

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

Monday, January 21, 2008

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 6:30 p.m., following the board workshop on power supply with Mr. Doug Brawley from PNGC. The following were present:

Thomas C. Irwin III	-- Chairman
Bob Sikes	-- Vice-Chairperson
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Jon Swanzy	-- Director
Bud Tracy	-- General Manager
Jami Bartunek	-- Manager of Financial Services
Joe McFadden	-- Manager of Member Services
Mary Locke	-- Manager of Office Services
Mary Cirks	-- Administrative Assistant
Todd Payne	-- Large Power Representative

AGENDA

(Motion) A motion was made and seconded to approve the agenda as presented. Motion carried 5-0.

MEMBER COMMENTS: There were none.

(Motion) CONSENT AGENDA

A few questions were held on last month's disbursements. A motion was made and seconded to approve the consent agenda. Motion carried 5-0.

(Motion) FINANCIALS: Manager of Finance Jami Bartunek reported a 4% increase in equity as a percent of total assets, reviewed the financial position of BLEC, the statement of operations, as well as the statement of cash flows. Due to the increase of costs, our dollars of inventory on hand has increased but less inventory is present. There was a small amount of increase in sales in 2007; the line loss had an annual rate of 5.1%; and even with the penalty the accounts receivable YTD figures are greater than in 2006. Discussion was held on capital vs expense and accountability of the items expensed. A motion was made and seconded to accept the financials. Motion carried 5-0.

(Motion) SAFETY REPORT: After discussion, a motion was made and seconded to accept the safety reports. Motion carried 5-0.

(Motions) PNGC/PRC REPORT: PNGC's Doug Brawley led the workshop on future power supply issues. He explained and informed the board of new concepts recently developed by PNGC as it reacted to BPA's new concepts. Manager Tracy stressed the importance of answering PNGC's quest of seeing how many current PNGC members are going to be on board with the new concepts and what any possible member may be thinking. Manager

Tracy presented Resolution 2008-01 *Future of PNGC Membership*, which states BLEC's intent of working with PNGC to establish future power supply rates and concepts. A motion was made and seconded to accept the resolution. Motion carried 5-0.

Manager Tracy reported Pfeiffer would like to have his solar project on line by April of this year. This project could generate as much as 27 kW. Discussion was held on BLEC's participation in the project, net metering, and not paying more than our avoided costs. A motion was made and seconded that we proceed with this project. Motion carried 5-0.

ORECA REPORT: Board Representative Irwin reported the ORECA Board of Directors accepted Central Electric into the ORECA membership. Representative Irwin reported the board discussed the importance of staying within the ORECA budget; approval of projects before them being done; the residential exchange could be brought back into the court system again; a present legislative bill on global warming could put the DEQ as the governing body over cooperatives. The BLEC Board of Directors stressed the importance of getting our members involved in notification to their legislators objecting to some of the global warming issues being implemented.

MANAGER'S REPORT:

(Motion) Residential Exchange: The board discussed the components of the residential exchange. After discussion was held, a motion was made and seconded to authorize the General Manager to receive these funds for the settlement of the Residential Exchange. Motion carried 5-0.

(Motion) Retirement Program: Manager of Office Services Mary Locke read Resolution 2008-02 *Amendment and Restatement of the RS and 401(k) Pension Plans*, which addressed the continuance of the plans through the execution of the Adoption Agreement. A motion was made and seconded to adopt Resolution 2008-02 as presented. Motion carried 5-0.

Capacity Update: Manager Tracy passed out graphs depicting the percentage of monthly peak demand to transformer capacity for our substations that have a delivery point, stating that Parker is about fully loaded to the transformer capacity. Discussion was held on proper transformer sizes and quantifying the need for future growth; the current loop system and backup; capitalization of our investments into the future; New large Single Load issues need to be resolved as well as the high water mark for Grain Millers who's construction time is the end of 2009; and the improvements needed on our system to supply power to the State Hospital/Prison.

Forest Service Use Permit: Manager Tracy informed the board we have a draft permit. Discussion was held on water shed and fish habitat; the Forest Service's request to replace about one mile of overhead line with underground line that will need to be done by a contractor hired by BLEC. Manager Tracy will proceed with these plans.

Audit: Discussion was held on if the Board of Directors would like the audit report prior to the disbursement of capital credits. The consensus of the board was that they did not therefore management is to prepare for the retirement of capital credits and have it on next month's agenda.

Consumer and railroad crossing: Currently the payment of a right-of-way is being objected to by one of our consumers. BLEC failed to record the right-of-way easement years ago with the county therefore BLEC must pay for the right-of-way from this point forward.

Global Warming: Next Monday, January 28 BLEC is sending three consumers and Director Swanzy to a seminar titled *Annual Harvesting Clean Energy Conference* in Portland.

OLD BUSINESS:

(Motion) Yard Light increase: Manager Tracy informed the board that staff has recommended the Yard/Security Light charge be increased. Recommended rates are as follows:

100 watt High Pressure Sodium	\$ 8.75
200 watt High Pressure Sodium	\$16.00
400 watt High Pressure Sodium	\$26.00

A motion was made and seconded to approve the rates as presented. Motion carried 5-0.

(Motion) NEW BUSINESS: Calendar – The AWARE Committee meets tomorrow at 7 p.m.
BLEC Annual Meeting: After discussion, a motion was made and seconded to have the Invocation and the Posting of Colors put on a ballot for the membership to vote on as well as have them both performed at the May 10, 2008 annual meeting. Motion carried 4 yes to 1 abstained vote from Director Sikes.

Policies – Discussion was held on securing a signed consultant agreement before service is done with dollar amounts and what is expected from consultants.

(Motion) NRECA Annual Meeting voting delegate: A motion was made and seconded to appoint Director Sikes as the voting delegate to the CFC annual meeting, the Federated Insurance Annual Meeting, the NRECA Annual Meeting, and the NCSC annual meeting with Manager Tracy as the alternate to all of stated meetings. Motion carried 5-0.

District Apportionment: Manager Tracy informed the board that at the current time, District 1 has an average of 21%; District 2 has an average of 19%; Districts 3, 4, and 5 have an average of 20%. The board recognized this as being fair disbursement of votes for the upcoming annual meeting.

Flag pole: Director Sikes informed the board he has purchased a flag for the new pole that is to be put in.

STATE HOSPITAL/PRISON: There is a possibility that Director Sikes could serve on an Advisory Committee for this state project.

DIRECTOR ASSESSMENTS:

Comments: There were no comments.

Expenses: Expense reports were reviewed and signed.

Meeting Attendance: Director Swanzy will be attending the energy conference on January 28 in Portland. Director Sikes and Manager Tracy will be attending the NRECA annual

meeting Feb 21 to Feb 27 in Anaheim, CA. All directors except Director Jacksch will be attending the AWARE meeting tomorrow evening.

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 9:20 p.m.

(SEAL)

Audrey Rust
Board Secretary