

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

Monday, November 24, 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 5:15 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	-- Mgr of Mbr Services
Mary Locke	-- Manager of Office Services
Greg Gardner	-- Manager of Operations
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative

AGENDA:

A motion was made and seconded to approve the agenda.

MEMBER COMMENTS: There were none.

CONSENT AGENDA:

The minutes, and check disbursements were pulled from the consent agenda. Discussion was held on the resolutions and their numbers and that the patronage capital retirement has been "received from" CFC rather than "provided by" CFC. Corrections were made and Secretary Rust will sign the minutes at a later date. Membership fees were discussed. Discussion was held on the Operation Manager's budget amendment request for a GIS based mapping system in the amount of \$98,050.

A motion was made and seconded to amend the 2008/2009 budget to include the purchase of the GIS system proposed by the Operations Manager. Motion carried 5-0.

Operations Manager Greg Gardner requested new meters for hard to read accounts, whereby the member pays the cost difference in the current meters plus an installation fee. This option would be available to all members. Staff was instructed to quantify the costs and report back to the Board of Directors at the next board meeting. Member Services/Key Accounts Manager Joe McFadden gave an update on the Touchstone Co-op Connections card. He also informed the board that the Pfeiffer Solar project started up November 13, 2008.

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

FINANCIALS: Ms. Bartunek reviewed Long Term Debt as a Percent of Total Assets; the Blended Interest Rate; and the General Funds per Total Utility Plant in the form of a percentage. Discussion was held on year to date transmission and distribution pole/facility replacements. Sales were down again from the budgeted amount.

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

SAFETY REPORT:

Operations Manager Gardner discussed theft protection measures. An electric fence has been purchased, adding that additional flood lights have also been installed since the last break in.

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

PNGC/PRC REPORT:

Discussion was held on the recent PNGC board meeting as well as the members that have signed the PNGC contract. Manager Tracy reported on the Residential Credit exchange and that BLEC is waiting for figures on a modular nuclear plant by OSU professors; and renewable energy credit from Coffin Butte Project. The board discussed the options of selling our share of the Coffin Butte Project and the answer was a definite no. The Board of Directors discussed the Northwest Energy Efficiency Coalition meeting at our office with BLEC, Lane Electric, and PNGC. Manager Tracy reported PRC presented a budget where their labor costs increased 26%, however the new figure ended up being 14%.

ORECA REPORT:

Manager Tracy reported Ted Case, the new Executive Director at ORECA, was in attendance and introduced to everyone. The group discussed expenses vs ORECA dues and most members expressed a concern over the increase of dues. Approval of budget was contingent on reviewing the dues structure.

MANAGER'S REPORT: Manager Tracy informed the board of the story of Kevin Smith in the *Electric Co-op Today* and the *RE Magazine*. A bi-directional meter has been installed at Pfeiffer's new solar project. The project was explained by Operations Manager Gardner and Member Services Manager McFadden. Carbon credits summary report was given by Attorney Greening. The Cap and Trade system indicates higher electric prices are inescapable in order to cut CO<sub>2</sub> emissions. BLEC needs to mount a communications plan to its members on this issue. At the AWARE Committee meeting, they held discussion on Touchstone Energy, lights in the driveway and the sign lights, and the margin/equity position. Jim McLaughlin will be added to the AWARE Committee for Director Rust's district. Area meetings are being scheduled.

OLD BUSINESS: Discussion was held on credit cards and ACH fees as presented in the board book, and using the reminder on the bill message and *Ruralite* magazine for assistant agencies as well as energy efficient savings.

NEW BUSINESS: *Policies:* Manager Tracy informed the Board of Directors of the new Policy 604.00 *Communication with the Press/Media*, and discussion followed.

A motion was made and seconded to approve the Policy 604.00 with an effective date of November 24, 2008.

Manager of Office Services Mary Locke informed the board of the changes to Policy 608.01, *Physical Examinations*.

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After discussion, a motion was made and seconded to approve the Policy 608.01 with an effective date of November 24, 2008.

*Calendar:* The board meeting in March will be held 3-30-09 and the May board meeting will be held 5-18-09.

*Misc:* ACRE renewals were discussed and passed out.

A motion was made and seconded to approve the addition of Greg Gardner, Manager of Operations to the safety deposit box at Pacific Continental Bank. Motion carried.

A motion was made and seconded to accept the Audit Committee's recommendation to hire Moss Adams for auditing BLEC this year. Motion carried.

FUTURE LOADS: Manager Tracy informed the board that he has been in contact with Steve Reed regarding the State Hospital and Prison. They anticipate work on the prison to start in July of 2009 with the projection of completion in 2012; and work on the hospital to start in 2011 and completed by 2013. A Junction City Franchise Fee was discussed.

DIRECTOR ASSESSMENTS:

Comments: None

Expenses: Reports were signed.

Meeting Attendance:

EXECUTIVE SESSION: Executive session was held. After discussion and the meeting called back to order,

A motion was made and seconded to have management change policy 203.01 *Board Fees and Expenses*, Part 2B #5 from per diem to actual receipts. Motion carried.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 10:50 p.m.

(SEAL)

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Audrey Rust  
Board Secretary