

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
January 22, 2009

I. PRELIMINARY

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 7:58 a.m. on Thursday, January 22, 2009 by Chairman of the Board (chair) Robison in the conference room at the cooperative's headquarters, Port Orford, Oregon. Secretary Radabaugh called the roll, showing the following directors present: Daryl Robison, Dave Kitchen, Peter Radabaugh, John Herzog, Cheryl McMahan, Ed Dowdy, and Gary Schlottmann. Also present were general manager/chief executive officer (GM/CEO) Roger Meader, executive assistant (EA) Dian Marple, and marketing & member services manager Christine Stallard. Legal counsel Melinda J. Davison is expected to attend.

Items added to the proposed agenda were: III. Manager's Report - AMR update and IV. Items of Business, J. 2009 Annual Meeting – Nominating Committee Appointments and K. Miscellaneous Business Issues - Press Release and Town Hall Meetings.

There was a call for items for strategic discussion, but there were none.

Chair Robison advised the board that no CCEC member 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 December 8, 2008 regular board meeting and executive session.

II. CONSENT AGENDA

The board held a brief dialogue concerning the consent agenda. Management responded to questions from the board. 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 11/2008 and 12/2008; the write-off list through 12/18/2008 and 1/8/2009; the list of new memberships for 11/2008 and 12/2008; the purge list for 1/2009; the cooperative attorney's invoice; the cooperative auditor's invoice; and the GM's & directors' expenses for 12/2008.

III. MANAGER'S REPORT

GM/CEO Meader gave a brief report on year-end revenue and expenses. He responded to questions about the budget and the cost-cutting options. The financials presented under the manager's report were filed for audit.

The outage report and the right-of-way clearing report were mentioned.

The January 2009 safety report was reviewed. The safety meetings in January included Radio Frequency training and Personal Protective Equipment training. The January 2009 safety report was approved, as presented, by a motion duly made, seconded, and unanimously carried.

The GM/CEO discussed the overtime report and gave an update on the AMR installations and system. It is estimated that the AMR meters will all be installed and being read, and the project should be completed by mid-summer.

Legal counsel Davison arrived at 9 a.m.

IV. ITEMS OF BUSINESS

A. Ten-Year Financial Forecast Presentation

Frank Corrales, controller, and Doyle Eden, CFO, were invited to present the ten-year financial forecast. The controller reviewed several different scenarios and responded to questions from the board.

B. Proposed Resolution No. 2009-03 – Conversion of Unclaimed Capital Credits to Permanent Equity

Controller Frank Corrales presented the proposed Resolution No. 2009-03 – Conversion of Unclaimed Capital Credits to Permanent Equity. The controller advised the board on the purpose of the proposed resolution and described the process that had been used to allow the cooperative to convert the unclaimed capital credits in accordance with the Oregon Revised Statutes, which process included several monthly publications in local newspapers. Following a discussion, a motion was made to adopt Resolution No. 2009-03 – Conversion of Unclaimed Capital Credits to Permanent Equity, a copy of which is attached hereto and incorporated herein by reference, authorizing management to take all steps necessary to convert the 1959 - 1970 unclaimed capital credits to permanent equity. The motion was seconded and

unanimously carried.

The controller reported that the capital credits checks for 1973 – 1976 were mailed out on December 19, 2008. It was noted that the dollar amount mailed out was approximately \$1.4 million and that approximately \$600,000 was not mailed out on accounts with invalid addresses.

G. Credit Card Options for Members

CFO Doyle Eden reviewed a Power Point presentation regarding the cooperative's options in regard to implementing a new service to allow members to use their credit cards to pay for the cooperative's services, such as paying their monthly electricity bill or work order charges. The options were: 1) do nothing; 2) have the member using the credit card pay the fees; or 3) have the cooperative pay the fees. There followed a lengthy discussion and management responded to questions from the board. After a detailed discussion of the pros and cons, a motion was made to approve the option wherein the member may use his/her credit card or debit card, VISA or MasterCard only, to pay for services provided by the cooperative, and the cooperative will pay for the credit card fees. The motion was seconded and carried, with Directors Radabaugh and Schlottmann casting NO votes.

C. Wholesale Power Issues - PNGC Power/PRC/BPA

The board held a brief discussion about wholesale power issues and future power supplies. GM/CEO Meader responded to questions from the board and recommended that the board authorize the PNGC Power alternate Director Radabaugh to attend the PNGC Power meeting in February. The board agreed, by consensus, that Director Radabaugh shall attend the PNGC Power meeting in February.

The GM/CEO recommended that the cooperative book some additional costs from PNGC Power into October, November, and December of 2008, as an estimated, incurred expense. A motion was made to accept the estimated 25% shortfall from PNGC Power and book the additional costs into October, November, and December of 2008 as an incurred expense. The motion was seconded and unanimously carried.

D. Policy Committee Recommendations

There were no recommendations from the policy committee at this time.

E. Proposed Rate Schedule Correction – General Demand Service

The GM/CEO advised the board concerning the purpose of the correction

to the rate schedule. A motion was made to approve the proposed, revised General Demand Service rate schedule as presented, adding the 46/47/48 in the title of the Power Factor Adjustment paragraph. The motion was seconded and unanimously carried.

F. Bylaws Review Committee Recommendation

Following a discussion, it was the consensus of the committee and the board that additional review and discussion of the bylaws be deferred until July or August 2009, at which time any proposed revision(s) to the bylaws can be prepared for submission to the membership at the cooperative's 2010 annual meeting.

G. Credit Card Options for Members

This item was reviewed and handled earlier in this meeting.

H. Disposal of Obsolete Assets

A motion was made, seconded, and unanimously carried to approve, as presented, the list for disposal of obsolete assets.

I. Request for Donation/Contribution

Under P#100-190 the board considered the following:

- Christian Help Food Bank – Following a discussion, a motion was made, seconded, and unanimously carried to deny the request for donation from the Christian Help Food Bank because the request does not fall within the guidelines of the cooperative's policy.
- Coquille Basketball Association – A motion was made, seconded, and carried to approve a cash donation of \$150 to support and sponsor the youth basketball team and help pay for uniforms and basketball equipment. Director Schlottmann cast a NO vote.
- Myrtle Point High School Baseball Team – A motion was made, seconded, and carried to approve a cash donation of \$200 to the Myrtle Point High School Baseball Team to support and sponsor the youth baseball team and help pay for uniforms and baseball equipment. Director Schlottmann cast a NO vote.
- Chetco Pelican Players – Following a discussion, a motion was made, seconded, and unanimously carried to deny the request for advertising and donation from the Chetco Pelican Players because the board declines to advertise at this time.

- Molly Vance - Azalea Pageant – Following a discussion, a motion was made, seconded, and unanimously carried to deny the request for donation from the Molly Vance because the request does not fall within the guidelines of the cooperative's policy.

J. 2009 Annual Meeting Timeline and Nominating Committee Appointments

- Timeline: The 2009 annual meeting timeline as presented was approved by the consensus of the board.
- Nominating committee appointments: A motion was made, seconded, and unanimously carried to approve, as presented, the list of nominating committees.
- Options for counting of ballots for directors: The counting of the ballots for the director elections was discussed, and management was directed to create a plan and compare the costs of hiring a CPA firm to count the ballots again this year or having a few cooperative members count the ballots under the direction and supervision of the cooperative's attorney.

K. Miscellaneous Business Issues

- Update on 4-day work weeks – The board was given a report concerning the first two months of the four 10-hour day work weeks. The comments have been overwhelmingly positive and only two complaints have been lodged.
- Update on Touchstone Energy – The Touchstone Energy Program has been launched and the Cooperative Connection Cards have been mailed and received. Christine Stallard responded to questions from the board.
- Schedule CCEC system tours - north tour and south tour – The board held a dialogue about scheduling two days to tour both the north and south sections of the cooperative's system. All directors indicated they would like to be a part of the tours and agreed that they would receive no per diem for the two days. Following additional discussion, the dates scheduled were: May 18 for the northern tour and June 8 for the southern tour. Management was instructed to set up the essential scheduling with staff and necessary transportation.

- Press release – The board and staff held a dialogue concerning the board meeting press release.
- Town hall meetings – The board and management held a dialogue regarding the most recent and the upcoming town hall meetings.

L. CFC Loan Applications

The GM/CEO explained the purpose of the National Rural Utilities Cooperative Finance Corporation (CFC) line of credit loan documents and the Power Vision loan documents.

- Proposed Resolution No. 2009-01 – CFC Line of Credit Loan
Following additional dialogue, a motion was made to adopt Resolution No. 2009-01 – CFC Line of Credit Loan, a copy of which is attached hereto and incorporated herein by reference, authorizing Chairman Daryl C. Robison to execute the necessary loan documents. The motion was seconded and unanimously carried.
- Proposed Resolution No. 2009-02 – CFC Power Vision Loan & Mortgage
Following additional dialogue, a motion was made to adopt Resolution No. 2009-02 – CFC Power Vision Loan and Mortgage, a copy of which is attached hereto and incorporated herein by reference, authorizing Chairman Daryl C. Robison to execute the necessary loan and mortgage documents. The motion was seconded and unanimously carried.

V. EXECUTIVE SESSION

The regular session adjourned to an executive session at 12:54 p.m. to discuss the following: contracts, litigation or potential litigation, and personnel issues.

The executive session adjourned and the regular session reconvened at 4:20 p.m.

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 for

