

**BLACHLY-LANE COUNTY COOPERATIVE ELECTRIC ASSOCIATION
BOARD OF DIRECTORS
MEETING MINUTES
Monday, Dec 17, 2007**

CALL TO ORDER

The regular meeting was held at the cooperative office, 90680 Hwy 99, Eugene, Oregon at 5:15 p.m. The following Board members were present:

Thomas C. Irwin III	-- Chairman
Robert Sikes	-- Vice Chairman
Audrey Rust	-- Secretary/Treasurer
Ernie Jacksch	-- Director
Jon Swanzy	-- Director

Others attending the Board meeting:

Bud Tracy	-- General Manager
Joe McFadden	-- Manager of Member Services
Mary Locke	-- Manager of Office Services
Jami Bartunek	-- Manager of Financial Services
Bill Gabriel	-- Manager of Operations Services
Mary Cirks	-- Administrative Assistant
Robert Greening	-- Attorney
Todd Payne	-- Large Power Representative was absent

(Motion) **AGENDA:** A motion was made and seconded to approve the agenda with one addition, "Audit Committee Report" under New Business. Motion carried 5-0.

MEMBER COMMENTS: There were no members present.

(Motion) **CONSENT AGENDA:** The following items were pulled for discussion: last month's disbursements, work orders, and staff monthly reports. Discussion was held on when Parker Sub was going to be completed, the addition of a net column on the work orders report, Highway 99 feeders and capacity on the line going north of Parker Sub, the final billing notices have dropped from 250 in 2005 to 150 in 2007, the disconnect for non pay trend is moving in the right direction, the OSHA report regarding our recent employee accident, and Seneca is scheduled to be down December 22 - January 1st. A motion was made and seconded to accept the consent agenda. Motion carried 5-0.

(Motion) **FINANCIALS:** Manager of Financial Services Ms. Jami Bartunek reviewed BLEC's financials, highlighting from the CFC's KRTA regarding where rates for the commercial and industrial members are compared to other utilities in the state that also purchase their power from BPA. Ms. Bartunek called attention to the communication equipment being under budget due to the purchases being expensed. A motion was made and seconded to accept the financials. Motion carried 5-0.

(Motion) SAFETY MINUTES: A motion was made and seconded to accept all the safety reports. Motion carried 5-0.

PNGC/PRC REPORT: The PRC and PNGC board meeting summaries were reviewed by the BLEC board. PNGC has closed the bid for Benton's share of Boardman, allowing the issue to close. Manager Tracy informed the board the following electricity providers are investigating joining PNGC: Big Bend, Midstate, Inland, United, Lower Valley, and Flathead. The first draft of a contract was passed out to the board members. The signing of the PNGC contract is expected by April of 2008.

ORECA REPORT: ORECA Representative Irwin reported the ORECA Board of Directors retained the same officers as last year and they thoroughly discussed the budget that will be presented some time soon.

MANAGER'S REPORT: PPC - Manager Tracy informed the board that last week a PPC panel discussed renewables and their future roles. Global Warming will come with a heavy cost and discussion was held on ways to educate our members and employees on what is happening within this project.

BPA - Discussion was held on high water marks and its enhancements, nuclear plants and their comeback, as well as the Regional Dialogue Policy and how it intertwines with BPA contracts.

WECC/NERC/FERC - Western Energy Coordinating Council/ National Energy Reliability Council/ Federal Energy Regulatory Commission: With the mandates of these governmental agencies, PNGC has outlined each question BLEC needs to address to accomplish success with this project.

Misc - Manager Tracy informed the board that the tax incentives for the Pfeiffer Solar Investigation could be lifted. The board reviewed the 2006 BLEC audit recommendations found in the Management Letter.

(Motion) OLD BUSINESS: COSA – After all questions were answered, a motion was made and seconded to accept the COSA as proposed and gave management the authority to bring the yard lights into line with the COSA with actions to be ratified at January's board meeting. Motion carried 5-0.

(Motion) NEW BUSINESS: Policies – The board reviewed all of the policies that were presented. They made changes to Physical Examinations 608, Drug Free Workplace 619, and Substance Abuse 626.01. A motion was made and seconded to approve the policies as presented with the modifications. Motion carried 5-0.

Calendar – Director Swanzy, Fred and Norma Burkert, and Derek Pennel will be attending the 8th Annual Harvesting Clean Energy Conference in Portland January 28 and 29, 2008. The next BLEC board meeting will be Monday, January 21 instead of the regularly scheduled 4th Monday. February's board meeting will be on February 19 at 9 a.m. due to the NRECA's annual meeting and the President's Day holiday. Director Sikes has requested an opportunity to serve on the Prison Advisory Committee.

(Motion) Park Lease Agreement – After discussion, a motion was made and seconded that as owners of Triangle Lake Park, BLEC is to pay the yearly property taxes and establish the lease agreement for one year. Motion carried 5-0.

(Motion) Audit Committee Report – The Audit Committee recognizes that the authorization to spend dollars is the Board’s responsibility. A motion was made and seconded authorizing Audit Committee Board Representative Director Rust to approve up to \$1,000 in additional fees in consulting with the General Manager or Board of Directors as necessary. Motion carried 5-0.

STATE HOSPITAL/PRISON: At an upcoming meeting, Manager Tracy will receive preliminary work loads and schedules for 2009. The project is looking at generating backup power. Updates will be given to the board as they materialize.

DIRECTOR ASSESSMENTS:

Comments: The parties involved in the insulator shoot out incident have been sentenced by Lane County Courts.

Expenses: Expense sheets were turned in.

EXECUTIVE SESSION

After all questions were asked and answers given, a motion was made and seconded to approve the hourly wage range increase adjustment by 3.53% and allow the manager to withdraw the freeze on salary positions. Motion carried 5-0.

ADJOURNMENT

With there being no further business to come before the Board, Chairman Irwin adjourned the meeting at 9:35 p.m.

(SEAL)

Audrey Rust
Secretary/Treasurer