

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

Monday, July 23, 2007 Recessed  
Thursday, July 26, 2007 Reconvened

**CALL TO ORDER**

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon at 5:05 p.m. The following Board members were present:

Thomas C. Irwin III	-- Chairman
Robert Sikes	-- Vice Chairman
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Jon Swanzy	-- 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 Finance/Controller
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative

**CALENDAR:** The next Policy Workshop will be held September 18, 2007 at 8:30 a.m. at headquarters with all directors encouraged to participate.

(Motion) **AGENDA:** Director Sikes made a motion to permanently move the Member Comments to follow the agenda from this time forward. Director Jacksch seconded it. Motion carried 5-0.

(Motion) **CONSENT AGENDA:** The following items were pulled for discussion: disbursements, work orders, and staff reports. Clarification of gross revenue tax was discussed; the difference between relocation costs and replacement costs; and the outage report. Director Jacksch made a motion to accept the consent agenda. Director Swanzy seconded it. Motion carried 5-0.

(Motion) **FINANCIALS:** Manager of Finance Ms. Jami Bartunek reviewed BLEC's financials stating power costs have reduced since 2002; there is revenue increase due to contribution in aid of construction; equity is at 53%; rates are covering expenses and we're not in a borrow position. Director Sikes made a motion to accept the financials as presented. Director Rust seconded it. Motion carried 5-0.

(Motion) SAFETY MINUTES: Director Rust made a motion to accept the safety minutes. Director Sikes seconded it. Motion carried 5-0.

PNGC/PRC REPORT: Manager Tracy informed the board that the Record of Decision has been received from BPA. Discussion was held on load density, full requirement contracts, slice, discounts, and the exchange program. A mini-SEP will be held in Eugene from 8:30 to 11:30 on August 9. All directors plan to attend. Manager Tracy informed the board that Central Electric has offered a bid of \$500,000 for all of Benton REA's 4% share of Coffin Butte. He reviewed scenarios on the requirements for renewables by 2025 and how Coffin Butte could help meet that requirement. Lengthy discussion was held on risks and opportunities. The board instructed Manager Tracy to investigate and the Board will revisit this topic on July 26, 2007.

ORECA REPORT: The Board reviewed the agenda and 2006 Preliminary Legislative report from ORECA. The IRS has eased the regulations regarding contributions to the ACRE program.

(Motion) MANAGER'S REPORT: Load Forecast: Manager Tracy passed out the 2008 Load Forecast that was prepared by staff. They reviewed the assumptions, noted the energy sales are down 0.5% and sales revenue is proposed to be up 0.3%. Director Rust made a motion to adopt the Load Forecast. Director Sikes seconded it. Motion carried 5-0.

Work Plan: Manager Tracy informed the Board this year staff will have a work plan for 2008 rather than a 4-10 year plan with growth added to it as new services come on line. Staff will be seeking approval of the Work Plan at the September board meeting.

Misc: Discussion was held on recognizing deceased employees/directors in the form of a plaque on a flag pole. Discussion also was held on a scholarship fund accrued by mileage reimbursement not taken and unclaimed capital credits.

(Motion) OLD BUSINESS: Director Jacksch made a motion to appoint Audrey Rust to be the voting delegate for the Region IX meeting with Manager Tracy as the alternate. Director Swanzy seconded it. Motion carried 5-0.

(Motion) NEW BUSINESS: Manager of Office Services Mary Locke explained NRECA has introduced a new Roth 401(k) option as part of our current 401(k) plan which is addressed in Resolution 2007-06. Director Jacksch made a motion to adopt Resolution 2007-06 as presented. Director Rust seconded it. Motion carried 5-0.

Manager Tracy introduced Resolution 2007-07 regarding signatures at Pacific Continental Bank. Noting a few changes to it, this resolution will be approved later in the meeting.

Director Swanzy will be attending the NWPPA/NRECA Credentialed Director Fast Track October 29 – Nov 2 in Great Falls, Montana.

The Calendar is to always be under New Business from this time forth.

STATE HOSPITAL/PRISON: Project Manager Doug Young has informed Manager Tracy that this project planning should be starting soon with physical work on the hospital starting in July or August of 2009. Project Manager Richard Ross informed Manager Tracy the prison project could start in 2010.

MEMBER COMMENTS: There were no comments.

DIRECTOR ASSESSMENTS:

Comments: There were none at this time.

Expenses: The directors will turn in their expense reports after the Policy Workshop on July 26, 2007.

Attendees to events: Director Rust and Director Sikes plan to attend Region IX. Director Swanzy will be attending the NWPPA Director Fast Track conference in Great Falls Montana.

EXECUTIVE SESSION

Executive Session was held with no action taken.

RECESS: Chairman Irwin recessed the meeting at 9:05 p.m.

RECONVENE: Chairman Irwin reconvened the meeting of July 23, 2007 on July 26, 2007 at 8:05 a.m. All board members were present along with Manager Tracy and Mary Cirks. The following actions were taken at this meeting:

- (Motion) PNGC: Manager Tracy reported a review of risks pertaining to the Coffin Butte action has been exercised with Attorney Greening and Kevin Watson. These risks included construction, operation, and financial aspects of participation. With current sales, Coffin Butte could be 2.4% of the total renewable requirement to 2025. More ownership in Coffin Butte would bring BLEC closer to the required RPS percentage in 2025. After questions were addressed and much discussion, Director Rust made a motion authorizing the General Manager to proceed in the bidding process through PRC pursuant to the subscription shares offered by Benton REA for their Coffin Butte interest. As a qualifying renewable resource he is directed to obtain the maximum amount available through the process as long as the unit cost, based upon his analysis, is equal to or less than other resources, as projected, to help meet our anticipated TIER 2 and RPS requirements. Director Jacksch seconded the motion. Motion approved 5-0.
- (Motion) Policy 302.01, Approved Depositories for Cooperative Funds and Authorized Check Signatures, was presented and discussed. A motion was made and seconded to approve said policy. Motion approved 5-0.
- (Motion) Resolution 2007-07, Corporate Resolution with Pacific Continental Bank, was discussed. A motion was made and seconded to accept stated resolution. Motion approved 5-0.

RECESS: The board meeting was recessed at 9 a.m. until later this day.

RECONVENE: The meeting was reconvened at 2:56 p.m.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 3 p.m. on July 26, 2007.

(SEAL)

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Audrey Rust  
Secretary/Treasurer