

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, December 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 p.m., following the board workshop. Attorney Greening, Large Power Representative Todd Payne, and Director Swanzy were absent. The following were present:

Thomas C. Irwin III	-- Chairman
Bob Sikes	-- Vice-Chairman
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- 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

AGENDA

A motion was made and seconded to approve the agenda as presented.
Motion carried 4-0.

MEMBER COMMENTS: The board reviewed the one comment in the board packet.

CONSENT AGENDA: The following were pulled from the consent agenda and discussed, check disbursements, and work orders.

A motion was made and seconded to accept the consent agenda. Motion carried 4-0.

FINANCIALS: Manager of Finance Jami Bartunek reviewed the small and large commercial revenue per kWh sold charts along with the total operating expenses per total kWh sold chart, comparing BLEC to BPA and the state grouping. Ms. Bartunek reported two methodologies have been used to achieve what we feel is an accurate pole line mile figure of 518.40 for YTD 2008. Also reported was a discrepancy in the material inventory; a few commercial accounts are past due; and some residential members are having trouble paying their electric bill. Manager of Operations Services Greg Gardner explained to the Board that the highlighted areas on the presented charts indicate where brushing has been done this year. Next year's Work Plan is being formulated at this time.

A motion was made and seconded to accept the financials as presented. Motion carried 4-0.

SAFETY REPORT: The Board of Directors reviewed the safety reports.

After discussion, a motion was made and seconded to accept the safety reports. Motion carried 4-0.

PNGC/PRC REPORT: Manager Tracy explained the multiplier on the retroactive rate tariff as presented by PNGC, reporting that it has been advocated that BPA get out of conservation and let the system's manage their conservation. Much discussion was held on the position that PGE would like to take with the DEQ regarding Boardman in that they need to maintain options and move slowly. Discussion was held on the BART/Reasonable Progress proposal; cost of going to market to purchase; and how much cost would be absorbed by Turlock.

A motion was made and seconded to support PRC and PGE's recommendations of spreading time out as presented in the BART/Reasonable Progress Proposal. Motion carried 4-0.

Discussion was held on obtaining additional power and PNGC positioning to get the power for market gain.

A motion was made and seconded to state the Board of Directors of BLEC support PRC or PNGC to increase efficiency through turbines on the federal based systems through the mechanism as collateral for a loan. Motion carried 4-0.

ORECA REPORT: ORECA Board Representative Irwin reported Robert VanNatta is now ORECA's President with Bob MacPherson as VP and Ken Wilson Sec/Treasurer. He reported the vote within both of NRECA's Districts 7 and 9 was a "no" but NRECA has indicated the merger will happen. ACRE donations are being collected and the board commended staff for their 100% participation for 2008. Manager Tracy informed the Board of Directors that Representative Edwards is willing to co-sponsor legislation that will follow up on the Public Purpose 2% cap and trade issue.

MANAGER'S REPORT: Manager of Member Services Joe McFadden stated he has received two bids on the sign replacement project. One bid for \$7,500 and one for \$3,400. The sign will have our logo on it as well as Willie Wirehand. The latter bid was accepted. Discussion was held on the flagpole. The location could change because of BPA's solar unit. Director Rust stated she is not in favor of having a former employee BLEC memorial.

A motion was made and seconded to amend the 2008 budget to modernize the sign. Motion carried 4-0. A motion was made to amend the 2009 budget to modernize the sign. Motion carried 4-0.

Area meetings are being set for the second Tuesday at Walton and Fern Ridge, third Wednesdays at Deadwood, and third Thursday at Eat @ Joes and the Long Tom Grange. These meetings have developed the name of "BS sessions" which means Blachly Sharing sessions. Members will determine the attendance but a structural dissemination of information is the goal.

The 990 questionnaire was disbursed and Ms. Bartunek reviewed it thoroughly with the board. Management is requesting the board's feedback. These forms will need to be filled out on a yearly basis.

NISC has allocated \$2,178.44 for 2008 to BLEC.

Manager of Operations Services Greg Gardner explained options regarding remotely read meters. Further investigation will be performed. The Board of Directors requested

management to pursue a live demonstration prior to full usage. Discussion was held on the disadvantage of having two separate residential rates. Manager Tracy reported on the request of the City of Eugene to have BowTech change the slope of their ditch which is shared by BLEC and BowTech. The board approved such right-of-way change.

OLD BUSINESS: *Policy 203.02 (Board Fees and Expenses):* The board discussed the changes to this policy.

A motion was made and seconded to approve Policy 203.02 as presented.

Motion carried 4-0.

Net Metering Rules:

A motion was made and seconded to approve the Net Metering Rate Schedule revisions as presented. Motion carried 4-0.

CFC/Pacific Continental Investments: Ms. Bartunek reviewed the information provided in the board packet regarding the security and financial solvencies of the establishments our investments participate in.

NEW BUSINESS: *Policy 617.00 (Housing Allowance Consideration):* Discussion was held on the new policy which has legal counsel's approval.

A motion was made and seconded to approve Policy 617.00 as presented.

Motion carried 4-0.

Calendar: Next month we will need to finalize attendance to the Legislative Session at Salem in February.

Park Lease Agreement: Manager Tracy informed the board that the current Triangle Lake Park Lease expires the end of this year. There are no changes that need to be made and management requested the board that it be renewed.

A motion was made and seconded to renew the Park Lease with the Triangle Lake Grange. Motion carried 4-0.

Federated Insurance Quotes: Manager Tracy presented an insurance quote that is based on a 2 year offering. The board discussed auto liability and physical damage, general liability, property and commercial umbrella coverage.

A motion was made and seconded to choose General Liability insurance to \$2 million and up to \$8 million of the commercial umbrella coverage for a total of \$10 million. Motion carried 4-0.

NRECA Annual Meeting Voting Delegate: Confirming that Director Swanzy and Manager Tracy are attendees to the annual meeting,

A motion was made and seconded to approve Director Swanzy as the voting delegate and Manager Tracy as the alternate to the said meetings. Motion carried 4-0.

FUTURE LOADS: Glory Bee's plot plan is going through the city planning process at this moment.

DIRECTOR ASSESSMENTS:

Comments: Good meeting

Expenses: Expense reports were turned in.

Meeting Attendance: Director Swanzy and Manager Tracy will be attending the NRECA annual meeting in February.

EXECUTIVE SESSION - - No session was held.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:25 p.m.

(SEAL)

Audrey Rust
Board Secretary