

**COOS-CURRY ELECTRIC COOPERATIVE, INC.**  
**Minutes of the Regular Meeting of the Board of Directors**  
**January 25, 2008**

**I. PRELIMINARY**

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:35 a.m. on Friday, January 25, 2008 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, executive assistant (EA) Dian Marple, member & public affairs director (M&PAD) Christine Stallard, and legal counsel Melinda J. Davison.

Three items were added to the proposed agenda under V. Items of Business, O. CCEC's Website, P. SCADA Security, and Q. Wind Turbine Design.

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 amended, the minutes of the December 28, 2007 regular board meeting.

**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 F under the consent agenda, to-wit: the list of general & operating checks for 12/2007; the write-off

list by district through 1/14/2008; the list of new memberships for 12/2007; the purge list for 1/1008; the cooperative attorney's(s') invoice(s); and the GM's & directors' expenses for 12/2007.

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

GM/CEO Meader briefly reviewed the cooperative's financial condition. There was an update on the progress with the Federal Emergency Management Administration (FEMA) potential recovery of storm damage losses from the December storm. Some losses qualify and some do not. It will take a couple of months to complete the storm damage repairs, probably through February. The bottom line is that CCEC does expect to recovery, through FEMA, some of its storm damage losses but no dollar figures have been announced. The financials presented under the manager's report were "filed for audit."

The outage report was reviewed and the consensus was that December had a high number of outages, which was anticipated considering the extremely bad storm at the beginning of the month. There was a review of the replacement of the broken G-10 line to Agness. The crew did a great job getting a temporary line in place until permanent repairs could be made. The GM/CEO advised that, as requested by the board, he had contacted Federated Rural Utilities Insurance Exchange (Federated) and had received an opinion from Federated concerning the language that is being used on the cooperative's outage reporting form. Federated advises that the language is standard RUS/REA language and Federated has no problem with the specific language. The board agreed by consensus that it owes the crews and employees a big thank you and kudos for a great job in getting Agness back on.

The January 2008 safety report was reviewed. Considering the big storm during the first part of December and the other smaller storms that followed, the safety report was very good when also considering all the storm repair time that was spent. The January 2008 safety meetings included training on Radio Frequency Safety. The January 2008 safety report was approved by a motion duly made, seconded, and unanimously carried.

The GM/CEO reported on his business and community contacts for the previous month. Director Kitchen suggested that board members get more involved in their local community organizations such as the Rotary, Lions, and the Chamber.

## **VI. OLD BUSINESS**

There was no old business.

## **V. ITEMS OF BUSINESS**

### **N. Bylaws Committee Workshop**

The bylaws committee, management, and legal counsel conducted an extensive review of the potential bylaws amendments under discussion. Legal counsel was directed to make some proposed changes and to advise whether or not some proposed changes meet the criteria set forth in the Oregon statutes.

Following a lengthy discussion, a motion was made, seconded, and unanimously carried to call a special meeting of the board of directors to review the additional changes to the draft bylaws amendments and to make a decision as to what amendments are to be presented to the membership for a vote at the June 2008 annual meeting of the members. The board agreed on the date and time for the special board

meeting: February 1, 2008, 1 pm, CCEC conference room, Port Orford.

A. FASB 71 Proposal

The board and management held a lengthy dialog concerning a proposed resolution to defer the benefits of the 2007 Residential Exchange Credit Settlement to the 2008, 2009, and 2010 operating years, as allowed under Financial Accounting Standard 71. The decision was deferred to the February board meeting to allow management time to gather additional information and to answer questions posed by several directors.

B. Wholesale Power Issues – PNGC/BPA

Director Kitchen and Director Radabaugh reported on meetings that they had recently attended at Pacific Northwest Generating Cooperative (PNGC Power) and Power Resources Cooperative (PRC) and a power supply workshop. They talked about TIER 1 and TIER II power in the future, the High Water Mark (HWM), scheduling, loads and the power supply market.

Proposed Resolution No. 2008-01 – Future of PNGC Membership – The GM/CEO advised the board of the purpose of the proposed resolution and following a discussion and input and an opinion from legal counsel, the board adopted, as amended, proposed Resolution No. 2008-01 – Future of PNGC Membership, by a motion duly made, seconded, and unanimously carried.

The GM/CEO advised the board that the March meetings at PRC and PNGC Power and the March Strategic Education Program (SEP) will all be very important meetings and training, and recommended that all directors should try to attend all of the PRC/PNGC Power/SEP meetings and training on 3/3-5/2008 in Portland.

C. Policy Committee Recommendations

- Proposed, revised PB#70, Computer Use by Board of Directors  
Proposed, revised PB#70 was discussed briefly. A motion was made, seconded, and unanimously carried to adopt, as presented, proposed, revised PB#70.
- Proposed, revised PB#81, Landlord Accounts  
Following a brief discussion, a motion was made, seconded, and unanimously carried to adopt, as presented, proposed, revised PB#81.
- Proposed, revised PB#18, Employee Business Travel & Expenses  
The GM/CEO stated that the main purpose for revising PB#18 was to simplify expense accounting. Following a brief discussion, a motion was made, seconded, and unanimously carried to adopt, as amended, proposed, revised PB#18.
- General discussion on layout of policies  
The board agreed by consensus that management should restructure the layout of the cooperative's policies into groups, such as, board policies, member policies, and employee policies and to renumber the policies. The GM/CEO was instructed to begin the policy layout restructure and renumbering process. The GM/CEO advised that this project will require a lot of work since it is not just simply renumbering the policies. Changing the number of some policies will necessitate changing policy numbers contained within other policies. The board agreed that this process will be a great opportunity to do some extensive housekeeping, clean-up revisions of the cooperative policies.

D. Transmission Line Rebuild Engineering Bids

The board received a report on the transmission line rebuild engineering bids that have been received. The GM/CEO responded to questions from the board. No action was taken.

E. Asset Disposal List

Following a brief discussion, a motion was made, seconded and unanimously carried to dispose of the items listed for disposal by the method that will allow the greatest benefit to the cooperative.

F. Unclaimed Capital Credits Advertising

Christine Stallard presented options regarding the advertising of the list of names for former cooperative members who are entitled to unclaimed capital credits for the years 1959 – 1970. There was a lengthy discussion regarding the best method of advertising in accordance with Oregon statutes. Legal counsel gave her opinion regarding legal issues of publishing names for unclaimed capital credits. A motion was made, seconded, and unanimously carried to publish the list of names by printing an insert in The World Newspaper, a newspaper of general circulation, by purchasing display ads regarding the location of the list of names in all area newspapers and the Ruralite magazine, and by submitting press releases to all area newspapers. In addition, the list of names will be available in all cooperative offices and if allowed, notices regarding the location of the list will be posted in all area post offices.

G. Update on Progress with Storm Damage Repairs

The board was given an update on the December storm damage and the progress that has been made to repair the damage. No action was taken.

H. FEMA Update

The FEMA update was given earlier in this meeting.

I. Coquille Town Hall Meeting

Following a brief discussion, the board agreed that the March 6, 2008, town hall meeting should be held at the CCEC office in Coquille at 7:00 p.m. The GM/CEO and the M&PAD were asked to advertise the Coquille town hall meeting for a couple of weeks in advance of the meeting date.

J. Annual Meeting Timeline – Discuss Mailing of Notice

The 70<sup>th</sup> Annual Meeting of the Members of Coos-Curry Electric Cooperative, Inc. was discussed. The annual meeting is scheduled for June 14, 2008, in Coquille. The board agreed, by consensus that the date for the deadline to receive nominating committee reports and member petitions for nominations for directors would be April 23, 2008, which, in accordance with the Bylaws, is "...not less than 45 days prior to the date of the meeting of the members...", and the amended Annual Meeting Timeline was approved as presented.

K. Trees in Stout Park in Brookings

The board was given a brief update concerning danger trees in Brookings' Stout Park.

L. Employee Issues

The GM/CEO and the board discussed several employee issues. No action was taken.

M. Miscellaneous Issues

There were no miscellaneous issues to discuss.

Melinda Davison, legal counsel, departed from the meeting.

N. Bylaws Committee Workshop

The bylaws committee workshop was held earlier today.

O. CCEC's Website

The board was given a brief update regarding CCEC's website. M&PAD Christine Stallard responded to questions from the board about updating information on the cooperative's website. No action was taken.

P. SCADA Security

The GM/CEO responded to questions about SCADA and concerns regarding SCADA security measures being taken by the cooperative. No action was taken.

Q. Wind Turbine Design

Director Radabaugh reported that he had recently been contacted by someone who is creating a new wind turbine which incorporates a completely new design, which he described. No action was taken.

**VI. MEETINGS ATTENDED**

Brief reports were given about meetings attended.

**VII. MEETINGS TO ATTEND**

The board announced that the next regular meeting of the board is scheduled on February 29, 2008, at the cooperative's headquarters in Port Orford, Oregon.

