

BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, August 25, 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 5:10 p.m., following the board workshop. The following were present:

Thomas C. Irwin III	-- Chairman
Bob Sikes	-- Vice-Chairman
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Jon Swanzy	-- Director
Bud Tracy	-- General Manager
Mary Locke	-- Manager of Office Services
Greg Gardner	-- Manager of Operations
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative
Kirk Gebb	-- Consumer

AGENDA

A motion was made and seconded to approve the agenda with the addition of discussion of the handouts under the Manager's Report.
Motion carried 5-0.

MEMBER COMMENTS: Mr. Kirk Gebb demonstrated his electric pickup and was invited to the upcoming AWARE committee meeting.

CONSENT AGENDA

The board was informed that the work order procedures have been improved and the board can expect to see the results. Staff was complimented on their board reports.

A motion was made and seconded to accept the consent agenda.
Motion carried 5-0.

FINANCIALS: Discussion was held on the Residential Revenue and Total Operating Revenue per kWh sold charts as well as the TIER chart. BLEC personnel are looking at all substation efficiencies. The line crew is going to be doing hot spotting and clearing lines.

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

SAFETY REPORT: Manager of Operations Greg Gardner reported fire retardant shirts are needed. The board reviewed the minutes of the safety meetings.

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

PNGC/PRC REPORT: General Manager Bud Tracy explained the PNGC contract adders and their equity position. Benton has not signed the Option Agreement. Only the present PNGC Board of Directors can make any changes to the contract and it must be unanimous in voting. November 3, 2008 is the deadline for signing of the contract.

The main bearing at Coffin Butte went out and the operation should be back on line by August 29. The water mark is low, causing financial difficulties at PNGC; therefore the Board of Directors at PNGC is looking at a rate increase.

ORECA REPORT: General Manager Tracy reported Mr. Ted Case has accepted the offer of employment as Executive Director at ORECA beginning January 1, 2009; he will be involved in the budget process. Lengthy discussion was held on the public purpose charge of 3% which cooperatives are exempt from at this time. The proposal is to have a 2.5% charge placed on cooperatives. This would be about \$250,000 for BLEC with the option of spending conservation of energy dollars for our consumers. The balance of the money would be sent to the Energy Trust fund.

MANAGER'S REPORT: Large Power Representative Todd Payne reported on the events and schedules of Seneca.
The strategic plan was reviewed.

A motion was made and seconded to accept the Strategic Plan with the corrections. Motion carried 5-0.

The Board of Directors reviewed CFC's Key Ratio Trend Analysis (KTRA) and discussion followed relating to the importance of using this for budget guidelines.

OLD BUSINESS: *Auditors Letter:* Manager Tracy reviewed the Audit Management Letter Recommendations with the Board of Directors, explaining the implemental results. Staff has completed each of the descriptions that needed to be addressed by Moss Adams. The Audit Committee will be meeting soon to recommend an auditor for the upcoming year. *Joint memberships:* Attorney Greening lead a discussion pertaining to joint memberships. His recommendation is to implement a membership application that supports the bylaws. Discussions were held on making a bylaw change and what the membership desires. *Federated voting delegate:*

A motion was made and seconded to appoint Director Jacksch as voting delegate for NISC and Federated at the upcoming Region IX meeting with Director Sikes as alternate. Motion carried 5-0.

NEW BUSINESS: *Calendar:* The calendar was reviewed. *Parliamentary procedure:* Attorney Greening reviewed parliamentary procedure with the board. *PPC Report:* Director Jacksch and Director Rust reported on the PPC meeting they attended, stating rates are expected to increase. The Board of Directors discussed secondary sales, the position BPA needs to take, and what BPA might do. *Triangle Lake Park:* Management reported the park has been doing very well and full most of the weekends. The only concern is the people speeding through the park, which the board discussed.

FUTURE LOADS: Manager Tracy informed the Board of Directors he met with the Department of Corrections last Friday. BLEC met with Grain Millers and they want to keep their costs down but they know they will be purchasing TIER II power.

DIRECTOR ASSESSMENTS:

Comments: There were none.

Expenses: Expense reports were reviewed and signed.

Meeting Attendance:

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 10:40 p.m.

(SEAL)

Audrey Rust
Board Secretary