

**COOS-CURRY ELECTRIC COOPERATIVE, INC.**  
**Minutes of the Regular Meeting of the Board of Directors**  
**September 24, 2020**

**I. PRELIMINARY**

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 9:22 a.m. on Thursday, September 24, 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.

Secretary Kolen called roll showing all directors in attendance and stated a quorum was present. Also present were General Manager/Chief Executive Officer (GM/CEO) Brent Bischoff, Marketing and Member Services Manager Jacob Knudsen, Chief Financial Officer Frank Corrales, Jr. and Executive Assistant Shelly Smith-Napier. Director McMahan 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 August 27, 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 08/2020; the members purge list for 09/2020, the GM/CEO's & Directors' expenses for 08/2020; and CCEC's attorney invoice. The

motion carried unanimously.

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

D. Comments on Broadband Project – Daris Bouthillier, Coos County IT Director

Coos County IT Director, Mr. Daris Bouthillier, arrived at 9:30 a.m. and introduced himself to the board. Mr. Bouthillier attended the Coos County Board of Commissioners Meeting last week where GM/CEO Bischoff and CCEC Special Projects staff member Recanzone presented CCEC's proposed Beacon Broadband project. Mr. Bouthillier expressed his support, as both a Coos County employee and CCEC member, in favor of the broadband project. Mr. Bouthillier responded to questions from the Board and departed the meeting at 9:52 a.m.

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

Chief Financial Officer (CFO) Frank Corrales, Jr. gave the financial report for August. Operating expenses, excluding the cost to purchase power, are \$113K less than 2019, this is an approximate 1.2% reduction from last year. Year-to-date operating revenue is \$66K better than budget. kWh sold during August are 2.26% higher than August 2019. Total kWh sales for the first eight months of 2020 are 1% lower than 2019. Accounts receivable write offs for 2020 are \$19K higher than 2019 mainly due to the bankruptcy of Frontier. After discussion, Mr. Corrales departed the meeting at 11:11 a.m.

The August outage report was reviewed. The Port Orford district experienced an outage on two circuits due to a failed BPA insulator in their Langlois substation. One significant car-pole accident shows up as four outages on the report due to a sequenced restoration. The outage affected approximately 700 members in downtown Gold Beach.

The asset disposal list for August was reviewed.

The August Write Off report was reviewed. This item was also discussed during the financial report.

The September safety report was reviewed. The September safety meetings were conducted earlier this week. The safety topics were Regulator and Reclosure Operations. Crews also completed their annual pole top rescue training this week. There were no safety accidents during the month.

The Tree Trimming report was reviewed. Tree trimming is below budget as we approach the winter storm season.

GM/CEO Bischoff reported on the Coos-Curry Electric Charitable Foundation (CCECF). As a result of COVID-19, the foundation is under budget for 2020. The foundation continues looking for new opportunities to serve our communities during COVID social distancing restrictions.

On Sept. 8 Lane Electric requested mutual aid from CCEC to help repair their system that has been badly damaged by the Mackenzie/Holiday Farm fires. CCEC sent a crew of four linemen, a line truck, service truck and foreman's truck to assist Lane with restoration. The CCEC crew worked 11 days restoring the most heavily fire-damaged parts of Lane Electric's system.

As a precaution during the extreme wildfire risk in CCEC's service territory, Operations personnel changed CCEC protection systems in high risk areas to the most sensitive configuration. This mitigates risk of a power system problem igniting a fire.

Governor Brown held a press conference last week stating some fires were reported to have been started by power lines. The electric utility industry is in the spotlight due to the negligence conviction against PG&E for deaths caused by the 2018 Camp Fire.

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

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

The termination agreement between PNGC and Umatilla Electric will take effect Oct. 1.

PNGC has created a risk management committee to evaluate risks

associated with market exposure and to ensure processes are compliant with risk strategies.

**B. Committee Reports**

Policy Committee - The chair of the policy review committee, Director Kolen, 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 #300-020 Member Accounts – as amended, and the motion carried unanimously.

Audit Committee - The chair of the audit review committee, Director Robison, stated the draft CCEC audit committee charter and audit evaluation checklist were reviewed earlier in the audit committee meeting. The charter will become CCEC policy #200-110 - Audit Committee Charter and Annual Audit Evaluation. A motion was made and seconded, to approve as amended, policy #200-110 Audit Committee Charter with the Annual Audit Evaluation and the motion carried unanimously.

**C. 10-year Financial Forecast**

Mr. Corrales returned at 10:48 a.m. to present the 10-year financial forecast. Mr. Corrales reviewed the assumptions used to create the financial forecast; kWh sales, cost of wholesale power, distribution and transmission plant investments, target TIER of 1.70, capital credits rotation cycle and early retirements, and a 2% inflation rate. Mr. Corrales reviewed the modified debt service coverage (MDSC) and equity levels for the next 10 years based upon a 1.70 TIER, he also showed the past 10-year history of TIER and MDSC. The forecast shows no rate increase will be needed until 2024 given current assumptions.

**D. Comments on Broadband Project – Daris Bouthillier, Coos County IT Director**

This item was discussed earlier in the minutes.

**E. Miscellaneous**

1. Public Power Council Annual Meeting is scheduled for November 5, 2020. The meeting will be virtual and Mr. Bischoff will forward the registration information to any board members who are interested in attending.
2. Touchstone Energy Annual Meeting – Mr. Bischoff has been designated as the voting delegate for the virtual meeting scheduled for December 10, 2020.
3. The November board meeting has been scheduled for Thursday, November 19<sup>th</sup>, 2020 and the December meeting has been scheduled for Monday, December 21<sup>st</sup>, 2020.
4. Board meeting dates for 2021 have been scheduled for the 4<sup>th</sup> Thursday of each month.
5. Federated Rural Electric Insurance Exchange - Director Cockerham has been designated as the voting delegate for the Federated board elections scheduled for October 12, 2020.

**V. EXECUTIVE SESSION**

The regular Board meeting adjourned to an executive session at 11:16 a.m. to discuss member issues, contract matters, and employee issues. The regular Board meeting reconvened at 2:18 p.m.

**VI. ADJOURN**

The next regular meeting of the Board of Directors is scheduled for Thursday, October 22, 2020 at CCEC's office in Port Orford, Oregon.

The meeting adjourned at 2:19 p.m.

/s/ Jim Kolen

Jim Kolen, Secretary

**ATTEST:**

/s/ John Herzog

John Herzog, President