

**COOS-CURRY ELECTRIC COOPERATIVE, INC.**  
**Regular Meeting of the Board of Directors**  
**October 27, 2006**

**I. PRELIMINARY**

The Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:03 a.m. on Friday, October 27, 2006 by President/Chairman of the Board (Chairman) Robison in the conference room at the Cooperative's Headquarters Building, Port Orford, Oregon. Secretary Radabaugh called the roll, showing the following directors present: Itzen, Robison, Radabaugh, Combs, and Schlottmann. Director Herzog was absent. Also present were General Manager/CEO (GM/CEO) Werner G. Buehler, CFO Doyle Eden, Executive Assistant Dian Marple, and Member & Public Affairs Director Christine Stallard. Chairman Robison recognized members of the audience and guests.

The proposed Agenda was approved as amended.

**II. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE**

Chairman Robison called for remarks or comments from the audience.

Member Kay Jenson was recognized and Chairman Robison advised Ms. Jenson that her request for information form, which was given to him today, would be discussed later in executive session.

Member Don Jenson asked if CCEC still has the blower door equipment (whole house fan pressurizer that is used to pressurize houses to test for weatherization needs) and would CCEC consider selling that equipment. GM/CEO Buehler advised that he would find out if the equipment would be used in the CCEC upcoming

conservation programs. If the equipment is obsolete, CCEC might consider disposing of it through its regular method of disposal of obsolete equipment.

Member Evan Kramer asked where the northern division and power resources manager position was advertised. CFO Eden responded that it had been advertised in seven local papers as well as The Oregonian and the websites of NRECA and ORECA. M&PA Director Stallard advised that jobs are also advertised on CCEC's website. Mr. Kramer asked about the shortage of linemen. Mr. Eden responded that three linemen had been hired recently and a fourth lineman would be starting very soon.

Member Louis Mincer asked about Bonneville Power Administration's (BPA) announcement of a price reduction. Chairman Robison and GM/CEO Buehler responded that BPA announced an "over-all" reduction and CCEC will probably not receive the announced reduction because there are many factors, such as load shape, that affect the price. Mr. Mincer insisted that a large reduction in the rates must be given to CCEC members, either the base rate or the kWh rate very soon. He stated that the "We Own Coos Curry" group would not settle for anything less. Chairman Robison responded that he and all of the directors are committed to reducing the rates as low as possible. He advised that the board will be participating in budget workshops during the next month during which the very important subject of rates would be discussed at length.

Member Paul Steffan was recognized. He stated that he had just moved to the area and wanted to sit in on the meeting, listen and get to know everyone.

### **III. CONSENT AGENDA**

There was a brief dialog concerning a change to the proposed minutes of the last

regular board meeting. A motion was made to approve the minutes of the last regular board meeting as amended. The motion was seconded and carried unanimously.

A motion was made to approve Items B through D under the Consent Agenda. Following a question to CFO Eden, the motion was seconded and unanimously carried.

#### **IV. MONTHLY FINANCIAL REPORTS**

##### **A. Budget Analysis**

CFO Eden gave a brief overview of the history of the cooperative particularly the healthy and respectable sales and margins during the 1980s and 1990s and the not so healthy sales and margins for the first six years of the 2000s. He continued with a brief overview of the budget and the Form 7 *as of September 30, 2006*, and a review of revenues, costs, budget, and margins, concluding that so far CCEC is having a good year. Power costs and sales have been good this year. CFO Eden responded to questions from the board concerning margins and capital credits. A motion was made to approve the monthly financials as presented. The motion was seconded and unanimously carried.

#### **V. REPORTS**

##### **A. Staff Reports**

Staff reports were discussed, particularly the mention of the upcoming proposed conservation program and green power program.

##### **B. ORECA Report**

Director Combs gave a very brief report on the activities of the Oregon Rural Electric Cooperative Association (ORECA) including the fact that ORECA will

soon be hiring an employee to track bills in the legislature.

C. Policy Review Committee Report

Policy Review Committee Chairman Combs stated that the committee had met earlier today. Committee Chairman Combs advised that the policy review committee has recommended that proposed revised Policy Bulletin No. 13 be adopted as presented. A motion was made and seconded to adopt proposed revised Policy Bulletin No. 13 as presented. After additional dialog, an amendment to the motion was made and seconded to make the revision to Policy Bulletin No. 13 effective today, 10/27/2006. Chairman Robison called for a vote on the amended motion and the motion carried unanimously. Committee Chairman Combs advised that there are other board policies that are still under review and discussion.

**VI. ACTION ITEMS**

A. Safety Report

Following a review of the October 2006 Safety Report, a motion was made to approve the Safety Report as presented. The motion was seconded and unanimously carried.

B. Appoint Designated Membership Representative and Alternate for PRC

After a brief dialog, a motion was made to appoint GM/CEO Werner G. Buehler as the designated membership representative to the Power Resources Cooperative (PRC). The motion was seconded and unanimously carried. A motion was made to appoint Vice President/Vice Chairman Grant Combs as the alternate and to appoint Northern Division and Power Resources Manager Roger Meader as the replacement alternate as soon as he is able to get up-to-speed with his new position

and to assume the duties of alternate designated membership representative to PRC. The motion was seconded and unanimously carried.

C. Decision on Payment of Capital Credits

There was a lengthy dialog by the board concerning the retirement of capital credits. A motion was made to approve the retirement of capital credits for 1972, along with the retirement of 1971 capital credits approved earlier this year and to initiate payment of those capital credits funds as soon as possible in accordance with the law and the cooperative's bylaws. The motion was seconded and unanimously carried.

D. Board Teamwork

Director Itzen advised that he had a written statement that he wanted the board to read concerning teamwork among the board. He passed out his statement and made a few comments. The board agreed to discuss this matter further at a future meeting. No other board action was taken.

## **VII. OLD BUSINESS**

A. SPS Discussion – Increase # of Board Members from 5 to 7

Director Combs reminded the board that at its recent strategic planning session the subject of the number of board members was discussed and the board had planned additional dialog concerning the size of the board. Director Combs asked the board to consider increasing the number of board members from five to seven. There was additional dialog and the board instructed GM/CEO Buehler to request a legal opinion from legal counsel concerning whether such a request for an increase from five to seven board members may be authorized by the board. The board will ask legal

counsel to attend the November board meeting by phone.

## **VIII. NEW BUSINESS**

### A. Association Activities

The board reviewed various reports, notices, letters, and newsletters.

### B. Hydro – Local Potential

Chairman Robison reported that there are some reservoirs being built in the Bandon area that may have future net-metering potential. Following additional dialog, the board agreed, by consensus, to ask management to look into the feasibility of hydro power through the proposed projects in Bandon and to report back to the board.

Wave energy was briefly discussed.

## **IX. EXECUTIVE SESSION**

Regular session adjourned to executive session at 11:31 a.m. and regular session reconvened at 2:30 p.m.

Upon a motion duly made and seconded, the following resolutions were approved by the Board of Directors:

A. Attorney's billing – After a brief discussion, the board resolved to approve the attorney's billing statement as presented. It was noted that Director Schlottmann cast a nay vote.

B. Amendatory Agreement No. 5 - PNGC Membership and Requirements Power Purchase Agreement - Proposed Board Resolution No. 618 – After brief dialog, the board resolved to adopt proposed board Resolution No. 618, as presented, to

approve the Amendatory Agreement No. 5 to PNGC Membership and Requirements Power Purchase Agreement and to authorize GM/CEO Buehler to sign the agreement.

C. 2007 Annual Meeting Date Scheduled – After a brief discussion, the board resolved to select June 16, 2007 as the date for the CCEC 2007 Annual Meeting of the Members.

D. Member Request for Information – After a brief dialog, the board resolved to approve two Requests for Information submitted by CCEC members in accordance with Policy Bulletin No. 64.

E. Donation Request – After a brief discussion, the board resolved to deny a request for donation from the Gold Beach area due to budget constraints. It was noted that Director Combs cast a nay vote.

F, Signed Form 7 – After a brief discussion, the board resolved that although National Rural Utilities Cooperative Finance Corporation does not require monthly Form 7 statements to be signed, the board asked that Form 7 statements submitted to the board in the monthly financials be signed by the CFO and the GM/CEO, although the CFO & GM/CEO would not be held accountable for ratios stated in monthly Form 7 statements.

## **X. MEETINGS**

The board took note of the following meetings:

November 28, 2006, CCEC Regular Board Meeting, Port Orford OR.

