

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, February 23, 2009**

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. Ernie Jacksch was absent. The following were present:

Thomas C. Irwin III	-- Chairman
Bob Sikes	-- Vice-Chairman
Audrey Rust	-- Secretary/Treasurer
Jon Swanzy	-- Director
Bud Tracy	-- General Manager
Joe McFadden	-- Manager of Key Accounts
Mary Locke	-- Manager of Office Services
Jami Bartunek	-- Manager of Financial Services
Greg Gardner	-- Manager of Operations
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative
Sharon Resides	-- Triangle Lake Park

AGENDA

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

MEMBER COMMENTS: There were none.

CONSENT AGENDA: Disbursements and Staff Reports were pulled from the consent agenda. Discussion held on the increase in payroll checks which was due to assisting a neighboring utility with storm work; right-of-way materials purchased from a supplier which was in conflict with the Cooperative's bylaws with an admonishment to Staff and the General Manager; the purchase of a new bucket truck with equipment that was budgeted in 2008 and paid for in 2009; lights that were purchased for substations; material inventory; and the true credit figure for participation in the wellness program. Manager Tracy informed the board our purchasing agent had back surgery last week and seems to be recovering very quickly. Staff informed the board of some of the conflicts we are experiencing with six month reads with the members. Letters are being sent to the members but they still are not allowing us on their property to read the meter.

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

FINANCIALS: Manager of Finance Jami Bartunek reported the margins are above last year at this time. With the cold weather affecting the residential sales, that increase almost met the reduced industrial sales. Equity is now at 60%. There is not as much snow run-off as expected so this could affect an increase in our power bills.

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

SAFETY REPORT:

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

PNGC/PRC REPORT: *PNGC board summary:* Manager Tracy reported there has been a reduction in PNGC budget margins for this month; the Resource Committee discussed nuclear power; rates; and future resources, reliability and costs. The need and the functionality of a new BLEC substation and how it could serve a greater portion of our new customers; and how big the substation would need to be were discussed.

ORECA REPORT: Discussion was held on the letter penned by Chairman Irwin and given to board member representatives of Regions 7 & 9. We have been advised that the NRECA Issues Committee of NRECA will be taking the letter back for discussions. Manager Tracy reported on the Legislative days that were held in Salem and the perceived accomplishments achieved.

MANAGER'S REPORT: *Triangle Lake Park:* Ms. Sharon Resides of Triangle Lake Park delivered a signed contract for 2009 to the board. She reported that with the increase in sales, they were financially set to get through the winter. They expect an increase over this next year as the reservations are coming in very nicely. Ms. Resides reviewed in detail, the 2008 financials. The Board expressed their thanks to Ms. Resides for the report.

Franchise Fee: Lengthy discussion was held regarding the Franchise Fee that is before the State Legislature is considering in new legislation which would provide for the counties being able to assess a Franchise Tax to utilities using the counties right-of-way for the construction of facilities, the impacts to our membership, and who would keep the right-of-ways cleared.

High Speed Internet: An article in the West Lane newspaper referring to the need for high speed internet was discussed.

NRECA Annual Meeting: Manager Tracy reported Jeri Nelson and Brian Wolfe were defeated in their elections. Director Sikes reported on the highlights he found as he attended the annual meeting. Of the 600 registered voters, 61% of them voted.

Stimulus Package: Manager Tracy informed the board that NRECA management is very informative of the stimulus package and that banks need to get dollars out to the people in America. NRECA wants us to get the dollars from the stimulus package yet if we do, we may be placing undo burdens on our members and future members. Management will stay focused on the positives and continue doing what is most advantageous for our members.

OLD BUSINESS: The proposed amendment to the bylaw was accepted by the board with the first sentence to be removed. It will now go to the printers to be inserted in the annual meeting booklet. The topic for today's workshop was Policy 302.02 and it was proposed that management take Policy 302.02 *Approved Depositories for Cooperative Funds and Authorized Check Signatures* and separate them into two policies, one addressing the investment functions and the other banking functions. Policy 601.00 is to further address the use of more modern technology. These policies are to be brought back to the board next month.

NEW BUSINESS: *Capital Credit consideration* and how the payment of such would reduce equity to 59%.

After discussion a motion was made and seconded to approve a retirement of \$609,000 to be disbursed as a capital credit retirement of \$120,396.44 for the remaining 1992 allocation; \$247,608.73 for the remaining 1993 allocation; \$225,837.90 for the 1994 allocation; and \$15,156.93 towards the 1995 allocation on a first in first out basis. Motion carried 4-0.

District Apportionment: 20.85% in District 1; 18.96% in District 2; 20.74% in District 3; 19.74% in District 4; and 19.71% in District 5 represents a well balanced voting disbursement and the Board of Directors accepted the figures.

Blachly-Sharing Sessions: Discussion was held on if these sessions are productive and if they should be continued or presented on a quarterly basis. No decision was reached.

Solar Project: Manager of Member Services Joe McFadden updated the Board of Directors on the solar projected sponsored by the Bonneville Foundation located out on the lawn by the office. The 5.5 kW that is produced at its peak will be the outcome of enough wattage to operate a hair dryer and water heater. The Bonneville Foundation is investing about \$30,000 in the project.

Calendar: The calendar was reviewed by the board.

FUTURE LOADS: Manager Tracy informed the Board there is a possibility of a hotel building/convention center near the airport which could be in our service territory on Aubrey and west of Highway 99; talks with CES continue; and pending the entities' board approval Seneca will be selling their excess generation to someone other than BLEC.

DIRECTOR ASSESSMENTS:

Comments: Good meeting. With Director Jacksch being absent, board pictures will be held next month at 3 p.m. on March 30.

Expenses: Expense reports were turned in.

Meeting Attendance: None

EXECUTIVE SESSION - - No session was held.

ADJOURNMENT: With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 8:35 p.m.

(SEAL)

Audrey Rust
Board Secretary