



BLACHLY-LANE ELECTRIC COOPERATIVE
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**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, October 24, 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 Joe Jarvis, Cooperative Management Staff, Cooperative Counsel Chip Greening, Large Power Representative Todd Payne, Members Ken and Marlene Northrup, and Chuck Coty.

AGENDA: Under Old Business added Director Kelley's report on Region 9; and under New Business 2012 Budget was added.

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

MEMBER COMMENTS: There were none.

CONSENT AGENDA:

A motion was made and seconded to approve the Consent Agenda. Motion carried 5-0.

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 5-0.

PNGC/PRC REPORT: General Manager Joe Jarvis explained Meter Data Management System Equipment Agreement.

A motion was made and seconded to authorize General Manager Jarvis to sign the agreement. Motion carried 5-0.

ORECA REPORT: *Board report:* ORECA Representative Irwin gave a report on the ORECA meeting and proposed budget.

2012 Board Appointment: The results of a written ballot vote, Director Haskell will be the ORECA representative for 2012 and Director Sikes alternate.

ORECA Annual Meeting: All of the directors, General Manager Joe Jarvis, and Ass't General Manager / Finance Manager Jami Bartunek will be attending ORECA's annual meeting in

October 24, 2011

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

Salem November 30 / December 1, 2011 at the Salem Convention Center, Salem, Oregon. Ted Case of ORECA will be in attendance at the November Board meeting workshop.

MANAGER'S ITEMS: Manager Jarvis discussed an article on NW Rivers Partners and an excerpt from CFC News Bulletin.

OLD BUSINESS: *2012 Annual Meeting:* Preparations are up to Staff.

Misery Creek: Acting Operations Manager Matt Smith reported the contractor cost has increased due to having to pay prevailing wages to employees of their company. The phone company no longer wants to participate. Overall, the project has gone from \$40k to \$114k.

Company Christmas Party will be held at *The Inn* at Diamond Woods on Friday, December 16.

Region 9 reports: Director Kelley reported on his attendance to Region 9, and referenced classes he took.

NEW BUSINESS: *Touchstone Contract:*

A motion was made and seconded to send notice to terminate the contract for 12/31/12 unless we can terminate sooner at no cost. Motion failed 2-3 with Director Sikes, Director Irwin, and Chairman Jacksch voting nay.

NRECA Annual Meeting: This meeting will be held March 1 - 9, 2012 in San Diego. Chairman Jacksch will be attending with Director Haskell as alternate.

2012 Budget: The directors engaged in a wide-ranging discussion about the Cooperative's equity position in light of the staff's budget proposal in which part of the 2012 capital expenditures will be covered by debt. Director Irwin noted that the Cooperative's equity belongs to the members. He suggested that perhaps the Cooperative ought to return the excess equity to the members. General Manager Jarvis and Assistant GM Bartunek responded that Blachly is presently paying the members' equity back to them on a 15-year rotation. The Cooperative's equity position of \$11,666,280 consists not only of cash but also of poles, wires, transformers, and other capital equipment used to deliver electricity to the members. The Cooperative has \$2,739,234 in cash, which is far short of what would be needed to return all member equity at once. After further discussion regarding the proper balance between debt and equity, Chairman Jacksch suggested that the Board defer any further discussion of the proper use of equity or debt to meet the 2012 capital budget until after Dan Kessler of CFC had a chance to cover the subject within the next couple of weeks. The other directors agreed.

A motion was made and seconded to approve the 2012 budget as presented. Motion carried 4-1 with Director Irwin casting the nay vote.

A motion was made and seconded to lower equity by returning it to the members.

A motion was made and seconded to table the subject. Motion carried 4-0 with Director Irwin abstaining from the vote.

POLICY REVIEW:

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

Policy 626.01 (Substance Abuse) and Policy 619.01 (Drug-Free Workplace) are to be combined for review at the November board meeting.

Policy 627.01 (Nepotism) - approved as presented.

Policy 628.00 (Harassment / EEO Discrimination) is to be brought back to the November board meeting.

A motion was made and seconded to approve policies as presented, rescinded and discussed/amended. Motion carried 5-0.

FUTURE LOADS: Director Sikes gave an update on the hospital / prison project. The prison population is decreasing.

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

Comments: Attendance to the September PNGC meeting and reimbursement was discussed. The decision was postponed.


All of the directors, General Manager Joe Jarvis, and Ass't General Manager / Finance Manager Jami Bartunek will be attending ORECA's annual meeting in Salem November 30 / December 1, 2011 at the Salem Convention Center, Salem, Oregon.

The NRECA Annual Meeting will be held March 1 - 9, 2012 in San Diego. Chairman Jacksch will be attending with Director Haskell as alternate.

EXECUTIVE SESSION: The board entered Executive session at 8:10 p.m. No action was taken as they returned to the regular meeting at 8:54 p.m.

ADJOURNMENT: The meeting was adjourned at 8:55 p.m.

(SEAL)



Robert C. Sikes, Board Secretary