



BLACHLY-LANE ELECTRIC COOPERATIVE
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**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, August 29, 2011**

CALL TO ORDER

After noting the presence of all directors except Director Kelley and the existence of a quorum, the Chairman called the regular monthly Board meeting to order at 5:02 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, Large Power Representative Todd Payne, Administrative Assistant Mary Cirks, members Dale and Audrey Rust, several members from the Misery Creek area, and Siuslaw Watershed Council.

AGENDA: Misery Creek was added to Old Business with discussion moved up on the agenda. Exit interview was added to Executive Session.

Motion was made and seconded to approve the agenda with the additions.
Motion carried 4-0.

MEMBER COMMENTS: Mr. and Mrs. Rust were present to observe. Some members from Misery Creek participated in the Misery Creek discussion.

CONSENT AGENDA:

A motion was made and seconded to approve the Consent Agenda. Motion carried 4-0.

FINANCIALS: Ass't General Manager / Finance Manager Ms. Bartunek reported on the financial highlights.

A motion was made and seconded to accept the financials as presented. Motion carried 4-0.

PNGC/PRC REPORT: General Manager Bud Tracy discussed the PNGC board summary from the August PNGC meeting, as well as Judge Redden's ruling.

A motion was made and seconded to nominate Joe Jarvis as director at PNGC. Motion carried 4-0. Ms. Bartunek will continue to attend the PNGC meetings.

A motion was made and seconded to nominate Joe Jarvis as the designated membership representative to PNGC with Assistant General Manager Bartunek as alternative for voting purposes at the PNGC membership meetings. Motion carried

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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"

4-0. Motion and second to accept Resolution 2011-07 supporting the stated appointments. Motion carried 4-0.

A motion was made and seconded to nominate Joe Jarvis as director at Power Resources Cooperative (PRC). Motion carried 4-0. Ms. Bartunek will continue to attend the PRC meetings.

A motion was made and seconded to nominate Joe Jarvis as the designated membership representative to PRC with Assistant General Manager Bartunek as alternative for voting purposes at the PRC membership meetings. Motion carried 4-0. Motion and second to accept Resolution 2011-08 supporting the stated appointments. Motion carried 4-0.

ORECA REPORT: ORECA Representative Irwin reported on the mid-year meeting and Director Sikes reported on the education seminar he and Director Irwin attended.

MANAGER'S REPORT: The biogas project north of Milliron is half way through their design and the reconductoring work on Hwy 99 is proceeding forth well. Manager Tracy discussed clerical corrections discovered in the bylaws. When the bylaws were amended to reflect the married or domestic partners, it was overlooked in some other places in the bylaws. The bylaws are corrected.

A motion was made and seconded to accept the Manager's Report. Motion carried 4-0.

OLD BUSINESS: *Misery Creek:* The Council is in the process of obtaining a letter of credit from their bank. The Forest Service and Council say the funding is still there and C2 is available to contract with them. The USFS is applying for an extension.

A motion was made and seconded to direct the General Manager or Ass't General Manager / Finance Manager to attend the meeting with the Bank and Council, negotiate a settlement but no deviation from Policy 402.0 Line Extensions. The agreement is to be accepted by both parties. Motion carried 4-0.

Auditors recommendation on Conflict of Interest: Discussion was held on Policy 201.1 Functions of the Board of Directors. A policy affirmation statement in the form of an attachment to the policy was proposed. The wording is currently in the policy.

A motion was made to sign an affirmation statement which failed for lack of a second.

NEW BUSINESS: *AWARE Appointments:* Lengthy discussion was held on the AWARE committee policy. Members appointed for the 2011-2012 year are: from District 1 - Zane Larson, Derek Pennel, and Jim Bellingham; from District 2 - Barbara Glenzer, Judith Templeton, and Sherri Rathsack; from District 3 - Bev Mattheisen, Alex Schwaller; and Linnis Jones; District 4 - Peter Holmes, Mike Miglioretto, and Chuck Coty; District 5 - Audrey Rust.

Following the Board's discussion of Policy 109.01, the Board approved changes to the OBJECTIVE section of that policy on a 3-1 vote with Director Haskell voting "No." The newly-worded Policy 109.01 is attached to these minutes.

POLICY REVIEW:

The Board approved the following policies with exceptions and modifications noted.

Policy 606.02 Selection or Promotion of Personnel: Accepted as presented

Policy 609.01 Working Rules: Tabled to next month

Policy 611.01 Performance Appraisals: Tabled to next month
Policy 621.00 Holidays: Accepted as presented
Policy 622.00 Vacation Leave: Accepted with minor changes
Policy 623.00 Sick Leave: Tabled to next month
Policy 624.00 Leaves of Absence: Accepted with minor changes to first line
Policy 625.00 On Call Duty: Tabled to next month
Policy 617.01 Housing Allowance consideration for General Manager: Rescinded
Policy 109.01 AWARE Committee: As stated above
A motion was made and seconded to approve policies as presented, rescinded and discussed/amended. Motion carried 4-0.

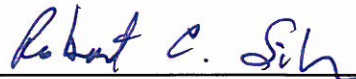
FUTURE LOADS: Discussion was held.

DIRECTOR ASSESSMENTS: *Expenses*: They were turned in.
Comments: All directors except Director Haskell will attend the PNGC annual meeting. All directors will be attending PNGC's SEP meeting at the Valley River Inn in Eugene.

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

ADJOURNMENT: The meeting was adjourned at 10:30 p.m.

(SEAL)



Robert C. Sikes, Board Secretary