

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION**  
**BOARD OF DIRECTORS**  
**MEETING MINUTES**  
Tuesday, May 27, 2008

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon. A quorum was declared present and the meeting was called to order at 5:05 p.m., following the board workshop. The following were present:

Thomas C. Irwin III	-- Director
Bob Sikes	-- Director
Audrey Rust	-- Director
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
Greg Gardner	-- Manager of Operations
Matt Smith	-- Dispatcher/Lineman
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative

(Motions) ELECTION OF OFFICERS: A motion was made to install the same officers as last year but died for lack of a second. A motion was made and seconded to nominate Director Tom Irwin as the Board Chairman. Motion carried 5-0. Motion was made and seconded to nominate Bob Sikes as Vice Chairman. A motion was made and seconded to nominate Jon Swanzy as Vice Chairman. Secret ballots were counted by Attorney Greening who announced a tie, 2-2. After discussion, another secret ballot was performed and counted by Attorney Greening who announced Bob Sikes as the Vice Chairman by a 3-2 vote. A motion was made and seconded to nominate Audrey Rust as the Secretary/Treasurer. Motion carried 5-0.

(Motion) AGENDA

A motion was made and seconded to approve the agenda with the following changes; add Benton discussion to PNGC tab 7; add Evaluation forms, joint membership, and budget variance to Manager's Report tab 9; add Financial Forecast approval to New Business tab 11; change tab 12 to read Future Loads; add Compensation Report to Executive Session tab 14; and allow the BLSI meeting be moved up so it could be held before Executive Session. Motion carried 5-0.

MEMBER COMMENTS: Director Rust inquired if we were still receiving comments from our members when they pay their bills. If and when we receive them they will be put in the board

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packet in the future. Discussion was held regarding a consumer inquiring why a phone call was received from BLEC personnel regarding the electrical usage at their place. Manager of Office Services Mary Locke explained this is a common practice that is done from a computer generated report that is produced when any consumer has unusual larger than average usage history. This is a courtesy action for our members.

(Motion) CONSENT AGENDA

Matt Smith explained what a blanket work order was. The Board of Directors thanked Mr. Smith for his Operations Report being clear and concise and thanked him for his performance as the Interim Operations Manager. A motion was made and seconded to accept the consent agenda. Motion carried 5-0.

(Motion) FINANCIALS: Manager of Financial Services Jami Bartunek indicated the growth of cash as a percent of total plant since last year at this time has increased. The residential exchange settlement money has been placed separate and apart from the regular financial growth. Equity is now at 58% of total assets with accounts receivable write offs a little higher than last year. 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.

PNGC/PRC REPORT: Director Jacksch reported to the Board regarding the PRC/PNGC meeting he attended. The meetings were very informational and he learned much. Any new coal plant will be looking at \$60 - \$80 million for emissions alone, causing the price of coal to double. Manager Tracy informed the board that 15 letters of intent have been signed and given to PNGC. The Board directed Manager Tracy to carry the message to PNGC that all cooperatives are to be treated equally. The PNGC Strategic Planning session is planned for next week in Sun Valley, Idaho where Manager Tracy will be attending.

ORECA REPORT: Board Representative Irwin reported future financial reports won't have any details in it. The details will only be presented to the Executive Committee. Day one of the strategic planning meeting was to work as much as possible with legislation and regulatory issues. The next meeting is July 16.

(Motion) MANAGER'S REPORT: Manager Tracy informed the Board of Directors that the AWARE committee met and they expressed their appreciation for allowing our members to get involved by having community gatherings to discuss pertinent energy information. Manager Tracy informed the board of the need to purchase a pickup for the Operations Manager. A motion was made and seconded to amend the 2008 budget in the amount of \$33,000 for a ½ ton pickup. Evaluation forms were passed out for discussion next month, and discussed if the board meetings should be held during the day instead of evenings. The board decided to keep the meeting at 5 p.m. The board discussed Oregon's definition of a married couple, that being a couple of different sex and over 17. Discussion was held on how Oregon is going to handle partners of the same sex married in another state that recognizes same sex marriages. There was a motion and a second that in the absence of a legal requirement or a Cooperative-wide benefit, BLEC will not offer financial incentives to any member or group of members that would be subsidized by other Cooperative members. Motion carried 5-0.

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(Motion) OLD BUSINESS: BLEC annual meeting review – Some comments that have been heard are the hard seats, the food baking contest is getting less and less participants, people could hear this year, BLEC colors are red and white, and the Renewables and ACRE tables were really good. During the annual meeting, thieves took a spool of #6 copper and small tools that were left in the bucket. The board reviewed and discussed the statistics from 1990. After a lengthy discussion, a motion was made and seconded to have the 2009 annual meeting April 25 or May 16, 2009 (staff to decide) at Oaklea School, with a noon meal and the meeting starting at 1 p.m. Motion carried 5-0.

NEW BUSINESS: Calendar: Bill Edwards will review the COSA that he is performing for BLEC and all of the board will be in attendance.

(Motion) Financial Forecast: A motion was made and seconded to approve the Financial Forecast without CES as primary. Motion carried 5-0.

FUTURE LOADS: Manager Tracy informed the Board of Directors GloryBee has been in contact with BLEC once again. Discussion was held on the progress of the corridor.

DIRECTOR ASSESSMENTS:

Comments: Comments from members are to be placed in the board packet.

Expenses: Expense reports were reviewed and signed.

Meeting Attendance: Manager Tracy will continue to attend the Fleenor meetings. Director Sikes reported Manager of Member Services Joe McFadden, Manager Tracy, and himself attended the BLEC member forum and discussed renewables, incentives, and overall the people enjoyed the conversation.

RECESS: The Board recessed at 8:25 to have the BLSI meeting.

RECONVENE: The Board reconvened at 8:30 upon the completion of the BLSI meeting.

EXECUTIVE SESSION

After coming back into session, a motion was made, seconded, and passed to increase the General Manager's salary by 20% of base pay effective June 1, 2008.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:15 p.m.

(SEAL)

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Audrey Rust  
Board Secretary