

**COOS-CURRY ELECTRIC COOPERATIVE, INC.**  
**Regular Meeting of the Board of Directors**  
**May 26, 2006**

**I. PRELIMINARY**

The Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:15 a.m. on Friday, May 26, 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 G. 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 with one addition under IV. Reports, D. BPA presentation.

**II. CONSENT AGENDA**

After a brief discussion and questions, a motion was made to approve all items under item II. Consent Agenda. The motion was seconded and unanimously 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 April 30, 2006.* CFO Eden reviewed revenues, costs, and margins, concluding that CCEC is doing well so far this year. The Form 7 was discussed briefly and GM/CEO Buehler and CFO Eden responded to questions. A motion was made to approve the monthly financials as presented. The motion was seconded and unanimously carried.

CFO Eden presented a brief history of South Coast Satellite Cooperative, Inc. (SCSC), including some financial information, a brief recap of SCSC investments and revenue, reporting a balance of about \$881,000 remaining after all of SCSC's liabilities were paid. He responded to questions from the board. President/Chairman of the Board Hanscam stated that recent criticisms aimed at the CCEC board for raising rates because of losses by SCSC are incorrect because SCSC did not lose any money. He also reminded the board and the audience that CCEC and SCSC got into the satellite TV programming business because a large contingent of members from the Brookings-Harbor area during the early 1990s strongly encouraged the CCEC board to either buy Falcon Cable in Brookings or get into the satellite TV programming business.

## **VI. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE**

President/Chairman of the Board Hanscam introduced Allen Heckert of the Sixes Rural Fire District. Mr. Heckert asked the board to authorize the moving of the pole located near the front of the Sixes Rural Fire District building, which the fire district believes is a safety issue. After a brief discussion which included the statement that it is believed that the building was built long after the pole was put in place and that, at the time it was built, the building could have been placed in a more advantageous position in regard to the pole, this item was tabled until a future meeting and President/Chairman

of the Board Hanscam agreed to stop and look at the pole and building and report back to the board at the next meeting.

#### **IV. REPORTS**

##### **A. Power Supply Report/PNGC**

GM/CEO Buehler reviewed items concerning Pacific Northwest Generating Cooperative (PNGC). GM/CEO Buehler reported that water supplies continue to be very good this year and responded to questions from the board.

##### **B. Staff Reports**

The board reviewed the Operations' Report including the outage report. There was a discussion concerning the Automated Meter Reader (AMR) technology and the fact that other cooperatives are already fully AMR capable which would provide other benefits such as reducing the need for capacity and reducing costs to CCEC. There was a brief review of the organic weed control applications. The Engineer's Report, including the substation load report and the staking report was reviewed. The Member Services and Southern Division Report (with attachments) was discussed. CCEC has made some investments in training the member services representatives (MSR). It was reported that the new phone system is working as designed. The Member & Public Affairs Report with various attachments also was reviewed.

##### **C. ORECA Report**

President/Chairman of the Board Hanscam gave a brief report concerning the activities of the Oregon Rural Electric Cooperative Association (ORECA) and on meetings he recently attended at ORECA. He reminded the board that the legislative session is coming up.

## **VI. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE (continued)**

President/Chairman of the Board Hanscam called for additional comments from the audience.

Mr. Rudi Breuer stated that he is a local contractor and that he has noted that CCEC is not promoting hot water circulating pumps and believes CCEC should be doing so.

## **V. ACTION ITEMS**

### **B. CurryISP Inc Proposal/Request**

President/Chairman of the Board Hanscam recognized Mr. Scottie Auble of the CurryISP Inc. Mr. Auble described CurryISP Inc as a local nonprofit corporation that is exploring the possibility of bringing high speed internet into the Port Orford area. He stated that the research that he and his group have done shows that high speed internet will not come to the Port Orford area unless the locals bring it here. CurryISP Inc is asking CCEC to consider providing equipment for future use, such as a bucket truck and ladders and like equipment. Trees and foliage will continue to be a problem. CurryISP Inc would also ask CCEC to allow CurryISP Inc to use CCEC's right-of-ways and poles to install internet cable. CurryISP Inc asked CCEC to provide a letter of support for the project and asked CCEC to be willing to look into ways to help the effort to bring internet to the Port Orford area as a needed community service. Mr. Auble spoke about "Broadband over Power Lines." The Port Orford group believes it has created a viable plan with towers and a broad coverage in the Port Orford area for wireless, high speed internet. They are also seeking grants and matching grants, some

of which are tied to creating new jobs.

President/Chairman of the Board Hanscam advised that the board would discuss this matter and report when the board had made a decision.

#### **IV. REPORTS (continued)**

##### **D. BPA Presentation**

President/Chairman of the Board introduced Claire Hobson of the Bonneville Power Administration (BPA). Ms. Hobson is an Account Executive on the Power Business Line and has been working at BPA for 21 years. Ms. Hobson advised that BPA's proposed contract for its customers is not finalized yet. It must go to the Department of Energy (DOE) and the Office of Management Budget (OMB) for approval and thus it does not know when the contract will be ready to present to BPA's customers. BPA is proposing a 20-year contract and they are cautiously optimistic about the proposal's approval.

The high water mark is the new gauge for allocating the 20-year contract to provide more certainty for the cooperatives and for BPA. BPA is a federal based system. There was continued discussion concerning the possibilities of purchasing power at Tier 1 prices or Tier 2 prices based on actual or projected net requirements, but Ms. Hobson advised that she was not able to talk about much of the details of the proposed contract. The Slice product also was discussed.

#### **VI. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE (continued)**

President/Chairman of the Board Hanscam called for additional comments from the audience.

Mr. Rudi Breuer advised that he was attending the meeting to voice a complaint concerning his customers, John & Suzanne Monks. He distributed a letter from the Monks and another letter from himself. Mr. Breuer stated that a long time ago the cooperative put a line in place on the property which the Monks have recently purchased. He thinks the new owner should not be responsible to move the line and that the cooperative should move it. President/Chairman of the Board Hanscam stated that there is no way to know what took place 30/40 years ago. The person who owned the property then might have authorized the power line placement at that time so it would not have been in the wrong place. There are probably no current employees who might have been involved with the placement of the power line back then. President/Chairman of the Board Hanscam advised that the board would review all the documentation, letters and records and decide if this matter should be referred to legal counsel for response.

There were no other comments or questions from the audience.

The meeting recessed at 12:49 p.m. and reconvened into regular session at 1:55 p.m.

## **V. ACTION ITEMS (continued)**

### **A. Safety Report**

Following review of the May 2006 Safety Report, a motion was made to approve the Safety Report as presented. The motion was seconded and unanimously carried.

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## **VII. OLD BUSINESS**

### **A. Report on Engineering Deposit Question**

GM/CEO Buehler advised the board concerning the research that had been done on the engineering deposit. There was a discussion and no action was taken.

## **VIII. NEW BUSINESS**

### **A. Association Activities**

The board reviewed various reports, notices, letters, and newsletters. There was a brief discussion concerning alternative generation such as wind power and wave power and GM/CEO Buehler responded to questions from the board.

GM/CEO Buehler advised the board that he had been nominated for Ernest & Young's Entrepreneur of the Year Award. Although he did not win the award, it was very nice to be nominated.

## **V. ACTION ITEMS (continued)**

### **B. CurryISP Inc Proposal/Request (continued)**

After a lengthy discussion about the CurryISP Inc request, the matter was tabled until CurryISP Inc obtains its grant.

## **IX. EXECUTIVE SESSION**

Regular session was adjourned at 2:15 p.m. into executive session and reconvened into regular session at 2:43 p.m.

Upon a motion duly made and seconded, the following resolutions were approved by the Board of Directors:

A. Attorney's billing – After a brief discussion, the board resolved to approve the attorney's billing statement as presented.

B. Moss-Adams' invoices– After brief discussion, the board resolved to approve the Moss-Adams' invoices as presented.

C. Member Requests for Information – After brief discussion, the board resolved to approve a member request under PB #64 for a map or graphic representation of service to a specific site, with member to reimburse CCEC for its production costs.

D. Defer Capital Budget Item #63 – After brief discussion, the board resolved to approve the deferring of capital budget item #63 and authorized the use of the funds to buy new reclosers and replace bad reclosers.

## **X. MEETINGS**

The board took note of the following meetings:

June 24, 2006, 68<sup>th</sup> Annual Meeting of the Members, Gold Beach OR  
June 30, 2006, CCEC Regular Board Meeting, Port Orford OR

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**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 meeting adjourned at 2:45 p.m.

/s/ Peter Radabaugh

Peter C. Radabaugh, Secretary

**ATTEST:**

/s/ Daryl C. Robison

Daryl C. Robison, President/Chairman of the Board