

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

Tuesday, November 20, 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 5:20 p.m. The following Board members were present:

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

Others attending the Board meeting:

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

AGENDA

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

(Motion) CONSENT AGENDA

The following items were pulled from the consent agenda for discussion: disbursements, work orders, and staff reports. Discussion was held on recording fees for easements; NRECA ornaments, the check to CASCO which was the payment from BLEC on CASCO's overpayment of interest; and how miscellaneous payments and idle services are being put into a blanket work order. Director Rust made a motion to accept the consent agenda. Director Sikes seconded it. Motion carried 4-0 with Director Tayloe casting the nay vote stating he did not approve of the way the minutes were written regarding the budget.

(Motion) FINANCIALS: Manager of Financial Services Jami Bartunek highlighted, from CFC's Key Ratio Trend Analysis, the Long-Term Debt as a Percent of Total Assets, Blended Interest Rate, and General Funds per Total Utility Plant. The issue is bringing companies into compliance and every year the rate changes based on the formula. Time was spent reviewing the Work Plan and Budget for 2007, and cost of credit card fees. Director Rust made a motion to accept the financials. Director Tayloe seconded it. Motion carried 5-0. Director Tayloe made a motion to not change the present rates to support the COSA. Director Rust seconded it. Motion carried 5-0.

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MANAGER'S REPORT: Misc: Manager Tracy reported on the coffee session held by Bill Fleenor. BLEC will need to file with WECC as a distribution provided and a load serving entity. The appraised value of the Blachly Park is scheduled to be on next month's agenda. Discussion was held concerning the bridge on the park property and the associated easement. BLEC pays \$100 monthly towards the park's electric bill. It is time again to renew the ACRE membership from August 2006 to August 2007. The Aware Committee will be used to discuss the renewable push by the Governor. There is an Automated Meter Reading training session in Vancouver, WA and Chairman Irwin will attend if a staff member accompanies him. It was the consensus of the Board that BLEC would not be participating in any AMR activities. Monday, November 27 there will be a legislative dinner in which Chairman Irwin, Director Rust, Director Tayloe and some management will be in attendance.

(Motion) Policy 305.0 Consumer Accounting Practices: The following items were discussed and settled by the Board - - the current service charge for returned checks is \$10 and the new service charge will be \$25; the current meter testing deposit is \$25 and the new meter testing deposit will be \$125; current after hours fees are set at \$100 and will increase to \$250. Director Tayloe made a motion to approve Policy 305.0 Consumer Accounting Practices as constructed. Director Sikes seconded it. Motion carried 4-1 with Director Jacksch opposing.

(Motion) Policy 306.0 Collection of Unpaid Accounts: The current collection field visit is \$15 and will increase to \$75; the current disconnect field visit is \$15 and will increase to \$75; the current fee to reconnect during regular business hours fee is \$15 and will increase to \$75; and the reconnect after regular business hours fee will increase from \$100 to \$250. Director Sikes made a motion to approve Policy 306.0 Collection of Unpaid Accounts. Director Tayloe seconded it. Motion carried 4-1 with Director Jacksch opposing.

Outage Report: The Board reviewed the average hour outage per customer reporting which indicated BLEC consumers were out an average of 1.97 hours year to date.

Northwest River Partners: The Board discussed the positive approach that this organization is doing in an effort to express cooperative's concerns regarding fish issues.

Proposed PCB regulation: Manager Tracy explained one significant change being considered by the NWPPA Hazardous Materials Task Force which is the lowering of the threshold for regulation from the current 50 ppm to 20 ppm of PCB. This could be very costly to BLEC.

Central Lincoln PUD service territory: Manager Tracy informed the Board that Central Lincoln has informed BLEC of their desire to "firm up" the unclaimed service territory that is between the two utilities. A meeting is to be scheduled with Central Lincoln to see what their objective is. Director Jacksch and Chairman Irwin expressed interest in attending.

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(Motion) SAFETY MINUTES: The Safety Committee Meeting minutes and the Safety Meeting minutes were reviewed and discussed. The Board inquired why BLEC is building a demonstration trailer instead of borrowing a neighboring utilities' safety board. An employee was nipped at when he startled a female dog with pups but no puncture to the skin occurred. Reporting responsibilities were discussed. Director Rust made a motion to accept the safety meeting minutes. Director Jacksch seconded it. Motion carried 5-0.

(Motion) PNGC REPORT: Manager Tracy informed the Board that the slice true-up settlement has been approved by BPA and the Federal Government. Blachly-Lane Electric will receive a credit of approximately \$157,000 in this true-up settlement. The true-up settlement, the STUPA, and the bank test, are all a part of the credit. Director Jacksch made a motion to approve settlement and resolution, authorizing Manager Tracy to sign Resolution 2006-10 (*PNGC Settlement Agreement*) and the True-up Settlement Agreement. Director Rust seconded it. Motion carried 5-0.

Discussion was held on the addition of two member cooperatives to PNGC and the sign up figure of \$50,000 that would be brought in from their membership. The audit review of PNGC by Moss Adams has been reported to be the cleanest audit report ever received. The PRC Audit Committee is looking at issues of guarantees and how they are interrelated.

ORECA REPORT: Discussion was held on the importance of having a class with more than three people in attendance. A resolution was presented by BLEC at the last Board meeting regarding this issue but there was no support of it at ORECA. Dues will be increasing this year. David Shaw has been hired as the Manager of Regulatory Affairs to replace Jack. Tim Martinez has been hired as a part-time lobbyist. The Blachly-Lane Board held a lengthy discussion on the legalities of what a consultant is and what a part-time employee is.

OLD BUSINESS: There was no old business.

NEW BUSINESS: Consider Wage/Benefit Plan: Compensatory time and rest time during outage hours were discussed at length. Also discussed was food provided during an outage, rotating shifts to enable enough employees to get rest time, and the need to notify the Manager of Operations Services anytime anyone has been out more than three hours. A lengthy discussion was held on the employee/Board meeting held earlier in the day. Items discussed were: overtime after an outage; rest periods; and the importance of adhering to safety issues. The Board requested of management to bring the facts on safety issues discussed at the employee/Board meeting to the December Board meeting. A policy regarding compensatory time will be presented at that time also.

Audit Committee Report: The Audit Committee recommended the Board of Directors to sign the Audit Services Engagement Letter. After discussion, Director Jacksch made a motion to accept the Audit Committee's recommendation and instructed the BLEC Secretary to sign the Engagement Letter with Moss Adams. Director Sikes seconded it. Motion carried 5-0.

MEMBER COMMENTS: Comments: Large Power Representative Todd Payne informed the BLEC Board Seneca has facilitated a map of the Industrial Corridor. This will be a tool

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for BLEC to use as we attend the ICCO meeting in January. The Board thanked Mr. Payne for Seneca's efforts.

DIRECTOR ASSESSMENTS:

Comments: Director Jacksch explained his feelings regarding the new charges assessed to the members at this Board meeting. Nonetheless, he is in harmony with the Board's decision.

Expenses: Expense reports were reviewed and signed.

Meeting Attendance: A dinner meeting is scheduled for November 27 at 5 p.m. at BLEC headquarters with invites extended to re-elected/newly elected legislators Jean Cowan, Floyd Prozanski, Vicki Walker, Chris Edwards, Paul Hovey, and Joanne Verger. All directors will try to attend. Director Jacksch and Chairman Irwin expressed interest in attending the meeting with Central Lincoln. No directors will be attending the PNGC meeting Dec 5 - 6. Director Rust, Chairman Irwin, and Director Sikes will be attending the ORECA Annual meeting in Tigard Dec 6 - 7, 2006. Director Jacksch expressed desire to attend the NRECA Annual Meeting in Las Vegas. Training classes are set for March 16 - 19 and the annual meeting will be March 20 - March 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 9:45 p.m.

(SEAL)

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Michael E. Tayloe  
Board Secretary