

BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, October 22, 2007

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon at 5:10 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
Todd Payne	-- Large Power Representative

(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: check register, work orders, membership accepted/cancelled, and staff reports. Discussion was held on the amount of the check for wasp and hornet spray; the temporary work order for underground service to a member's property will be under a different work order when it becomes permanent; the few idle services remaining and maintaining the right-of-way after removal; campers doing vandalism on Indian Creek Road as they shot BLEC insulators, and the Forest Service supports BLEC in putting in a gate at this site; the use of the 6% reduction to the wellness program that is used for our employees; and there is no improvement to the lumber market. A motion was made and seconded to accept the consent agenda. Motion carried 5-0.

MEMBER COMMENTS: There were none.

(Motion) FINANCIALS: Manager of Financial Services Ms. Jami Bartunek reviewed BLEC's financials, highlighting from the CFC's KRTA the average residential kWh usage per month, the accounts receivable over 60 days as a percent of operating revenue, and the amount written off as a percent of operating revenue. Discussion was held on inventory, truck expenses,

bad debt reserve and the request to add more information to the YTD COSA. A motion was made and seconded to accept the financials. Motion carried 5-0.

(Motion) SAFETY MINUTES: Discussion was held on the use of plastic goggles. A motion was made and seconded to accept the safety committee minutes and the safety minutes. Motion carried 5-0.

PNGC/PRC REPORT: Directors Sikes and Swanzy reported on the PNGC meeting they recently attended, stating there were many new ideas and many questions answered, as well as noted the need for participants in PNGC to join together and have interaction between systems to achieve goals. The Coffin Butte grand opening was educational, very well received and appreciated.

(Motions) Manager Tracy reported BPA has a new slice product, the whiteboard proposal will focus on demand unit, and Flathead Electric is interested in joining with PNGC. PGE, who owns most of the Boardman plant, has elected to use the base case to install carbon controls. Manager Tracy explained the BPA net requirements and the accompanying Resolution 2007-15. A motion was made and seconded to allow the General Manager to execute Revision No 7, Exhibit C through administration of said resolution. Motion carried 5-0. Manager Tracy reminded the Board that BLEC is a load serving entity and a distribution provider and explained Resolution 2007-16 as it pertains to the BPA Delegation Agreement, Contract #07TX-12837. A motion was made and seconded to allow the General Manager to execute Resolution 2007-16. Motion carried 5-0. Manager Tracy reported Benton Electric has extended the Coffin Butte and Boardman sale until March of 2008. After a discussion on territorial issues, the Board extended General Manager Bud Tracy the ability to negotiate the squaring up of the territory lines with EPUD and BLEC. Junction City is in the process of extending their urban growth boundary. City franchise fees are expected to be negotiated for electric service inside the city limits.

ORECA REPORT: Directors Sikes, Rust, and Irwin will be attending the ORECA Annual Meeting December 5 & 6 in Tigard. Discussion was held on embellishing a resolution on renewable resources but it already is on the list.

(Motion) MANAGER'S REPORT: Per Diem rate: After discussion it was decided that the Per Diem will remain the same as stated in the current BLEC policy, that being \$45.

Budget: Last month management presented a draft budget and during the month of October, fine-tuned it, and presented the final budget to the Board of Directors. After questions were answered, a motion and a second was made to approve the budget as presented. Motion carried 5-0.

Misc: The 2007 patronage capital allocation from CFC for BLEC is \$44,148.46. Most of the Board will be attending the Salem Electric exchange of ideas meeting on Thursday, October 26. Oregon Trail has hired Werner Buehler as their General Manager. Discussion was held on tax benefits and parity on generation issues. County Commissioner Fleenor has been very receptive to have utility personnel attend his meetings and discuss issues facing the electric industry. Director Jacksch completed his *Director Leadership* classes and was awarded his certificate by Chairman Irwin. Director Rust received hers at the Region IX meeting. The employee/board meeting will be held on Monday, November 26, 2007 at 2:30 p.m. with the board workshop and board meeting to follow.

OLD BUSINESS: There was no old business.

NEW BUSINESS: NRECA annual meeting: Director Sikes and Manager Tracy will be attending this meeting in Anaheim on February 25 – 27, 2008. Director Sikes will take three classes which will complete his Board Leadership classes.

ACRE: Manager Tracy handed out the 2008 ACRE cards to the Board and Staff, encouraging them to renew their participation.

(Motion) Resolutions: After discussion on Resolution 2007-17, *Directors AD&D Only Insurance*, a motion was made and seconded to adopt the plan as presented. Motion carried 5-0. The Board of Directors discussed Resolution 2007-18, *Retiree Medical Co-Insurance Plan*. Directors Rust and Jacksch abstained from voting due to a conflict of interest. A motion was made and seconded to accept the plan as presented. Motion carried 3-0.

STATE HOSPITAL/PRISON: No new information.

DIRECTOR ASSESSMENTS:

Comments: At the Region IX meeting, there were 71 delegates eligible to vote and there were 61 present and voted, indicating people were in attendance.

Expenses: The directors turned in their expense reports.

Attendees to events: Director Swanzy will be attending the Director Fast Track conference in Montana. Director Rust, Chairman Irwin, and Director Sikes will be attending the ORECA annual meeting December 5 & 6 in Tigard. Directors Irwin, Sikes, and Jacksch will be attending the Salem Electric/BLEC joint meeting on October 26.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:35 p.m.

(SEAL)

Audrey Rust
Secretary/Treasurer