

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Regular Meeting of the Board of Directors
January 27, 2006

I. PRELIMINARY

The Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:07 a.m. on Friday, January 27, 2006 by President/Chairman of the Board Hanscam in the conference room at the Cooperative's Headquarters Building, Port Orford, Oregon. Secretary Thomas called the roll, showing the following directors present: Hanscam, Thomas, Radabaugh, Combs, Itzen, Lund, and Doran. Also present were General Manager/CEO (GM/CEO) Werner Buehler, Chief Financial Officer (CFO) Doyle F. Eden, Executive Assistant Dian Marple, and Member & Public Affairs Director Christine Stallard. President/Chairman of the Board Hanscam recognized members of the audience and guests.

The proposed Agenda was approved as mailed.

II. CONSENT AGENDA

After a brief discussion and questions concerning a couple of checks, Director Thomas moved to approve all items under item II. Consent Agenda, including the minutes as mailed. Director Lund seconded and the motion carried.

III. MONTHLY FINANCIAL REPORTS

A. Budget Analysis

CFO Eden began his brief report with a review of the *Coos-Curry Electric Cooperative, Inc. Consolidated Year to Date Comparison, Actual/Previous Year/Budget*

(CCEC and SCSC) as of December 2005. CFO Eden reviewed revenues, direct costs, indirect costs, and margins. Margins are good. He distributed additional materials including graphs depicting a trend analysis of expenses and revenues from 1999 to 2005. CCEC did very well in 2005. The Form 7 was discussed briefly and GM/CEO Buehler and CFO Eden responded to questions. Director Combs moved to approve the financials as presented. Director Lund seconded and the motion carried.

IV. REPORTS

A. Power Supply Report/PNGC

GM/CEO Buehler reviewed PNGC's Board Summary. Current rain and snowfall is 102% of normal. This makes the outlook for spring very favorable. Of course, we will have to wait and see how much will be spilled for fish recovery.

B. Staff Reports

The board reviewed the Operations' Report including the outage report; the Engineer's Report including the substation load report (which shows a decrease in demand and an increase in energy sales) and the staking report; the Southern Division Report and the Member Services Department Report; and the Member & Public Affairs Report with various attachments.

It was suggested that President/Chairman of the Board Hanscam and Secretary Thomas, along with other appropriate directors, should schedule and speak at some "State of the Co-op" town meetings as part of the Communications Plan to help keep the membership informed of what is going on with the Co-op. GM/CEO Buehler responded to questions from the board. M&PA Director Stallard was instructed to put together a schedule of "State of the Co-op" town meetings for March and/or April.

Director Itzen asked questions and made comments regarding the road access and limitations to the Gold Beach and Brookings areas when Highway 101 is closed or limited.

The Member Survey is targeted for the first of February for NRECA to begin calling a random selection of CCEC members. Director Thomas asked about adding a question to the survey as to whether the member would be agreeable to changing the Round-Up Program to an automatic round-up and the member would then have to opt-out. The Member Survey was approved by the board for distribution with the addition of the round-up question.

C. ORECA Report

President/Chairman of the Board Hanscam gave a brief report on what is happening at Oregon Rural Electric Cooperative Association.

V. ACTION ITEMS

A. Safety Report

Following the reading and review of the January 2006 Safety Report. Director Combs moved to approve the Safety Report as presented. Director Lund seconded and the motion carried.

B. Policy Review Committee Proposal

1. Proposed Revised Policy Bulletin No. 2, Depositories, was reviewed. Director Thomas moved to approve proposed revised Policy Bulletin No. 2 as presented. Director Combs seconded and the motion carried.

2. Proposed Revised Policy Bulletin No. 21, Memberships in Organizations, was reviewed. Director Thomas moved to approve proposed revised Policy Bulletin No. 21 as presented. Director Lund seconded and the motion carried.

VI. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE

President/Chairman of the Board Hanscam asked for questions or comments from the audience.

Don Heinzen commented on his previous request for a copy of the Cost of Service Analysis (COSA) and his questions about increasing the minimum monthly charge from \$14 to \$33. He says he still have not received the information he requested. He came to this meeting to specifically register his disappointment in not having the information he requested made available to him by the Co-op. Mr. Heinzen stated that he believes the kWh rate should be raised so that the end user pays for the system. Director Thomas responded that the philosophy the CCEC Board follows is that the full-time users were subsidizing the part-time users and that raising the monthly charge is the fairest allocation of the costs to all users. GM/CEO Buehler stated that the Cooperative is working on getting the information out on the Cooperative's website in a summary form that all members will be able to understand.

David Pesonen from the Sixes River Alliance spoke next. He stated that the Sixes River group has determined that the Cooperative has a responsibility to maintain and control the gorse on its Right-of-Way, especially in the Sixes River area. The Alliance is requesting that the Co-op's weed control program be reestablished to help eradicate gorse on the Co-op's Right-of-Way between Elk River, Sixes River and Crystal Creek Rd. in an effort to help control the progress of gorse into the Sixes River Watershed. He stated that he was not at this meeting to argue or criticize. He just wanted to ask the Co-op to reestablish its weed control efforts in the Sixes River area. The weeds in the area between Elk River and Sixes River are at a stage where it is still feasible to keep the maintenance

level active. He also mentioned the flammable nature of gorse and that it can be a fire hazard to the electric company's system. President/Chairman of the Board Hanscam asked about the county's weed control program. The county's program is with the Watershed Council and they have some money to spend to help with the gorse eradication. Mr. Pesonen thanked the Board for their attention and hoped the Board will do something this year while the problem is still manageable. President/Chairman of the Board Hanscam responded that the Board would discuss the matter.

There were no other comments from the audience.

VII. OLD BUSINESS

There was no old business to come before the meeting.

VIII. NEW BUSINESS

A. Association Activities

The board reviewed various reports, notices, letters, and newsletters.

IX. CLOSED SESSION

Open session was adjourned at 11:27 a.m. and closed session reconvened at 11:38 a.m. and adjourned into open session at 4:17 p.m. The following items were approved in closed session:

A. Right-of-Way Weed Control Program – The Board agreed to allocate resources this year to reestablish the weed control program in the Cooperative's Right-of-Way between Elk River, Sixes River and Crystal Creek Rd. to help in the control and

eradication of gorse and to help curb the advance of gorse into the Sixes River Watershed.

B. Proposed Revised Policy Bulletin No. 13 – Line Extension Policy – The Board approved the revision of Policy Bulletin No. 13 as follows: to reduce of the non-refundable deposit from \$500 to \$250.

C. Donation of Retired Vehicles for Local High School Fundraisers – The Board approved the donation of one retired CCEC vehicle (of similar value) each to Bandon High School Project Graduation and to Pacific High School Project for their project graduation fundraisers. GM/CEO Buehler was authorized to approve similar requests from other local high school project graduation programs if received prior to the final disposal of the retired vehicles.

D. Annual Meeting Timeline – The annual meeting timeline was approved as presented.

E. Harbor Hill Developers/Landowners – The Board approved the proposed letter to the Harbor Hills area developers/landowners and agreed that it should be mailed out.

X. MEETINGS

The board took note of the following meetings:

February 24, 2006, CCEC Regular Board Meeting, Brookings OR

XI. ADJOURN

There being no further business to come before the Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc., the same was adjourned at 4:21 p.m.

/s/ Dale L. Thomas

Dale L. Thomas, Secretary

ATTEST:

/s/ Terry C. Hanscam

Terry C. Hanscam, President/Chairman of the Board