

**COOS-CURRY ELECTRIC COOPERATIVE, INC.**  
**Regular Meeting of the Board of Directors**  
**March 30, 2007**  
**and**  
**April 9, 2007**

**I. PRELIMINARY**

The Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:06 a.m. on Friday, March 30, 2007 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: Robison, Radabaugh, Combs, Herzog, and Schlottmann. Also present were General Manager/CEO (GM/CEO) Werner G. Buehler, CFO Doyle Eden, Executive Assistant Dian Marple, Member & Public Affairs Director Christine Stallard, and CCEC Controller Frank Corrales. The Regular Meeting was recessed to April 9, 2007.

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 made a statement concerning the transmission line rebuild and the engineering study requests and capacity issues. The Chairman talked about the Brookings-Harbor Transmission Line Advisory Committee and stated that Ed Goodell was unable to find enough members in Brookings/Harbor willing to be involved with that committee. The Chairman reported that the Petition submitted by the Brookings/Harbor Committee for Fair Cooperative Representation to increase the board size from 5 to 7 had been denied by the board because the members had decreased

the board size only two years ago.

Chairman Robison called for remarks or comments from the audience.

There were various comments, questions, and remarks made by members concerning the following: a high bill complaint and request, which the board agreed to discuss in executive session; the legal opinion as to action taken at the special board meeting on 2/20/2007; concern by a member that future rate increases will only be applied to the residential class; CCEC budget-the board possibly putting the cooperative in financial jeopardy; transmission line workshop requested to be scheduled in Brookings/Harbor; long-term debt; capital credits distribution policy; demand charges not a good incentive to conserve energy; concerns that North Curry County and South Curry County are being wedged apart; thank you for board's responsiveness to net metering policy changes; Borax lease and potential financial liability to cooperative; Bonneville Power Administration (BPA) question, allocated power, and other options for delivery; thank you to CCEC for great service and a good job; growth in south county and more is coming; member wants to see the new independent engineering study when received; and question on board member conflict with union issues.

## **VI. ACTION ITEMS**

### **D. Presentation by Auditors Moss Adams LLP**

Julie Desimone and Kate Anderson from Moss Adams LLP were introduced as the cooperative's independent auditors. The auditors gave some background about Moss Adams, the components of an audit, KRTA and margins, subsidiary gains and losses (booked amounts,) rates, cooperative status, current ratio-solvency, forecasting-rate increases, cash flow analysis, equity, balance sheet, and

operations. Ms. Desimone responded to questions from the board and the audience and stated that the audit was a very clean audit and the cooperative is in very good financial condition.

There were other questions concerning BPA's rate increase in 2001, hard decisions by the previous board, GM/CEO and staff, and issues with the cooperative's subsidiary, South Coast Satellite Cooperative, Inc. (SCSC.) It was noted by staff that SCSC closed out with about \$.5 million in the black.

### **III. CONSENT AGENDA**

There was a brief discussion concerning the consent agenda. A motion was made to approve Items A through E under the Consent Agenda. The motion was seconded and carried unanimously.

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

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

CFO Eden gave a brief review of the cooperative's financials as of February 28, 2007, and responded to questions from the board. 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 briefly.

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

Director Combs had very little to report on the Oregon Rural Electric Cooperative Association (ORECA). ORECA has noted that there appears to be a substantial number of reports of copper theft in the industry.

C. NRECA Annual Meeting Report

Director Schlottmann advised that he had attended the NRECA Annual Meeting in Las Vegas and reported that all cooperatives in the United States are dealing with many of the same issues as Coos-Curry Electric Cooperative. Schlottmann also attended training sessions and he stated that it was a good meeting and the training was excellent. There was a lot of dialogue about security, new power sources, terrorists, technology, dependence on foreign oil, aging systems, aging work force, etc.

D. Policy and ByLaws Review Committee Report

Policy Review Committee Chairman Combs stated that the committee had met and advised that the policy review committee has recommended the following:

Proposed Revised Policy Bulletin No. 6, Security Payments for Electric Services, Residential: A motion was made and seconded to adopt proposed revised Policy Bulletin No. 6 as presented. The motion carried unanimously.

Proposed Revised Policy Bulletin No. 16, Rate Schedules, Rules and Regulations: A motion was made and seconded to adopt proposed revised Policy Bulletin No. 16, Rate Schedules, Rules and Regulations, as presented. The motion carried unanimously.

There was a brief dialogue concerning any potential bylaws amendments.

E. Brookings/Harbor Transmission Line Advisory Committee (B/HTLAC)

Chairman Robison again advised that Ed Goodell had been unable to locate any Brookings/Harbor members to serve on the B/HTLAC. Therefore, the board

agreed to ask staff to prepare a presentation and schedule a transmission line workshop/meeting in Brookings. After further discussion, the date for the transmission line workshop in Brookings was scheduled for April 20 at 10 a.m., location to be announced.

F. Filling of Vacant Board Position – District 2

There was a brief dialogue concerning the District 2 vacant board position. No action was taken.

**VI. ACTION ITEMS** *(continued)*

A. Safety Report

Following a review of the March 2007 Safety Report, a motion was made to approve the Safety Report as presented. The motion was seconded and unanimously carried.

B. Proposed Bank Resolutions – Signature Cards

After a brief dialogue, a motion was made to adopt the proposed bank Resolutions as presented for Chetco Federal Credit Union and Sterling Savings Bank authorizing new signature cards. The motion was seconded and carried unanimously.

C. Approve and Appoint Annual Meeting Nominating Committees

A motion was made to approve and appoint the 2007 Annual Meeting Nominating Committees for District 2, District 4, and District 5 as follows:

**District 2**

Don Mitchell, Chairperson  
423 Buena Vista Loop  
PO Box 1104  
Brookings OR 97415  
541-469-3390

John D. Rapraeger  
15800 Oceanview Drive  
Brookings OR 97415  
541-469-6640

Paul Sherman  
300 Truman Lane  
PO Box 1140  
Brookings OR 97415  
541-469-2009

**District 4**

Jeff MacFarlane, Chairperson  
2011 Oregon Street  
PO Box 73  
Port Orford OR 97465  
541-332-6175

Charles Gunther  
94961 Sixes River Road  
PO Box 260  
Sixes OR 97476  
541-332-0209

Malcolm Young  
44465 Finch Lane  
PO Box 1027  
Port Orford OR 97465  
541-332-8003

**District 5**

Sharon Hebel, Chairperson  
55836 Tom Smith Road  
Bandon OR 97411  
541-347-9222

Dr. D.M. "Don" Canavan  
88937 Two Mile Lane  
Bandon OR 97411  
541-347-5626

Wallace "Pat" Reed  
54991 Cardinal Way  
PO Box 91  
Bandon OR 97411  
541-347-3553

The motion was seconded and carried unanimously.

## **VII. OLD BUSINESS**

There was no old business to come before the meeting.

## **VIII. NEW BUSINESS**

### **A. Association Activities**

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

## **IX. MEETINGS**

The board took note of the following meetings:

April 27, 2007, CCEC Regular Board Meeting, Port Orford OR.

## **X. EXECUTIVE SESSION**

Regular meeting adjourned to executive session at 5:37 p.m. and regular meeting reconvened at 6:10 p.m. At 6:10 p.m., the regular meeting recessed. Directors agreed to reconvene the Regular Meeting at 11:00 a.m. on 4/9/2007, which meeting was attended by all directors. In accordance with the ByLaws, attendance by directors constitutes a waiver of notice of such meeting. The regular meeting reconvened at 11:00 a.m. on 4/9/2007. Regular meeting adjourned to executive session at 11:01 a.m. Executive session adjourned to regular meeting at 4:40 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.

B. Approval of Independent 2006 Audit Report by Moss Adams LLP – After a lengthy presentation by the independent audit firm of Moss Adams LLP, the board resolved to approve the 2006 audit report as presented.

C. IT Presentation – After a lengthy presentation and discussion, the board resolved to approve the new software from SEDC for the billing, accounting, and work order system.

D. Revised 2007 Budget – After a brief discussion, the board resolved to revise the 2007 budget in regard to the Harbor Hills Backbone Construction, adding the total of all materials and overhead costs in the additional estimated amount of \$50,000.

E. Selection of New Cooperative General Legal Counsel – After interviews and a lengthy discussion, the board resolved to select Roland A. Johnson of the law firm of Nilsen Johnson & McKinney, of Roseburg, Oregon, as the new general legal counsel to represent the cooperative.

## **XI. ADJOURN**

There being no further business to come before the Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc., the meeting adjourned at 5:01 p.m.

/s/ Peter Radabaugh

Peter Radabaugh, Secretary

**ATTEST:**

/s/ Daryl C. Robison  
Daryl C. Robison, Chairman