

BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, August 28, 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 5:10 p.m. The following Board members were present:

Thomas C. Irwin III	-- Director
Audrey Rust	-- Director
Mike Tayloe	-- Director
Ernie Jacksch	-- Director
Robert Sikes	-- Director

Others attending the Board meeting:

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

AGENDA

(Motion) Director Tayloe made a motion to accept the agenda. Director Rust seconded it. Motion carried 5-0.

CONSENT AGENDA

(Motion) The following were pulled from the consent agenda for discussion: minutes, disbursements, and staff reports. Inquiry to the Gibson Ford payment was reviewed, angle wood poles were defined, and CRC costs. Director Rust made a motion to accept the consent agenda. Director Tayloe seconded it. Motion carried 5-0.

(Motion) FINANCIALS

Financial Services Manager Jami Bartunek led a discussion of the graphs provided and answered various questions relative to the graphs. Director Jacksch made a motion to accept the financials. Director Rust seconded it. Motion carried 4-1 with Director Tayloe casting the nay vote. Manager Tracy requested of Director Tayloe how the financials could improve so as not to have a nay vote. Director Tayloe stated he wants see the actual expense figures, hours worked, and accomplishments in comparison to those figures in the budget.

(Motions) MANAGER'S REPORT: General Manager Tracy informed the Board that Representative Alan Brown has been in contact with Candidate for Governor Saxton's office and they have cancelled the September 13 meeting. Management will extend an invite to Mr. Saxton to

the upcoming Aware Committee Meeting. An owner of a trailer court in BLEC territory is not satisfied with the statement he received from management regarding facility charges on his property. Another consumer feels discriminated against on the refunding some of BLEC's deposits. The 10-Year forecast indicates BLEC must have growth to survive. Discussion was held on the need to be involved in economic development and preserving what we already have. The future load survey from PNGC was discussed. After review of the *Director's Corner's* article for this upcoming month, the board indicated it would be better served by being inserted as a general article in the *Ruralite*.

(Motion) SAFETY MINUTES: Safety minutes were discussed. Director Jacksch made a motion to accept the safety minutes as presented. Director Rust seconded it. Motion carried 5-0.

ORECA REPORT: The minutes were in the board packet and reviewed with no questions for Chairman Irwin.

(Motion) PNGC/PRC: CEO Pat Reiten has accepted a position with PacifiCorp and will be leaving PNGC September 15. The BLEC Board of Directors reviewed PNGC/PRC's timeline emphasizing how important it is that BLEC is aggressive in future planning. Discussion was held on the benefits of numbers in various projects, and having a subscription based ownership. BLEC will continue their investment in Coffin Butte. Discussion was held on commitments and guarantees to PNGC and CFC that need to be done before September 30, 2007. Lengthy discussion was held on Resolution 2006-04 which amends the block allocation within the PNGC block. Attorney Greening explained how various agreements dovetail together within the PNGC/BPA contracts. After discussion, Director Rust made a motion to adopt Resolution 2006-04. Director Tayloe seconded it. Motion carried 5-0.

(Motion) OLD BUSINESS: Aware Committee appointments: District 1 and District 2 are in need of one more member; District 4 and District 5 have their three members; and District 3 will add Bev Mattheisen to the Aware Committee. The board discussed an employee serving on the Aware Committee and since it is strictly voluntary, the employee will not be compensated money, or mileage be paid.

Triangle Lake Park: The board reviewed an anonymous letter received by BLEC which expressed concerns at the park. The Board discussed the pros and cons of owning the property, how much control the board has on what happens at the park and the liability issues to it. Management is to send the letter to the park to schedule a review of the agreement and arrange for a meeting to discuss the issues.

(Motion) NEW BUSINESS: Region IX: Director Tayloe, Chairman Irwin, and General Manager Tracy will be attending the NRECA Region IX meeting in Alaska in September. Director Jacksch made a motion to have Director Tayloe be the CFC voting delegate for Region IX. Chairman Irwin seconded it. Motion carried 5-0.

Financial Forecast: This was discussed in the Manager's Report.

MEMBER COMMENTS:

Member comments were reviewed.

(Motions) DIRECTOR ASSESSMENTS:

Comments: Large Power Representative Todd Payne reported there was a co-generation meeting held about two weeks ago and financing looks promising. They are waiting for the Federal Government Energy Tax Credit to be finalized.

Expenses: The board turned in their expense reports.

Meeting Attendance: Director Rust, Chairman Irwin, and General Manager Bud Tracy will be attending the BPA Allocations Conference on September 18 – 19 in Portland. Chairman Irwin, Director Tayloe, and General Manager Tracy will be attending the Region IX meeting in Fairbanks, Alaska September 19-22, 2006.

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 10 p.m.

(SEAL)

Michael E. Tayloe
Board Secretary