

**COOS-CURRY ELECTRIC COOPERATIVE, INC.**  
**Minutes of the Regular Meeting of the Board of Directors**  
**December 28, 2007**

**I. PRELIMINARY**

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. ("CCEC") was called to order at 8:28 a.m. on Friday, December 28, 2007 by President/Chairman of the Board ("chair") Combs in the conference room at the cooperative's headquarters, Port Orford, Oregon. Secretary Radabaugh called the roll, showing the following directors present: Combs, Robison, Radabaugh, Herzog, Schlottmann, and Kitchen. Also present were General Manager/CEO ("GM/CEO") Roger Meader and Member and Public Affairs Director Christine Stallard. It was noted that legal counsel Melinda J. Davison was available by phone.

Two items were added to the proposed agenda under V. Items of Business, B. Wholesale Power Issues PNGC/BPA: appointment of member representative & alternate to PNGC Power and PRC and PRC's committees and J. Miscellaneous: West Oregon Electric Cooperative.

Chair Combs advised the board that no CCEC members had applied under PB#76A to attend the board meeting and speak to the board.

A motion was made, seconded and unanimously carried to approve, as written, the minutes of the November 30, 2007 regular board meeting and executive session.

**II. CONSENT AGENDA**

The board held a brief dialog concerning the consent agenda. A motion was duly

made, seconded, and unanimously carried to approve Items A through E under the consent agenda, to-wit: the list of general & operating checks for 11/2007; the write-off list by district through 12/17/2007; the list of new memberships for 11/2007; the cooperative attorney's(s') invoice(s); and the GM's & directors' expenses for 11/2007.

After further discussion, a motion was duly made, that because legal counsel did not charge, time or expenses, to the cooperative for her first month as the cooperative's legal counsel, to reimburse legal counsel's out-of-pocket expenses in the amount of \$393.31 from her billing for November. The motion was seconded and the motion carried with Director Kitchen casting a nay vote.

### **III. MANAGER'S REPORT**

GM/CEO Meader briefly reviewed the cooperative's financial condition. The outage report and the December 2007 safety report were reviewed. The financials presented under the manager's report were "filed for audit." The December safety meetings were cancelled due to storm related issues so there will be no December safety training. The December safety report was approved by a motion duly made, seconded, and unanimously carried.

The outage report was reviewed and the consensus was that it looked good. There was a discussion about the language used in the outage report. The board was advised that the language is standard RUS/REA language. The board directed the GM/CEO to get an opinion from Federated Rural Utilities Insurance Exchange in regard to the outage report language. The GM/CEO indicated that the storm damage costs are estimated at \$1.16 million.

## **VI. OLD BUSINESS**

There was no old business.

## **V. ITEMS OF BUSINESS**

### **A. Audit Firm – Pre-Audit Meeting**

A pre-audit meeting with Brent Mickelsen of Blodgett, Mickelsen & Naef, P.S., the certified public accounting firm that has been retained to conduct the cooperative's 2007 audit in early 2008, was held by telephone. Introductions were made and the board expressed some concerns with regard to the work order process and warehouse security. The GM/CEO responded to questions from the auditor about South Coast Satellite Cooperative, Inc.

Regular meeting adjourned to an audit committee meeting at 9:00 a.m. and reconvened into regular session at 9:10 a.m.

The board directed the auditor to particularly look at the work order process, the length of time for processing work orders, and the closing of access to the warehouses to control inventory.

### **B. Wholesale Power Issues – PNGC/BPA**

- Residential Exchange Settlement - The GM/CEO discussed the Residential Exchange Settlement proposal. Although CCEC and Pacific Northwest Generating Cooperative (PNGC Power) are entitled to receive credits for their portions of the settlement for the calendar year 2007, lawsuits are expected to be filed in the near future.
- Appointment of member representative and alternate for PNGC Power,

Power Resources Cooperative (PRC), and PRC's committees - Following a brief dialog, a motion was made, seconded, and unanimously carried to appoint Roger Meader as the member representative and delegate to PNGC Power, PRC, and PRC's committees and to appoint Pete Radabaugh as the alternate member representative and delegate. Alternates may attend but may not vote at general, monthly PNGC Power/PRC meetings, but may vote at annual membership meetings. The board agreed, by consensus, that power supply and power supply issues are so important that the board should be more involved in learning about what is going on in the industry. Directors Kitchen, Herzog, and Radabaugh will attend the January PNGC Power meetings and the power supply workshop in January. Director Robison requested that any board member attending a PNGC Power meeting give a report to the board for a first-hand perspective on the issues that are being debated.

The GM/CEO gave an overview of the PNGC Power portal and will explore the monthly financial report from PNGC Power to give the board a better understanding of wholesale power supply issues.

C. Policy Committee Recommendations

- Proposed, revised PB#13, line extension policy  
Proposed, revised PB#13 was discussed at length, which included notification of members, city and county building departments, electrical contractors, realtors' association, and home builders' associations. A motion was made and seconded to adopt proposed,

revised PB#13, effective February 1, 2008. Director Robison proposed a couple of minor word changes, for clarity, and the motion was amended to adopt, as changed, proposed, revised PB#13, effective February 1, 2008. The amended motion was seconded and unanimously carried.

- Proposed, revised PB#59, computer/internet/e-mail use policy  
Following a brief discussion, a motion was made, seconded, and unanimously carried to adopt as presented proposed, revised PB#59.

D. Proposed Bank Resolution – Sterling Savings Bank, signature cards

Following a brief dialog, a motion was made, seconded, and unanimously carried to adopt, as amended, proposed board, bank resolution for Sterling Savings Bank signature cards.

E. By-Laws Committee – Review

The board talked about potential by-laws amendments to be proposed to the membership in June 2008 and agreed to review the potential changes and to meet in a three-hour, by-laws committee session with legal counsel on January 25, 2008 for further review and discussion. No action was taken.

F. NRECA Annual Meeting – Appoint Voting Delegate

Following a brief dialog, a motion was made, seconded, and unanimously carried to appoint Director Herzog the voting delegate and GM/CEO Meader as alternate for the annual meetings in March 2008 for National Rural Electric Cooperative Association (NRECA), Federated Rural Utilities Insurance Exchange (Federated), National Rural Utilities Cooperative Finance Corporation (CFC), National Rural Telecommunications Cooperative (NRTC), National Cooperative Services Corporation

(NCSC), and National Information Solutions Cooperative (NISC). Director Herzog advised that he intended to take four classes offered during the pre-NRECA annual meeting training session.

G. Update on the City of Brookings

The board was given an update on the City of Brookings' decision to not move forward with the formation of a municipal utility and the City's desire to pursue energy conservation measures. No action was taken.

H. PB#64 Member Information Request

By a motion made, seconded and unanimously carried, the board authorized the GM/CEO to provide the member with a copy of the Form 7 document and the one-page 2008 Budget. The remainder of the requested information was denied upon the advice of the cooperative's legal counsel.

I. Miscellaneous Issues

- Reschedule February 2008 Board Meeting – Conflict

The board resolved that the February 2008 board meeting be rescheduled to 2/29/2008.

- Transmission Line Rebuild Update

The GM/CEO advised the board that the transmission line rebuild engineering request for proposal (RFP) has been distributed. Five companies received the RFP approximately 5 weeks ago and the deadline for proposals is 1/11/08. No action was taken.

- Union Contract Negotiations Update

The board was advised that the union contract negotiations for the new 3-year contract are almost complete. No action was taken.

- Storm Discussion

The GM/CEO gave an update of discussions concerning the recent storm. The cooperative has had staff and employee debrief meetings to identify problems and opportunities for improvement in disaster situations, which included cell phone coverage, land line phone coverage, the number of calls CRC had to respond to, radio coverage, and county-wide issues. Staff has met with FEMA and research will continue with FEMA to determine CCEC's reimbursement of storm damage costs and for FEMA to assist CCEC in disaster planning. The new radio system has been installed and is working. GM/CEO Meader advised the board that he will be working on a cooperative disaster plan in 2008.

- West Oregon Electric Cooperative

GM/CEO Meader reported that during the storm earlier this month, West Oregon Electric Cooperative, in Vernonia, Oregon, got "wiped out" for the second time in eight years. One of West Oregon's substations was under 6-7 feet of water. Three cooperative employees lost their homes, including all of their possessions. Meader advised that CCEC employees have donated \$1,895 to assist the three West Oregon cooperative families. A motion was made, seconded, and unanimously carried to have CCEC match the CCEC employees' and board members' contributions to assist the three West Oregon cooperative families. Five board members also donated personal

