

**COOS-CURRY ELECTRIC COOPERATIVE, INC.**  
**Minutes of the Regular Meeting of the Board of Directors**  
**March 26, 2010**

**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 Friday, March 26, 2010 by Chairman of the Board (Chair Radabaugh) Peter Radabaugh in the conference room at the cooperative's headquarters, Port Orford, Oregon. The Secretary called the roll, showing the following directors present: Robison, Radabaugh, Dowdy, McMahan, Kitchen, Herzog, and Kolen. Also present were General Manager/Chief Executive Officer (GM/CEO) Roger Meader, Executive Assistant (EA) Dian Marple, Marketing & Member Services Manager (M&MSM) Christine Stallard, and Chief Financial Officer (CFO) Frank Corrales, Jr.

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

Miscellaneous items were added to the agenda under the miscellaneous business issues.

Chair Radabaugh advised the Board that no CCEC member had applied, under P#300-030, 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 February 25, 2010, regular board meeting, and a motion was made, seconded and unanimously carried to approve, as written, the minutes of the February 25, 2010, executive session.

## **II. CONSENT AGENDA**

A motion was made and seconded to approve Items A through F under the consent agenda, to-wit: the list of general & operating checks for 2/2010; the write-off list through 3/16/2010; the list of new memberships for 2/2010; the purge list for 3/2010; the Cooperative attorney's invoice; and the GM's & Directors' expenses for 2/2010. The Board held a brief discussion and the motion carried unanimously.

A discussion occurred as to whether or not the list of general and operating checks should be included in the monthly board packet as this is a management function. A motion was made to no longer include the list of general and operating checks in the monthly consent agenda or as part of the monthly board packet. The motion was seconded, and the Board held additional discussion. The motion carried with five YES votes and one NO vote.

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

The financials were reviewed, and GM/CEO Meader gave a brief report on revenue, expenses, and margins and responded to questions from the Board. The number of services and line loss were discussed. The financials presented under the manager's report were filed for audit.

The following reports were given: outage report, right-of-way clearing, and credit card usage. The Board agreed, by consensus, that they no longer needed the right-of-way clearing report included as part of the monthly manager's report as this is a management function.

The March 2010 safety report was reviewed. The safety meetings in March

included Violence in the Workplace training. The March 2010 safety report was approved, as presented, by a motion duly made, seconded, and unanimously carried.

#### **IV. ITEMS OF BUSINESS**

##### **B. Wholesale Power Issues - PNGC Power/PRC/BPA**

The Board held a discussion about wholesale power issues and future power supplies.

The regular session adjourned to executive session at 9:05 a.m. to discuss potential contracts and reconvened into regular session at 9:34 a.m.

##### **A. Audit Report – presentation**

CFO Frank Corrales, Jr. introduced Brent Mickelsen of the independent certified public accountant firm of Blodgett Mickelsen & Naef, P.S. The Coos-Curry Electric Cooperative, Inc. 12/31/2009 Consolidated Audit Report was distributed to the Board, and Mr. Mickelsen declared that the 2009 audit was a clean, unqualified audit with no exceptions. He commended Frank Corrales and staff for their thoroughness and cooperation. Mr. Mickelsen went through the consolidated audit report and responded to questions from the Board and management. The review included the balance sheets, statements of operations, statements of equities and margins, statements of cash flows, and the footnotes.

The regular session adjourned to executive session at 10:08 a.m. so the Board and the auditor could meet without management and discuss the audit report. Roger Meader,

Frank Corrales, Jr., Dian Marple, and Christine Stallard left the meeting. The regular session reconvened at 10:45 a.m., and Roger Meader, Frank Corrales, Jr., Dian Marple, and Christine Stallard returned to the meeting.

A motion was made to approve the 2009 Consolidated Audit Report, as presented by Brent Mickelsen of Blodgett, Mickelsen, and Naef, P.S. The motion was seconded and unanimously carried.

The regular session adjourned to executive session at 10:48 a.m. to discuss potential contracts and reconvened into regular session at 11:35 a.m.

B. Wholesale Power Issues - PNGC Power/PRC/BPA (continued)

Discussion continued about Pacific Northwest Generating Cooperative (PNGC Power) matters, the resource committee's activities, water, run-off, and snow pack.

C. Policy Committee Recommendations

Policy Review Committee Chair McMahan reported on and explained policy issues, led a discussion with the Committee, and made recommendations. The following actions were taken:

- Proposed P#100-250 Whistle Blower Protection Policy (replaces PB#84) – Update of this policy was delayed, and it will be resubmitted.
- Proposed P#300-040 Member Request for Information (replaces PB#64) – To update this policy into the new format, a motion was made, seconded, and unanimously carried to approve, as presented, proposed P#300-040

Member Request for Information.

- Proposal to Rescind PB#75 - A motion was made, seconded, and unanimously carried to rescind PB#75 Relationship Between the Board of Directors and the General Manager/CEO because the language in that policy is or will be set forth in other board policies.

The policy committee chair referred to other policies that are being examined for potential revisions.

D. Transmission Line Progress

GM/CEO Meader gave an update on the transmission line rebuild project.

The regular session adjourned to executive session at 12:01 p.m. to discuss potential contracts and reconvened into regular session at 12:15 a.m.

E. Annual Meeting – Appoint Nominating Committees

Nominating committee appointments: A motion was made, seconded, and unanimously carried to approve, as presented and filed herewith, the lists of nominating committees for District 1 & 2, District 5, and District 3, 4, & 5 At Large.

F. Ten-year Financial Forecast

CFO Frank Corrales reviewed the revised ten-year financial forecast. A lengthy discussion occurred concerning capital credits retirements, a 30-year rotation, and other variables. The Board gave direction to staff to look at a scenario of returning capital credits this year to have CCEC's capital credits on a 30-year rotation.

G. CFC Training Options – make selection

The Board reviewed the list of National Rural Utilities Cooperative Finance

Corporation's (CFC) training options available to the Board of Directors. After discussing the available training, the Board selected options 9 Commitment to Excellence-Overview and 21 Planning-A Key to the Future. GM/CEO Meader will contact CFC and schedule the training for the Board.

H. Member Satisfaction Survey – discussion

Marketing and Member Services Manager Christine Stallard addressed the Board and distributed potential questions to be asked of the 400 randomly selected CCEC members to be surveyed in mid-April. The list of questions was reviewed and, the Board made suggestions and recommendations.

I. Miscellaneous Business Issues

- ORECA Directory – update – The Directors were asked to update their personal information for the Oregon Rural Electric Cooperative Association's (ORECA) directory
- Dark Sky Ordinance-Port Orford – update – The Board was given an update of the Port Orford Dark Sky Ordinance and of the GM/CEO's contacts and discussions with representatives of the City of Port Orford.
- Touchstone Energy Steering Committee invitation – GM/CEO Meader advised the Board that he has been invited to serve on the Touchstone Energy Steering Committee. The Board agreed by consensus that the GM/CEO should accept that invitation.
- NRECA Youth Tour – CCEC is sponsoring one local student to attend the National Rural Electric Cooperative Association's (NRECA) Youth Tour in Washington DC. CCEC has been asked to provide one female

chaperone for the tour. Cheryl McMahan has agreed to go as a chaperone. CCEC has been asked to pay half of the expenses, about \$1000. ORECA will pay the other half. The Board by consensus approved Cheryl McMahan's attendance at the NRECA Youth Tour and the anticipated expenses.

- Collections and Account Cut-Offs – Christine Stallard talked about the very sensitive issues that surround collections and account cut-offs. She advised that she is planning to implement, on a trial basis, a service that makes the courtesy call on behalf of the Cooperative on delinquent accounts. She will tract the service for a few months and analyze whether it is a successful program that benefits the Cooperative. The Board agreed by consensus that the Cooperative should try the call service.
- Proposed Resolution No. 2010-01 Bank Safe Deposit Boxes Signature Cards – The GM/CEO advised the board of the purpose of the proposed resolution. A motion was made, seconded, and unanimously carried to adopt the proposed Resolution No. 2010-01 for Sterling Savings Bank for signatures for the bank safe deposit boxes, a copy of which resolution is attached hereto and incorporated herein by reference, authorizing the execution of new signature cards.
- Auditor's Invoice for Services – The auditor's invoice for services was approved by consensus.

