

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
March 27, 2008

I. PRELIMINARY

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:30 a.m. on Thursday, March 27, 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 Christine Stallard, and legal counsel Melinda J. Davison.

Several items were added to the proposed agenda under V. Items of Business N. Miscellaneous.

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 February 29, 2008 regular board meeting.

V. ITEMS OF BUSINESS

K. Audit Report Presentation by Cooperative's Auditor Brent Mickelsen CPA

Brent Mickelsen, CPA, of Blodgett, Mickelsen & Naeff, was introduced as the cooperative's auditor. Mr. Mickelsen gave the audit report and advised that the

cooperative received a “clean audit opinion.” He reported that the cooperative had only a couple of proposed adjustments and that everything was in good order. Mr. Mickelsen reviewed the consolidated balance sheet, income statement, equity, margins, liabilities, operations, and cash flows. He stated that he enjoyed working with cooperative staff and that everything was in order and that very few adjustments were needed. Mr. Mickelsen offered a few suggestions about the subsidiary, personnel, old work orders, and line extension contracts and reported on these items to be sure that the board was aware of them. The board was advised that the management letter will be forthcoming very soon. The board requested that future audit reports be forwarded to the board prior to the board meeting. Mr. Mickelsen responded to questions from the board.

The regular session was adjourned to executive session at 9:32 a.m. to discuss the audit report and reconvened into regular session at 9:52 a.m. The board resolved that the approval of the audit report be deferred to the next board meeting to allow the board time to review the auditor’s management letter. Brent Mickelsen departed the meeting.

A. VISA Presentation – Bill Johnson

Bill Johnson of MoneyTree Merchant Services was introduced. Mr. Johnson advised that his job is to work between the merchant and the credit card-issuing bank. He described the fees charged to the merchant for accepting credit cards, such as discount fees for consumer cards and business cards, and transaction/process fees, and the difference between card present, keyed in, and on line fees. Mr. Johnson responded to questions from the board and management and talked about the

advantages and disadvantages of accepting credit cards. Mr. Johnson departed the meeting. There was additional discussion and analysis and the board agreed, by consensus, that management should evaluate the benefits, liabilities, and costs of accepting credit cards once the new billing software is installed.

N. Miscellaneous Issues

- Capital Credits 1973 – 1976

Management reported on the number of contacts that have been received by cooperative personnel as a result of the communications and publications of the names in the newspaper for the unclaimed capital credits for the years 1959 – 1970. Because the volume of contacts has been quite large, management proposed to the board that the capital credits retirement for 1973 – 1976 be delayed until October or November to allow the 1959 – 1970 unclaimed capital credits process to be completed and to allow the database to be updated as much as possible before the next retirement of capital credits for 1973 – 1976. The board agreed, by consensus, to delay until October or November the retirement of capital credits for 1973 – 1976 to allow time for the database to be updated. The board requested that the delay of the retirement of capital credits be communicated to the members as much as possible in the member newsletter and in the Ruralite magazine.

II. **CONSENT AGENDA**

The board held a brief dialog concerning the consent agenda. Management

responded to questions concerning collections and tree trimming. A motion was duly made, seconded, and unanimously carried to approve Items A through G under the consent agenda, to-wit: the list of general & operating checks for 2/2008; the write-off list by district through 3/17/2008; the list of new memberships for 2/2008; the purge list for 2/2008; the cooperative attorney's invoice; the cooperative auditor's invoice; and the GM's & directors' expenses for 2/2008.

III. MANAGER'S REPORT

GM/CEO Meader briefly reviewed the cooperative's financial condition. The financials presented under the manager's report were filed for audit.

The outage report was reviewed.

The March 2008 safety report was reviewed. The safety meetings in March included cancer awareness training for all employees. The March 2008 safety report was approved by a motion duly made, seconded, and unanimously carried.

The GM/CEO gave a report on his business and community contacts for the previous month.

IV. OLD BUSINESS

There was no old business.

V. ITEMS OF BUSINESS *(continued)*

B. Wholesale Power Issues – PNGC/BPA

There was a brief dialog concerning power issues and PNGC Power.

C. Policy Committee Recommendations

Reorganize, update & replace policy bulletins

- Proposed P#100-040, Audits & Audit Committee & Auditor Selection
(Replaces PB#14 & PB#63)

A motion was made to approve proposed Policy No. 100-040 as originally submitted in February. Following additional discussion, the motion was seconded and unanimously carried.

- Proposed P#100-050, Attorney Policy (Replaces PB#66)

A motion was made, seconded, and unanimously carried, to approve, as amended, proposed Policy No. 100-050.

- Proposed P#100-060, Cooperative Depositories (Replaces PB#2)

A motion was made, seconded, and unanimously carried, to approve, as written, proposed Policy No. 100-060.

- Proposed P#100-070, Check Signing (Replaces PB#3)

A motion was made, seconded, and unanimously carried, to approve, as written, proposed Policy No. 100-070.

- Proposed P#100-080, Accounting Records (Replaces PB#4)

A motion was made, seconded, and unanimously carried, to approve, as corrected, proposed Policy No. 100-080.

- Proposed P#100-090, Operating Budget (Replaces PB#5)

A motion was made, seconded, and unanimously carried, to approve, as written, proposed Policy No. 100-090.

D. Proposed CFC e-Pay/Paying Agent Service-Resolution 2008-02

Following a brief discussion, a motion was made to adopt, as written, Resolution 2008-02, CFC e-Pay/Paying Agent Service, seconded and unanimously carried.

E. Approve Asset Disposal List

A motion was made, seconded, and unanimously carried to approve, as presented, the disposal of assets list, to be disposed of in the most advantageous manner.

F. CFC's Cooperative System Integrity Fund Request for Contribution

Following a discussion, a motion was made to contribute 5% of the cooperative's CFC patronage capital refund, not to exceed \$5,000, as a contribution to the CFC Cooperative System Integrity Fund. The motion was seconded and unanimously carried.

G. Board Strategic Planning Session - Discussion

The board and management held a brief discussion concerning the need for a strategic planning session. The board agreed, by consensus, to schedule a board strategic planning session for Saturday, August 23, 2008, off-site, with Roger Meader as the facilitator. The August board meeting was scheduled for August 22, 2008.

H. Tree-Cutting Claim

There was a brief update on the tree-cutting claim.

I. ORECA Meetings – Future Attendee

The board held a discussion about an ORECA representative replacement for Grant Combs, whose board position will be eliminated at the CCEC annual meeting in June. A motion was made to appoint Peter Radabaugh as the ORECA

representative for CCEC to replace Grant Combs in June 2008, and to authorize director Radabaugh to attend the ORECA meetings with Grant Combs in the interim. The motion was seconded and unanimously carried.

J. NRECA Survey Results Presentation – Gina Ricci

Gina Ricci from the NRECA Consulting Group was introduced. Ms. Ricci gave a presentation of the results of the member satisfaction survey that began near the end of 2007, was suspended during the stormy weather in December 2007, and was completed after the beginning of 2008. Over all, the members are very satisfied with CCEC and especially with CCEC's personnel, although, as always, there are some areas of the cooperative that need improvement. Gina Ricci departed the meeting.

An employee survey was discussed by the board. Upon the advice of legal counsel and following further discussion, a motion was made, seconded and unanimously carried to not conduct an employee survey and to withdraw the employee survey request from NRECA.

L. Bylaws Committee Recommendation

Proposed articles of association and bylaws amendments – The board reviewed the proposed amendments and the explanation documents. The explanation document was discussed and several changes were suggested. Legal counsel was asked to make the changes and send the revised document to the GM/CEO. A motion was made to approve the explanation document as improved and clarified today. The motion was seconded and unanimously carried. There were no additional changes to the proposed articles of association and by-laws amendments document.

M. Annual Meeting – Appoint Nominating Committee – District 4

A motion was made, seconded and unanimously carried to approved and

appoint the 2008 nominating committee for district 4 as presented.

N. Miscellaneous Issues *(continued)*

- In-house CFC classes – The board reviewed the list of available classes from CFC and agreed to inform the GM/CEO by e-mail as to which classes they would like to have presented in-house.
- ORECA's Director's Report – included for the board's review.
- Proposed Bank Resolution-Chetco Federal Credit Union-Member Refund Account-Signature Cards – A motion was made to adopt the proposed Bank Resolution for Chetco Federal Credit Union Member Refund Account as presented. The motion was seconded and unanimously carried.
- Donation request – The Dora-Sitkum Rural Fire Protection District request for an in-kind donation for one or two electrical hookups. A motion was made, seconded, and carried by a vote of 4 to 1, to approve the Dora-Sitkum donation request, not to exceed \$2500.
- Donations – There was a brief discussion concerning donations and possibly revising the board policy on donations.
- Business cards for directors – The board agreed, by consensus that a small amount of CCEC business cards should be provided for each director.
- Home Show in Brookings – CCEC will have a booth at the Brookings Home Show on March 29 & 30. Several CCEC employees will be manning the booth during that time and John Herzog and Dave Kitchen were invited to drop by and help out.

- ORECA directory – Christine Stallard advised the board that the ORECA directory is being updated and asked if any director had new information to provide for the directory. The newest director, Dave Kitchen, was asked to be available to have his photo taken.
- Water heaters – There was a discussion about educating CCEC members about on-demand water heaters possibly being very costly in the future and not being good for conservation measures. It was agreed that educating the stakers and local electricians would be a good way to start getting the word out and to have them discourage the installation of on-demand water heaters.
- Bonds on T-line – It was suggested that the cooperative look into the possibility of selling bonds to fund the T-line rebuild. Legal counsel was asked to research the question.
- Radio ads – Radio ads were discussed.
- Per diem – There was a discussion concerning the amount of money that is allowed for the cost of food at industry meetings out of the service area. A motion was made to increase the per diem under PB#19 for directors to \$300, including meals. The motion was seconded and unanimously carried. This policy will be updated under the policy reorganization with a new policy number and format. A motion was made to increase the per diem for meals under PB#18 for employees to \$100. The motion was seconded and unanimously carried. This policy will be updated under the policy reorganization with a new policy number and format.

