

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
July 23, 2020

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:41 a.m. on Thursday, July 23, 2020, by President John Herzog, in the conference room at CCEC Headquarters office, Port Orford, Oregon. This meeting was offered via video conference for board members electing to attend remotely due to social distancing as a result of COVID-19.

Vice President Cockerham called roll showing six directors in attendance and stated a quorum was present. Director Kolen was absent. Also present were General Manager/Chief Executive Officer (GM/CEO) Brent Bischoff and Executive Assistant Shelly Smith-Napier. Director McMahan and Marketing and Member Services Manager Jacob Knudsen were in attendance via video conferencing at the Brookings district office, and Director Radabaugh and General Legal Counsel Tyler Pepple were in attendance by phone.

A motion was made, seconded, to approve, as amended, 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 June 25, 2020 annual meeting of the Board of Directors. The motion carried unanimously.

A motion was made and seconded to approve, as presented, the minutes of the June 25, 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 06/2020; the members purge list for 07/2020, the GM/CEO's & Directors' expenses for 06/2020; and CCEC's attorney invoice. The motion carried unanimously.

III. MANAGER'S REPORT

Chief Financial Officer (CFO) Frank Corrales, Jr. arrived at 8:46 a.m. to give the financial report for June. In 2020 contributions in aid of construction total \$500K year to date in comparison to \$200K 2019 year to date. Operating revenue is \$7K better than budget, year to date gross margins are \$112K better than budget and total kWh sales in June 2020 is 6.8% lower than June of 2019. Overall, first six months of 2020 kWh sales are 1.76% lower than 2019 noting the biggest downturn is coming from commercial industrial members. Interest rates are at historic lows, interest earnings rates in 2020 are between 0.12% and 0.15%. In 2019 CCEC received \$77K year to date in interest income compared to \$48K in 2020. Total expenses excluding cost to purchase power are 6.09% under budget. Most of the June writes offs were attributed to Frontier Communications bankruptcy protection filing. Frontier has maintained they will pay as the courts allow them to do so. CCEC has written off the Frontier balance consistent with our standard practice. After discussion, Mr. Corrales departed the meeting at 9:53 a.m.

The June outage report was reviewed. Coquille had a 13-hour long outage that started at 2:00 a.m. based on historical meter data but no member reported the outage until 12:30 p.m. CCEC's new Aclara meters will automatically detect outages and notify Dispatch.

The quarterly outages reports were reviewed noting that the reports exclude major event days. Major event days are identified as storm events and are removed from the statistics with the intent to keep the statistics relative to how the system is performing under normal conditions.

There was no asset disposal list for June.

The June Write Off report was reviewed earlier during the financial report given by CFO Corrales.

The July safety report was reviewed. The July training topic covered for all outside employees was an online OR-OSHA Wild Land Fire training. There were no injuries during the month of June. During June a CCEC employee working in the field was bit by a small dog, the incident is not recordable since first aid was the only care administered.

The Tree Trimming report was reviewed. Crews are focusing their efforts on transmission lines as it is now dry enough to get heavy mowing equipment to those areas.

GM/CEO Bischoff reported on the Coos-Curry Electric Charitable Foundation (CCECF). The foundation has started to distribute donation checks, funded by grants from CoBank and United Way, to seven food banks in our local communities.

IV. ITEMS OF BUSINESS

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

BPA has suspended the BPA reserves surcharge of 1-1/2% average on customer power bills. The total savings to BPA customer base through September 2020 is approximately \$9M and will amount to an additional \$30M through 2021.

PNGC CEO Roger Gray will be attending CCEC's August board meeting to give a presentation on BPA risks and uncertainty. Gray will present the same topic in a more in-depth and expanded version during the PNGC August 5th education session.

PNGC, PPC and PNUC are continuing to hold all monthly meetings remotely.

B. Committee Reports

Policy Committee - The chair of the policy review committee, Director Kolen was absent and therefore Policy 200-070 was deferred for review until the August meeting.

Audit Committee - The chair of the audit review committee, Director Robison, has tabled the CCEC audit committee charter until further review of other cooperative audit committee charters.

C. Extend CCEC moratorium on Member Disconnects/Late Fees/Collections

GM/CEO Bischoff reviewed the moratorium on disconnects and late fees effective since March 17, 2020 and set to expire on July 31, 2020. Staff is recommending letting the moratorium expire on July 31. A plan has been drafted and is ready to implement for outreach to members with past due balances that will become subject for disconnect. Member Service Representatives will coordinate options with members to contact Oregon Coast Community Action (ORCCA) and/or set up a 6-month CCEC payment plan. Prepay members will have a percentage of each payment applied to their past due balance.

A motion was made and seconded to end the moratorium effective July 31, 2020 and the motion passes unanimously.

D. One-Time Early Capital Credit Distribution/Retirement to Seniors

CFO Corrales returned to the meeting at 9:41 a.m. In response to member Mary Rowe's request at the 2020 CCEC annual meeting, CFO Corrales discussed options for a one-time early capital credit distribution/retirement to seniors. Corrales reviewed the assumption used in the analysis noting approximately 41% of residential members would qualify for this distribution/retirement, he then discussed options on how CCEC's software could process such distributions/retirement and concluded with the financial impact to the Cooperative.

A motion was made and seconded to deny the request and revisit the topic at budget time this fall. The motion passed unanimously.

E. Common Good Food Bank of Port Orford

Director Robison had read a newspaper article about CCEC being involved in the Common Good semi-weekly food distribution to community members in Port Orford and inquired about what all was involved.

CCEC has donated the use of our warehouse loading dock in Port Orford to accommodate the need for a drive through food distribution location in order to allow for social distancing due to restrictions resulting from COVID-19. Common Good supplies the volunteers to set up, run, and clean up from the distribution process on alternating Wednesday mornings. There has been very minimal disruption to CCEC employees. No Common Good supplies or food are stored at CCEC.

F. Miscellaneous

1. CFC Special Meeting Voting Delegate – Delegate is Director Loshbaugh alternate is GM/CEO Bischoff.
2. NCSC Annual Meeting Voting Delegate – Delegate is Director McMahan alternate is GM/CEO Bischoff.

V. EXECUTIVE SESSION

The regular Board meeting adjourned to an executive session at 10:09 a.m. to discuss member issues, contract matters, and employee issues. The regular Board meeting reconvened at 12:19 p.m.

VI. ADJOURN

The next regular meeting of the Board of Directors is scheduled for Thursday, August 27, 2020 at CCEC's office in Port Orford, Oregon.

The meeting adjourned at 12:20 p.m.

/s/ Jim Kolen

Jim Kolen, Secretary

ATTEST:

/s/ John Herzog

John Herzog, President