

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION**  
**BOARD OF DIRECTORS**  
**MEETING MINUTES**  
Monday, April 28, 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 5:20 p.m., following the board workshop on power supply. The following were present:

Thomas C. Irwin III	-- Chairman
Bob Sikes	-- Vice-Chairman
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Jon Swanzy	-- Absent due to illness
Bud Tracy	-- General Manager
Jami Bartunek	-- Manager of Financial Services
Joe McFadden	-- Manager of Member Services
Mary Locke	-- Manager of Office Services
Matt Smith	-- Acting Manager of Operations
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative
Lew Orsi, Shelley Coleman	-- Moss Adams Auditing Firm
Terry Keeler, Zane Larson, Fred Burkert	- Members

AGENDA

(Motion) A motion was made and seconded to approve the agenda as presented, but allowing the Audit report be moved up so it could be presented earlier. Motion carried 4-0.

MEMBER COMMENTS: Mr. Keeler expressed interest in how the Cooperative operated and was impressed with the audit report and how in-depth it was.

(Motion) CONSENT AGENDA

Discussion was held on a few checks; a work order that had different sizes of poles and the cable associated with it; accounts receivable transfers; information on the member fees will come next month; non-compliance pole attachments are being paid by the party requesting the attachment. Currently BLEC is billing and collecting for labor to reattach a line. The BLEC sign out front is pretty frail and needs to be replaced. A motion was made and seconded to accept the consent agenda. Motion carried 4-0.

(Motion) FINANCIALS: Manager of Financial Services Jami Bartunek explained the consumers per employee graph she presented along with the overtime as a percent of regular hours for the past several years. She also reviewed the YTD transmission and distribution plant analysis, the monthly financial position of the Cooperative, the statement of operations, the cash flow analysis, power and billing data, and the sales report. Discussion was held on the increase in cash, the

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operation margins being higher than last year, and a 4% increase in equity. Other investments, defined as extra cash, were discussed and security is the most important element for deciding where to invest it. Management is seeking criteria from the Board of Directors. A motion was made and seconded to accept the financials. Motion carried 4-0.

(Motion) SAFETY REPORT: Manager Tracy reported thieves have hit PacifiCorp and CPI again. They removed ground wires which caused voltage fluctuations. When the linemen arrived, the fence was hot with electricity and the ground was bubbling which led to a discussion on the safety of our men and how careful they must be. Our members need to be aware of the dangers involved with this activity. A motion was made and seconded to accept the safety reports. Motion carried 4-0.

PNGC/PRC REPORT: A settlement agreement with tribes and the Fish/Wildlife department was discussed and what would stop other tribes from requesting the same type of settlement agreement. Manager Tracy informed the Board that the PRC resource bidding will be much more organized next time it is done. After discussion a motion was made and seconded to allow Chairman Irwin to sign a letter of intent regarding future membership in PNGC Power. Motion carried 4-0. Manager Tracy reported BLEC can have a 10 MW load increase from now to 2010.

ORECA REPORT: Some of the topics that were discussed at the Oregon Manager's Meeting were metals theft, audit review, and a succession plan for the Executive Director. No action was taken.

MANAGER'S REPORT: Manager Tracy shared OSHA's *Citation and Notification of Penalty* which listed the accident in November as Serious and assessed a fine of \$2,500. OSHA and BLEC General Manager came to the same conclusion, that responsibility was both supervisory and employee.

Discussion was held regarding joint membership of the same gender. Attorney Greening stated there is a difference between domestic partners, civil unions, and marriages. A policy can be adopted and this will come before the board again.

Mr. Al Hasselblad has requested the Board of Directors to accept his resignation from the Audit Committee. James Chapman has been selected as BLEC's youth contest winner and will be attending the Youth Energy Camp at Boreal Resort in Northern California in July.

OLD BUSINESS:

The Board is to be at the annual meeting at 4 p.m. for a special board meeting. The meeting starts at 6 p.m.

NEW BUSINESS: Calendar: The board reviewed the calendar. Manager Tracy invited the Board to the May 7 meeting with CFC where they will work through the Financial Forecast. The Financial Forecast is the tool that will lead to rate stabilization.

(Motion) 2007 Audit: Lew Orsi and Shelley Coleman were present for the board workshop earlier in the day. They also met with the Audit Committee at which time they reviewed their audit with them. As a result, the Audit Committee recommended to the Board that they accept the audit as presented by Moss Adams. Discussion was held on the Board of Directors receiving the preliminary audit review for their study and today receiving their Management Letter which

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addresses changes that need to be made. Ways to have the Management Letter to the board prior to their meeting to approve the audit was discussed. Several of last year's suggestions are carried forward to be addressed in the upcoming year and written suggestions in the Management Letter were minimal, BLEC is in great shape financially, the controls are in place, and overall the Cooperative is in great shape. A motion was made and seconded to accept the audit as presented. Motion carried 4-0.

Renewables Report: Mr. Zane Larson and Mr. Fred Burkert shared information they received when they attended an energy conference. Each of the gentlemen was surprised by the cost of renewable energy. The biggest concern is the road blocks on environmental issues. There is very much to be learned in this field and it will not happen overnight. Mr. Larson and the Burkerts will share their knowledge and information at the annual meeting at our Renewables table. Manager Tracy thanked the gentlemen for their time in attending the conference and requested them to share the information they received with the members at the annual meeting.

NRECA International Fund: A letter from NRECA has been received requesting donations to the International Foundation to help electrify the world. The board rejected this request.

(Motion) Unclaimed Capital Credits: Manager of Office Services Mary Locke informed the Board that the advertising of unclaimed capital credits has been completed as required by state statute. A motion was made and seconded to approve Resolution 2008-04, which states \$1,995.89 of unclaimed patronage capital is considered forfeited and returned to the Cooperative as of April 28, 2008. Motion carried 4-0.

(Motion) 2007 Allocation: With no negative margins and using the same methodology as in the past, a motion was made and seconded to accept the margins for 2007 and make an allocation to the members of \$1,584,413. Motion carried 4-0.

Net Metering: Management continues to work on the net metering policy.

STATE HOSPITAL/PRISON: The hospital is coming along. BLEC needs to identify the right-of-way, obtain three projects from TriAxis, the Feasibility Study, the design, and the construction phase. Director Sikes informed the board that the Prison Advisory Committee's June meeting will be a two day event. They will tour the old penitentiary at Salem and then go on to Wilsonville to tour the women's penitentiary and the next day tour the Madras site.

DIRECTOR ASSESSMENTS:

Comments: There were none.

Expenses: Expense reports were reviewed and signed.

Meeting Attendance: The full board will be meeting with CFC on May 7.

EXECUTIVE SESSION

Executive session was held.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 10:15 p.m.

(SEAL)

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Audrey Rust  
Board Secretary