

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION**  
**BOARD OF DIRECTORS**  
**MEETING MINUTES**  
Monday, August 27, 2007

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon at 5:15 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 Financial Services
Bill Gabriel	-- Manager of Operations Services
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney

- (Motion) AGENDA: A motion was made and seconded to approve the agenda as presented. Motion carried 5-0.
- (Motion) CONSENT AGENDA: The following items were pulled for discussion: disbursements, and work orders. Questions were answered and discussion was held on a number of checks and a work order. A motion was made and seconded to accept the consent agenda. Motion carried 5-0.
- (Motion) FINANCIALS: Manager of Financial Services Ms. Jami Bartunek reviewed BLEC's financials, stating that from CFC's Key Ratio Analysis, residential revenue per kWh sold indicate a similar trend line over the past few years; total operating revenue per kWh shows BLEC is on target with the State Grouping; and TIER is higher than both the US and State groupings. Equity is at 53%. Cash flow increased this month but will be down next month due to the interest payment that will be due. There was about \$41,000 difference between July 06 and July 07's inventory but with the finishing up of a few work orders, this amount should get smaller. Lengthy discussion was held on bad debt recovery. A motion was made and seconded to accept the financials. Motion carried 5-0.
- (Motion) SAFETY MINUTES: Discussion was held on the accident of an employee and waiting so long to report it. The Board of Directors emphasized the importance of the need for

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employee's to inform their supervisor of any accident that occurs. A motion was made and seconded to accept the safety committee minutes and the safety minutes. Motion carried 5-0.

(Motions) PNGC/PRC REPORT: At the July meeting PNGC stated the water is short. Manager Tracy answered questions regarding the recent PNGC auction; informed the board of the vision of PNGC's change of operation to what BPA is offering in the TIER II program; ocean waves; and stressed the importance of BLEC's Load Forecast be as accurate as possible in order to assist PNGC in meeting their member's needs. Chairman Irwin expressed his observations that the PNGC Board of Directors is more aggressive than in former years. Lengthy discussion was held on the governance of PNGC and the future. A motion was made and seconded to approve Resolution 2007-08 which appointed Manager Tracy as BLEC's PNGC board member. Motion carried 5-0. A motion was made and seconded to approve Resolution 2007-09 which appointed Manager Tracy as the membership representative for PNGC and Chairman Irwin as alternate. Motion carried 5-0. A motion was made and seconded to approve Resolution 2007-10 which appointed Manager Tracy as a director for PRC. Motion carried 5-0. A motion was made and seconded to approve Resolution 2007-11 which appointed Manager Tracy as the individual to have voting privileges at the membership meeting of PRC and Director Sikes as the alternate voting delegate. Motion carried 5-0. A motion was made and seconded to approve Resolution 2007-12 appointing Manager Tracy as the representative and Director Swanzy as the alternate for voting purposes at Boardman Subscribers' Committee meetings of the PRC. Motion carried 5-0. A motion was made and seconded to approve Resolution 2007-13 which appoints Manager Tracy as representative and Director Swanzy alternate for voting purposes at Coffin Butte Subscribers' Committee meetings of the PRC. Motion carried 5-0.

ORECA REPORT: Representative Irwin reported the ACRE laws regarding fundraising have relaxed but the raffle is definitely not permissible as has been done in the past.

MANAGER'S REPORT: Quasi: Manager Tracy reported word has been received from the IRS stating they will further review the mandate recently set forth regarding quasi-retirement. NRECA will, at this time, distribute quasi-retirement payments for employees under age 55. Rate Comparison: Manager Tracy presented a rate comparison between EWEB, EPUD, and BLEC. Discussion was held on the importance of educating our consumers on how to read rate comparisons.

PUC map: Manager Tracy showed the PUC map to the board, indicating some of the inaccuracies. PUC is working on updating the map. Discussion was held of the importance of BLEC to follow-through and to protect our territory by informing the PUC of what our certificated territory is.

Misc: CFC is retiring \$34,765 patronage capital to BLEC. Discussion was held on budgeting for the operation of the safety trailer.

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OLD BUSINESS: Flag Pole: Regulations and restrictions have been investigated for a new flag pole. Discussion was held on what the criteria is for a memorial plaque, with death being the key factor. After discussion, this project will be submitted in the upcoming budget.

Scholarships: Also discussed was a scholarship program, donation of mileage to the fund, amount accrued as a yearly benefit would be about \$1,000 per year, the mechanical requirements to have this project functional, the necessary criteria for implementation, and what some of the benefits are for BLEC. The Board directed management to look into the scholarship project.

NEW BUSINESS:

Policies: Management presented all of the 100, 200, and 300 series plus policy 409.00 to the Board in their workshop earlier today. After questions were answered, a motion was made and seconded to approve the following policies with the effective date of August 27, 2007 except for Policy 305.01 which will be effective January 1, 2008:

100 Series:

101.00 Cooperative Policies and Procedures  
103.00 Organizational Plan  
105.00 Attendance at Board Meetings  
Directors

102.00 Member Meetings  
104.00 Audit Committee  
106.00 Regular Meetings of Board of  
107.00 Ethics Code

200 Series:

201.00 Functions of the Board of Directors  
Directors  
204.00 Board of Directors/General Manager Relationship  
205.00 Service of Consultants

202.00 Committees of the Board of  
203.00 Board Fees and Expenses  
206.00 Board Education

300 Series:

301.00 Financial Practices  
303.00 Loans and Guarantees  
305.01 Consumer Accounting Practices  
308.00 Record Retention  
311.01 Purchasing

302.00 Depositories  
304.00 Retail Rates  
307.00 Unclaimed Property  
310.01 Inventory Review  
312.01 Allocation and Retirement of  
Patronage Capital

400 Series:

409.00 Services

Motion carried 5-0. The Board of Directors instructed management to review Policy 306.00 *Collection of Unpaid Accounts* and present it again.

Work Plan/Budget: Manager Tracy worked through the 2008 Work Plan with the board including the ITRON meters. There are no big projects in the Work Plan for 2008, which will be for 2008 only. Discussion was held on contingencies and load growth; metering and capacity charges; demand implications for residential consumers; and economic development. Manager Tracy explained that the budget will be primarily driven by two perimeters, the Load Forecast and the Cost of Power.

Calendar: The AWARE dinner is September 18 at 6 p.m. followed by the AWARE meeting at 7 p.m. All directors plan to be in attendance. The Policy Workshop on the remaining 400,

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500 and 600 series will be held September 18, 2007 at 8:30 a.m. at headquarters with all directors encouraged to participate.

STATE HOSPITAL/PRISON: There probably will be no updates on this project until after the first part of 2008.

MEMBER COMMENTS: Manager Tracy presented three comments from the members to the Board, one on their delinquent account, one on BLEC workers, and one stating *Ruralite* articles need to have the author's name attached.

DIRECTOR ASSESSMENTS:  
Comments: Good meeting.

Expenses: The directors turned in their expense reports.

Attendees to events: Director Rust plans to attend Region IX and Director Sikes will possibly be attending. Director Swanzy will be attending the Director Fast Track conference in Montana. All directors except Director Jacksch and Director Rust will be attending the ribbon cutting ceremony at Coffin Butte in October and the PNGC Annual Meeting.

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 9:35 p.m.

(SEAL)

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Audrey Rust  
Secretary/Treasurer