

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
January 27, 2011

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 9:34 a.m. on Thursday, January 27, 2011 by Chairman of the Board Peter Radabaugh (Chair Radabaugh) in the conference room at the cooperative's headquarters, Port Orford, Oregon. The Vice Chairman called the roll, showing the following directors present: Peter Radabaugh, Ed Dowdy, Cheryl McMahan, and Jim Kolen. John Herzog arrived at 10:03 a.m., and Daryl Robison arrived at 10:30 a.m. Director absent: Dave Kitchen. Also present were General Manager/Chief Executive Officer (GM/CEO) Roger Meader, Executive Assistant Dian Marple, and Marketing & Member Services Manager Christine Stallard. General Legal Counsel Melinda J. Davison arrived at 10:19 a.m.

There was a call for items for strategic discussion.

Items were added to the Agenda under Items of Business: Proposed Resolution No. 2011-04 FY12 & FY13 PNGC Hedge Purchases, ICON layout and bid for Strategic Planning Session, Peter Defazio's aide Ron Crestkey's visit to Curry County Commissioners, Director to attend PNGC Meeting, Community Action Meeting, Norway Substation Construction update, Conservation Program for Irrigators and items under Executive Session. The agenda as amended was approved.

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 December 27, 2010, regular board meeting and as written, the minutes of the December 27, 2010, executive session.

II. CONSENT AGENDA

Following a brief discussion, a motion was made and seconded to approve Items A through E under the consent agenda, to-wit: the write-off list through 1/17/2011; the list of new memberships for 12/2010; the purge list for 1/2011; CCEC's attorney's invoice; and the GM's & Directors' expenses for 12/2010. The motion carried unanimously.

III. MANAGER'S REPORT

The financials were reviewed, and GM/CEO Meader gave a brief report and responded to questions from the Board. The financials presented under the manager's report were filed for audit.

Director Herzog arrived at 10:03 a.m.

The following reports were given: outage, credit card usage, and asset disposal list.

General Legal Counsel Davison arrived at 10:19 a.m.

The January 2011 safety report was reviewed by the Board. The safety meetings in January included Personal Protective Equipment (PPE) training.

Director Robison arrived at 10:30 a.m.

IV. ITEMS OF BUSINESS

A. Wholesale Power Issues – PNGC Power/PRC/BPA

The Board and the GM/CEO held a discussion about wholesale power issues, the Bonneville Power Administration's (BPA), the Pacific Northwest Generating Cooperative's (PNGC Power) report, wholesale power supplies, snow pack, California RPS, and the Power Resources Cooperative (PRC).

B. Proposed Resolutions

The GM/CEO advised the Board of the purposes of Resolution No. 2011-01 Defer 2010 Wholesale Power STUPA Credit – FAS 71, Resolution No. 2011-02 FAS 71 – FY11 PNGC Part B Revenue Requirement, and Resolution No. 2011-04 FAS 71 – FY12 & FY13 PNGC Hedge Purchases, which are power cost adjustments.

Following further discussion, a motion was made to adopt

- Resolution No. 2011-01 Defer 2010 Wholesale Power STUPA Credit – FAS 71, as presented
- Resolution No. 2011-02 FAS 71 – FY11 PNGC Part B Revenue Requirement, as amended
- Resolution No. 2011-04 FAS 71 – FY12 & FY13 PNGC Hedge Purchases, as amended

copies of which are attached hereto and incorporated herein by reference, authorizing the GM/CEO to take all steps necessary to make the appropriate power cost adjustments. The motion was seconded and unanimously carried.

C. WECC

- Audit – report

GM/CEO Meader reported that the recent Western Electricity Coordinating Council (WECC) audit went extremely well. No compliance issues were reported.

- Proposed Resolution No. 2011-03 Support National Rural Electric Cooperative Association (NRECA) Reliability Resolution for Changes to the (North American Electric Reliability Council) NERC/WECC Penalty Process

The GM/CEO advised the Board of the purpose of proposed Resolution No. 2011-03 Support NRECA Reliability Resolution for Changes to the NERC/WECC Penalty Process. The NRECA is working on behalf of its member cooperatives to lobby to change the NERC/WECC processes for the benefit of its member cooperatives. Following further discussion, a motion was made to adopt as presented Resolution No. 2011-03 Support NRECA Reliability Resolution for Changes to the NERC/WECC Penalty Process, a copy of which is attached hereto and incorporated herein by reference. The motion was seconded and unanimously carried.

D. Bylaws Review Committee - update

The Board discussed the draft proposed articles of incorporation and bylaws amendments to be submitted to the membership for a vote-by-mail ballot in accordance with the bylaws for the 2011 annual meeting. Legal Counsel Davison advised that she has reviewed and approved the proposed amendments as presented. A motion was made to approve, as presented, the articles of incorporation and bylaws for submission to the membership for a vote-by-mail ballot for the 2011 annual meeting. The motion was seconded and unanimously carried.

E. 2011 CCEC Annual Meeting

- 2011 Nominating Committees Approval

Following a brief discussion wherein Eric Oberbeck was added to the committee for District 4, a concern was voiced, but Legal Counsel's opinion was that although Oberbeck works for a company that does occasional work for CCEC, there appears to be no conflict of interest if he is on a nominating committee. A motion was made to approve, as

amended, the 2011 Nominating Committees, as follows:

**2011 ANNUAL MEETING
NOMINATING COMMITTEE
DISTRICT 4**

Daryl C. Robison, Incumbent

Norma Anderson, Chair
42156 Vista Dr
Port Orford OR 97465
541-332-4261
541-332-3711

Charles "Chuck" Gunther
Dorothy "Dottie" Gunther
PO Box 260
94961 Sixes River Rd
Sixes OR 97476
541-332-0209

Eric Oberbeck
PO Box 1026
Port Orford OR 97465
93345 Sixes River Rd
Sixes OR 97476
541-332-0701

**2011 ANNUAL MEETING
NOMINATING COMMITTEE
DISTRICT 1&2 At-Large**

Cheryl L. McMahan, Incumbent

Alexandra Frederick, Chair
16883 Yellowbrick Rd
Brookings OR 97415
541-412-7062

Kelly McClain
867 Jodee Ln
Brookings OR 97415
541-254-0339

Hedda Markham
843 Chetco Point Terrace
Brookings OR 97415
541-412-8855

The motion was seconded and unanimously carried.

- Discussion on Proposed Auction - revisit

A discussion was held concerning ways to attract more members to attend the 2011 annual meeting. CCEC has some retired vehicles to dispose of, and a motion was made to sell the four lower value vehicles at auction at the annual meeting, with the other vehicles to be sold by sealed bid with a minimum/reserve wholesale Blue Book value to be determined. If the minimum amount is not bid by sealed bid, the vehicle may be taken to the annual meeting auction. All proceeds from the sale of vehicles, by sealed bid or by auction will be placed in CCEC's general fund. The motion was seconded and unanimously carried. The GM/CEO was directed to proceed with this plan to dispose of the retired vehicles.

F. CoBank Short-Term Line of Credit - discussion

Following a brief discussion and a recommendation by GM/CEO Meader, a motion was made to diversify CCEC's source for operating funds, and obtain from CoBank a \$3 million, short-term, line of credit. The motion was seconded and carried unanimously.

G. Miscellaneous Business Issues

- ICON layout & bid for Strategic Planning Session (SPS) – The Board and the GM/CEO held a discussion about the ICON bid and other potential SPS facilitators. All agreed that the ICON bid was too high, but ICON might be considered if the bid amount were substantially reduced because cost is an issue. The GM/CEO will talk to ICON about a more reasonable fee and report back to the Board.
- Peter Defazio's aide Ron Crestkey visit with Curry County Commissioners February 2nd at 10 a.m. – we have been invited – The Board agreed that Jim Kolen should attend on behalf of CCEC at the visit with Defazio's aide.
- Director attending PNGC Power meetings – The Board held a discussion concerning whether a CCEC director should attend PNGC Power board meetings. The discussion included the possibility of each director being allowed to attend a PNGC Power board meeting on a rotating basis. The Board agreed that because Director Kitchen is the CCEC voting delegate for the PNGC Power annual meeting, he should attend a couple of PNGC Power meetings during the year to keep abreast of issues that affect CCEC, and should attend the PNGC Power annual meeting. Director Kitchen should coordinate with the GM/CEO to travel to Portland together to keep travel costs down.

H. Community Action Meeting from January 21, 2011

GM/CEO Meader advised the Board that he had met with representatives from Community Action. Community Action has requested that CCEC make a contribution to its renewable energy project. Following a lengthy discussion, the Board agreed, by consensus to instruct Meader to respond to Community Action that CCEC is spending funds on conservation measures and does not have funds to spend on renewable energy projects.

I. Norway Substation Construction - update

CCEC GM/CEO Meader gave an update on the Norway Substation construction project. No conditional use permit is needed and some of the equipment has already been ordered.

J. Conservation Program for Irrigators

The Board was advised that the City of Bandon has a conservation

