

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION  
BOARD OF DIRECTORS  
MEETING MINUTES  
Monday, September 22, 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 5:07 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
Jami Bartunek	-- Manager of Financial Services
Joe McFadden	-- Manager of Member Services
Mary Locke	-- Manager of Office Services
Greg Gardner	-- Manager of Operations
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative

AGENDA

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

MEMBER COMMENTS: The board reviewed those in the board packet.

CONSENT AGENDA: Manager of Operations Services Greg Gardner informed the Board that a power hit occurred this morning and it was caused by starlings in the Parker Substation. It took one consumer out, but everyone else experienced voltage sag. Changes have been made so we can recognize what causes problems in a timelier manner. Clean-up will be done and "anti-bird" equipment will be looked into.

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

FINANCIALS: Ms. Bartunek explained graphs O&M Expenses, Consumer Accounting Expenses, Customer Sales & Service Expenses, and A&G Expenses per total kWh sold. The economy is affecting the sales report as we see a decrease in industrial revenue. Discussion was held that the total equity is now too high and needs to come

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back down about 5%. Budget numbers to actual numbers were discussed along with the miles of line reporting and capital credits.

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

SAFETY REPORT: It was noted that rules are in conflict between the National Electric Safety Code and OSHA. Discussion was held on accidents and near misses where BLEC personnel had not correctly located the lines and the importance of this information being done correctly.

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

PNGC/PRC REPORT: Lengthy discussion was held on the pros and cons of the proposed Purchase Power Agreement with PNGC. Resolution 2008-06 "PNGC Contract" was reviewed. The Board reviewed the preliminary draft of the agreement for preservation of certain rights and obligations of PNGC members from BPA.

A motion was made and seconded to adopt Resolution 2008-06 which directs the General Manager authority to sign the Amendatory Agreement No. 7 to PNGC Membership and Requirements Power Purchase Agreement. Motion carried 5-0.

Manager Tracy reported on the progress in new memberships at PNGC for the new contract period.

ORECA REPORT: The upcoming Legislative Luncheon with Senator Walker, Representatives Edwards and Cowan on Monday September 29 was discussed and all board members will be participating.

MANAGER'S REPORT: Chairman Irwin presented NRECA's Certified Credentialed Director award to Director Swanzy with appreciation for a job well done. Manager Tracy reported the need to increase communication with our customers regarding the renewable resources and what is going on nationally. Attorney Greening reviewed Article 1, Section 7 of the BLEC bylaws and is prepared to present language to the membership in May of 2009, explaining that the stamp of approval from the Board of Directors is not necessary and language on the ballot will be neutral. BPA will not allow change in the high water mark; the solar project will be displayed in the BLEC lobby with live dates for schools that will show students what solar panels are all about and the advantages of them. BLEC will be the liaison between the schools and the foundation sponsoring the program.

OLD BUSINESS: *Audit Committee minutes:* Items from the Audit Committee meeting were discussed.

*Net Metering:* Our Net Metering Rate schedule will change in 2011, as we will not have a declining block offered anymore. The avoided cost will be used against the usage to determine the cost.

A motion was made and seconded to approve the Net Metering Rate Schedule. Motion carried 5-0.

*AWARE Committee report:* The participants enjoyed the electric pickup demonstration and were surprised that it costs an average of \$.02 per mile, with no oil to change. At

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the meeting they discussed the wholesale power supply contract, Touchstone benefits and the importance of communicating this program.

NEW BUSINESS: *Calendar:* October is co-op month and every Friday we'll have goodies, and there will be a pumpkin carving contest. We will communicate this to the members through the *Ruralite* and bill messages.

*Work Plan and Budget:* Manager Tracy said the budget will be handed out after the Legislative Meeting next Monday.

*CRC Pat Cap:* Manager Tracy reported \$1,059.81 was allocated to BLEC and a check for \$211.96 from CRC has been received.

*Region IX Reports:* Discussion was held on the renewables presentation at the Region IX meeting. Director Jacksch and Director Sikes shared information received at the Region IX meeting, with communication with our members being the most valuable topic of which our AWARE Committee is doing a great job. Other topics discussed were rate structures, and combining Region IX and Region VII.

FUTURE LOADS: The Junction City Prison/State Hospital will be in our office soon to have another meeting. BLEC will obtain lending for this project. Work continues with Grain Millers, GloryBee, and CES.

DIRECTOR ASSESSMENTS:

*Comments:* The Tri-County News was not an article to be proud of. Discussion was held on having a policy on media coverage and only one person being the contact source.

*Expenses:* Board members were again encouraged to use the tally sheet to keep track of their hours of service for BLEC for the Form 990.

*Meeting Attendance:* Director Swanzy and Manager Tracy will be attending the NRECA national meeting in New Orleans February of 2009.

EXECUTIVE SESSION - - No session was held.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 8:30 p.m.

(SEAL)

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Audrey Rust  
Board Secretary