

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
March 26, 2020

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:51 a.m. on Thursday, March 26, 2020, by President John Herzog, in the conference room at CCEC Headquarters office, Port Orford, Oregon. This meeting was held via telephone conference due to Oregon Governor's Executive Order 20-12 regarding COVID-19 social distancing and the limit on persons gathering.

Secretary Kolen called the roll and stated there was a quorum present. Also present were General Manager/Chief Executive Officer (GM/CEO) Brent Bischoff and Executive Assistant Shelly Smith-Napier. Marketing and Member Services Manager Jacob Knudsen and General Legal Counsel Tyler Pepple were present via phone.

A motion was made, seconded, to approve, as presented, the regular Board meeting agenda and the motion carried unanimously.

President Herzog advised the Board that no member had applied, under P#300-030, to attend the Board meeting and speak to the Board.

A motion was made and seconded to approve, as presented, the minutes of the February 20, 2020 regular meeting of the Board of Directors. The motion carried unanimously.

II. CONSENT AGENDA

A motion was made and seconded to approve Items A through D under the consent agenda, to-wit: the list of new members for 02/2020; the members purge list for 03/2020, the GM/CEO's & Directors' expenses for 02/2020; and CCEC's attorney invoice. The motion carried unanimously.

III. MANAGER'S REPORT

Chief Financial Officer (CFO) Frank Corrales, Jr. arrived at 10:54 a.m. and gave the financial report remarking that the first two months of 2020 revenue is higher than budget by \$72k. Expenses, excluding the cost to purchase power, are under budget by 5.69% or \$211k. This is somewhat due to minimal storms this year compared to the winter storms of 2019 in which we applied for and recently received FEMA funding. Our bottom-line margins for the first two months of 2020 are about \$330k above budget. Corrales is projecting lower revenue in the second quarter of 2020 due to COVID-19. CFO Corrales departed the meeting at 11:49 a.m.

The February outage reports were reviewed. GM/CEO Bischoff noted more of the outages during the month were due to failure of aged equipment compared to the typical tree related outages.

The March safety report was reviewed. The March safety meetings were cancelled amid COVID-19 concerns. In February an incident occurred with a service truck; while in transit both rear dually wheels on driver's side came lose and separated from the truck. Fortunately, the lose wheels did not cause a secondary accident and the driver safely got to the truck to the side of the road. CCEC has installed lug nut position indicators so operators can easily spot loosening lug nuts during daily vehicle walk arounds.

The Tree Trimming report was reviewed. All crews are currently working in areas that have higher fire danger risk when conditions are dry in late summer and early fall.

The monthly Coos Curry Electric Charitable Foundation (CCECF) report now includes the financial statements. Due to COVID-19 many projects may be impacted or delayed depending on how long COVID-19 restrictions are in place.

CCEC received a Member Request for Information (Policy#300-040); the request was approved and information provided.

IV. ITEMS OF BUSINESS

A. Wholesale Power Issues (BPA, PNGC Power and PPC)

GM/CEO Bischoff gave the Board an overview of the Executive Summary of the Columbia River System Operations (CRSO) Draft Environmental Impact Statement (EIS). Bischoff explained the eight CRS operations objectives, the variables explored and the development and comparison of the multi-objective alternatives and the preferred alternative recommended by the co-lead agencies. Bischoff then discussed PNGC's evaluation and response to the EIS. The Board agreed that Mr. Bischoff may comment in response to the EIS in line with the PNGC response.

B. Committee Reports

Policy Committee - The chair of the policy review committee, Director Cockerham, advised that, earlier in a committee meeting, the committee discussed the policies and/or rate schedules for review, proposed new, revised, or rescinded language.

A motion was made and seconded to approve the following proposed, revised policies:

- Policy #100-010 Mission, Vision & Values Statement – as presented, and the motion carried unanimously.
- Policy #200-060 Authority and Functions of Directors, as revised, and the motion carried unanimously.
- Policy #200-090 Election of Officers, as presented, and the motion carried unanimously.

Rate Schedules have been updated with an effective date of May 1, 2020. The Board has expressed concerns about raising rates to our members on May 1, 2020 amid the COVID-19 situation and the hardships members will be enduring. CFO Corrales arrived at 11:39 a.m. to discuss the financial impact to CCEC of delaying the rate increase. A motion was made and seconded to approve the new rate schedules implementing the rate

increase effective May 1, 2020, a vote was taken, and the motion failed. A second motion was made to approve the new rate schedules reflecting the rate increase and delay implementation until July 1, 2020, there was a second and a vote was taken, the motion passed 5 in favor 1 (Kolen) against. CFO Corrales departed the meeting at 12:16 p.m.

C. 2019 YE Audit Presentation – Brandon Blair – DeCoria, Maichel & Teague (dm-t) 9:00 a.m.

Earlier during the audit committee meeting the 2019 audit report was given by Certified Public Accountant Brandon Blair of dm-t via telephone conference. In attendance in Port Orford were CFO Frank Corrales, Controller Brian Cassoday, and Assistant Accountant Tonya Welch. The audit focused on utility plant, inventory, post retirement obligations, liabilities, equities and other assets on the balance sheet, and margins, revenue and expenses on the statement of operations. Blair reviewed the report of independent auditor, financial reports, and the compliance reports on internal controls and loan fund expenditures. The auditors issued a clean audit report. Blair answered questions from the Board.

A motion was made and seconded to approve, as presented by Blair, the 2019 CCEC Year End Audit Report. The motion was seconded and unanimously carried.

D. COVID-19 – Hold on Disconnects and Late Fees

GM/CEO Bischoff has implemented a temporary policy for a period of four weeks effective March 17, 2020 that will discontinue collections related to disconnects for all rates/classes, reduce late fees to 0%, and discontinue disconnection of prepay accounts who exhaust their balances. As CCEC transitions back from the moratorium period to traditional billing we will allow members to amortize an arrears balance for up to three months. A motion was made and seconded to approve the temporary leniency on disconnects and late fees as written by GM/CEO Bischoff, a copy of which is attached, and the motion

passed unanimously. Bischoff advised the Board that the initial four-week period may need to be extended depending on how the pandemic evolves.

E. Director Elections – Petitioning During COVID-19 Restrictions

The CCEC bylaws were reviewed to determine if other methods of obtaining signatures were possible due to social distancing requirements of the COVID-19 Executive Order in place in Oregon. It was determined that the original signatures of fifteen (15) members is still possible, and could be obtained electronically, so no adjustment to the 2020 nomination by petition process need be considered.

F. Proposed Bylaw Revisions for 2020 CCEC Ballot

Earlier in the Bylaws committee meeting the committee reviewed proposed bylaw changes recommended by CCEC Legal Counsel Pepple. The recommended changes include provisions to include Broadband, Electronic Voting, Vote by Acclamation, Immediate Retirement of Capital Credits due to Member Bankruptcy, and clauses for the Settlement of Member Disputes by Arbitration and a prohibition on class action suits against CCEC. The Committee discussed each proposed recommendation individually. The committee recommended including three topics on the ballot. Those were 1) Broadband, 2) Electronic Voting, and 3) Immediate Retirement of Capital Credits due to Member Bankruptcy. The committee recommended excluding three topics 1) Vote by Acclamation, 2) Clauses for Settlement of Member Disputes by Arbitration, and 3) Prohibition on class action suits against CCEC. A motion was made to accept the committee's recommendation, with separate votes for each topic. The motion was seconded and approved unanimously.

V. EXECUTIVE SESSION

The regular Board meeting adjourned to an executive session at 12:36 p.m. to

discuss member issues, contract matters, and employee issues. The regular Board meeting reconvened at 1:36 p.m.

VI. ADJOURN

The next regular meeting of the Board of Directors is scheduled for Thursday, April 23, 2020, at CCEC's office in Gold Beach, Oregon.

The meeting adjourned at 1:37 p.m.

/s/ Jim Kolen
Jim Kolen, Secretary

ATTEST:

/s/ John Herzog
John Herzog, President