

Report of the Due Diligence Committee: Arleen Boyd

Arleen reported that Southern has not met in over a month. Council (Malcom Goodrich) states that he is following the lead of the member co-ops.

Once the term sheet has been approved by Prudential and note holders it will be sent out for press release at that time.

The financial impact of an exit from Southern will be discussed at the next Due Diligence Committee Meeting.

Report of the Policy Committee: Laurie Beers

The Policy Committee did not meet but Laurie wanted to pass on the concern of two policy committee members who had assisted in counting ballots for the two previous Annual Meetings. The members voiced their discontent at electronic voting not being utilized at the 2014 Meeting because of a decrease in the Annual Meeting budget. These members said they would not participate this year if an electronic system was not used. Arleen Boyd voiced her confusion as to why Flathead had more ballots to count but it did not cost as much as BEC's election. Dan Dutton requested that the GM prioritize all Annual Meeting expenses and that electronic ballot counting should be weighted heavily. Richard Peck noted that with the reduced budget BEC would not be able to provide food and would likely take the meeting back to Roberts. Arleen predicted that the ballot process in 2013 was much more extensive than it would be in 2014 because of the number of ballot items, and that this may also reduce costs. Richard Peck agreed to provide a budget for the 2014 Annual Meeting at the next Finance Committee, which will be held May 6th, 2014 at 11 am.

Consent Agenda: The board accepted the consent agenda.

Manager's Report: Richard Peck

Richard noted that electronic bill pay usage continues to increase (Board Book page 22 in website analytics).

The policy committee will meet tomorrow. The attorney is currently reviewing the 200/300 series policies and the committee will work to also have him review the 400 series. These are expected to be finalized in time for the April board meeting.

Richard asked that each board member think about when and where they would like to hold town hall meetings in their respective districts beginning the 1st or 2nd week in April. Roxie Melton discussed which days would be most appropriate and it was decided that Friday-Monday should be avoided. Dan Dutton suggested that for his district the number of meetings should be capped at two, as opposed to the 4-5 previously discussed. Dan and Jack agreed that their members were only concerned with the basic facts of whether rates were going to change and where BEC stands with Southern, and were not typically concerned with all the details. Roxie agreed that her district was similar. Arleen pointed out that her members would be disappointed if they felt that things were happening without them being notified, but that the meetings would not be held until BEC had something to report to members. Richard Peck stated that board members could tell BEC members that rates were unlikely to change in the next 4 years. Arleen argued that it is hard to know that for sure. Dave Peterson said that because of