Chairman called the regular monthly Board meeting to order at 5:05 p.m. at the Cooperative's office. In addition to the directors other people present included General Manager Bud Tracy, Cooperative management staff, Cooperative Counsel Chip Greening, Administrative Assistant Mary Cirks, and Member Kevin DeBates.

**AGENDA:**

Motion was made and seconded to add under Old Business, Auditor Recommendation on network penetration testing, Auditor recommendations on conflict of interest, and under Executive Session add procedure on General Manager search. Motion carried 5-0.

**MEMBER COMMENTS:** The Board reviewed the member comments.

**CONSENT AGENDA:**

A motion was made and seconded to take out the check register from the board book. Motion failed 1-4 with Ms. Haskell casting the yea vote.  
A motion was made to eliminate the Work Order spreadsheet from the board book. Motion failed for lack of a second.  
A motion was made to eliminate the Accounts Transferred to Reserve from the board report. Motion failed for lack of a second.  
A motion was made and seconded to approve the Consent Agenda with a minute entry change. Motion carried 5-0.

**FINANCIALS:** Ass't General Manager / Finance Manager Ms. Bartunek reviewed the financial highlights. Rate class qualifications were discussed.

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

**PNGC/PRC REPORT:** There was no report due to the PNGC strategic planning session that was held. Discussed how the high flows of water are affecting our costs, wind tax credits, and transmission of electric energy.

**ORECA REPORT:** Director Irwin reported ORECA and NWPPA are sponsoring a board member class at their mid-year meeting.

June 27, 2011

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*"Blachly-Lane's primary objective is to provide safe, cost effective, reliable, and competitive electrical energy and service to its Members"*

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MANAGER'S REPORT: Manager Tracy informed the Board of the high water mark position papers that were distributed and discussed.

A motion was made and seconded to approve a position statement prepared for BLEC by PNGC in opposition to Port Townsend Paper's effort to form a PUD for the sole purpose of obtaining federal power. Motion carried 5-0.

The Franchise Fee by Junction City was discussed along with the impact to our affected customers. Mr. Tracy also discussed work on the CRC fund project, power factor issues, and arranging a BLES meeting.

OLD BUSINESS: Certain strategic planning items were deferred to Executive Session. Management continues to work on the network penetration testing and will keep the Board apprised of developments. The Board discussed requiring annual conflict of interest statements from directors, management, and other key personnel as suggested in the 2010 audit letter.

NEW BUSINESS: Director Kelley, Chair of the Audit Committee, reported that the committee met, signed non-disclosure agreements, and recommended BLEC continue to retain Moss Adams for the 2011 audit.

A motion was made and seconded to retain Moss Adams as the auditor for the upcoming year with an RFP at next month's meeting. Motion carried 5-0.

Junction City Franchise Agreement/Boundaries: Manager Tracy distributed a map of the most recent Junction City annexation, and discussed the City's proposed franchise tax on BLEC members within City boundaries.

2012 Annual meeting: The Board of Directors instructed Staff to look into the possibility of having the 75<sup>th</sup> annual meeting here at BLEC's facilities.

Calendar: Director Haskell will attend the PNGC meeting in July.

POLICY REVIEW: The Board decided to hold off any decision approving Policy 108.01 - Scholarships so it can be reviewed by the AWARE Committee in September.

A motion was made and seconded to approve Policy 203.02 - Board Fees and Expenses. Motion carried 3-2 with Directors Haskell and Kelley casting the nay votes.

A motion was made and seconded to accept Policy 302.05 - Depositories and Check Signing as presented. Motion carried 5-0.

A motion was made and seconded to accept Policy 602.02 - Employee Travel Expenses with the addition of language prohibiting reimbursement for alcoholic beverages. Motion carried 5-0.

Motion was made and seconded to amend Policy 203.02 - Board Fees and Expenses with the addition of language prohibiting reimbursement for alcoholic beverages. Motion carried 4-1 with Director Irwin casting the nay vote.

A motion was made and seconded to remove Policy 603.01 - Bloodborne Pathogens from the policies and place it in the safety manual. Motion carried 5-0.

A motion was made and seconded to accept Policy 606.1 - Selection or Promotion of Personnel as presented. Motion carried 5-0.

A motion was made and seconded to approve Policy 610.02 - Wages and Salary as presented with the changes. Motion carried 5-0.

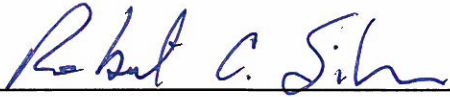
FUTURE LOADS: Manager Tracy informed the Board of Directors of the biogas project on Milliron.

DIRECTOR ASSESSMENTS: *Expenses*: They were turned in.

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

ADJOURNMENT: The meeting was adjourned at 9:15 p.m.

(SEAL)

  
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Robert C. Sikes, Board Secretary