

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES**

Monday, February 27, 2006

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon. A quorum was declared present and Chairman Tom Irwin III called the meeting to order at 5:08 p.m. The following Board members were present:

Thomas C. Irwin III	-- Chairman
Audrey Rust	-- Vice-Chairman
Mike Tayloe	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Robert Sikes	-- Director

Others attending the Board meeting:

Bud Tracy	-- General Manager
Mary Locke	-- Manager of Office Services
Bill Gabriel	-- Manager of Operations
Joe McFadden	-- Manager of Member Services
Jami Bartunek	-- Manager of Finance/Controller
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative

AGENDA

(Motion) General Manager Bud Tracy requested the addition of Annual Meeting under Old Business. Director Rust made a motion to accept the agenda with the addition. Director Tayloe seconded it. Motion carried 5-0.

CONSENT AGENDA

(Motion) Requests for discussion pulled from the consent agenda were the following: minutes, disbursements, work orders, staff reports, and capital credits. A correction on the first page "allocations of capital credit checks" should have read "allocations of capital credits"; on page three, the correct spelling of the trio from Triangle Lake was given; a few disbursements were discussed namely the IVR payment, the tow truck bill, and if the ATV has been sold yet; work order 2023; a question on the Erb substation's lightning arrester that failed was asked and answered; and BLEC reissued \$197,564.01 in capital credits for checks originally issued in the years 1996-2000. Director Rust made a motion to accept the consent agenda. Director Jacksch seconded it. Motion carried 5-0.

FINANCIALS

(Motion) Manager of Finance/Controller Jami Bartunek reported January's equity is at 46% of total assets; assets are \$16,271,768; expenses were \$377,738; operating margins are at \$23,552; and 3,464 services were billed in the month of January. Discussion was held on

line loss, and coordinating the billing cycle readings of PNGC. Director Rust made a motion to accept the financials as presented. Director Tayloe seconded it. Motion carried 5-0.

MANAGER'S REPORT

Attorney Greening reported on the NRECA Legal Seminar he attended. Some of the topics discussed were net metering, net billing, biomass projects, the Bankruptcy Act, discounting capital credits, record retention, and the need of election rules. The board reviewed the 2006 COSA relative to the budget. Manager Tracy reported on the following items: the necessary approvals from states on the MidAmerica and PacifiCorp acquisition have been received; one out of every four BPA dollars has been spent on salmon in compliance with the Endangered Species Act; an article on BPA's rates were passed out to the Board of Directors; Federated reviewed the cooperative loss, what we paid, and what they have paid to BLEC in claims; the Legislative luncheon with Representative Farr, Senator Walker, and Senator Brown and the positive results of it; the BPA Conservation Program; BPA's budget; and a letter received from a member supporting honesty displayed by admitting a mistake. Resolution 2006-01 was presented to the Board of Directors for approval. This resolution reflected all unclaimed patronage capital authorized for payment be considered forfeited and returned to the Cooperative as of January 31, 2006.

(Motion) SAFETY MINUTES

The board reviewed the January Safety Committee meeting minutes and the December safety meeting minutes. Discussion was held regarding needed coverage in the front office so one of the employees can attend; the quality of the physicals are done better by individual doctors rather than the company doctor. Federated has been called and we would get a discount on insurance rates for participation in the all risk blanket policy somewhere between \$1,300 and \$1,800. Manager of Operations Services Bill Gabriel reported on the mishap that occurred, with no personnel injury, while assisting a consumer with a flagpole.

ORECA REPORT

Manager Tracy reported ORECA Director Sandi Flicker would be invited to the March 30 Board of Directors meeting. The Board reviewed the ORECA Annual Report, discussed how the safety accreditation would be accomplish by ORECA, and net metering/master metering.

PNGC REPORT

The Boardman failure was discussed along with the cost to PRC. Boardman should be back on line the middle to end of March. Manager Tracy reported January was a record month for non-member sales.

STRATEGIC PLANNING

A Strategic Planning Session has been scheduled for April 22, 2006 from 9 – 1 at the BLEC office. This will be the start of the Work Plan and Budget for 2007.

OLD BUSINESS

Discussions will continue on the Seneca generation/transmission project. Seneca is looking at an aggressive fast track.

NEW BUSINESS

- (Motion) Discussion was held on having Willie Wire Hand be a part of BLEC's logo again. Manager of Member Services Joe McFadden displayed examples of logos to the board. After discussion Director Rust made a motion to have the logo consist of Willie and the BLEC logo as currently exists without PNGC's logo and to have all the trucks have a permanent logo on their doors. Director Jacksch seconded it. Motion carried 5-0.

March's meeting will be held on the 30th.

Manager Tracy reported he has met with the Grange and their request is a booth at the BLEC annual meeting. After discussion the decision was made to have a Grange table at the annual meeting where all of the four Granges would work together on the display. There was also a question raised regarding the fire departments participating if they wished. A draft policy will be established for community involvement.

Consumer Malcolm Berens has requested the board to discuss an opportunity to have entertainment during the annual meeting. The board is cautious on this due to the survey results at the last meeting in which a majority of the members would like a very quick meeting.

- (Motion) Director Rust authorized the execution of the Auditor's Engagement letter for this year. Director Jacksch seconded it. Motion carried 5-0.

MEMBER COMMENTS: There were none.

DIRECTOR ASSESSMENTS:

Comments: The credit cards are helping keep the delinquent bills lower and the Board of Directors expressed a thank you to the office personnel for a job well done. Director Rust inquired as to the General Manager's assessment that is to be included in the board packet each month.

Expenses: Board expense records were turned in for approval.

Schedule of Events: With Director Rust and Director Jacksch attending the 2006 NRECA Directors' Conference in San Diego over the next scheduled board meeting, it was determined that the BLEC board meeting will be held March 30 instead of the regular 4th Monday of each month.

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 9:25 p.m.

(SEAL)

Michael E. Tayloe
Board Secretary