

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Regular Meeting of the Board of Directors
August 25, 2006

I. PRELIMINARY

The Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:13 a.m. on Friday, August 25, 2006 by President/Chairman of the Board Robison in the conference room at the Cooperative's Headquarters Building, Port Orford, Oregon. Secretary Radabaugh called the roll, showing the following directors present: Itzen, Robison, Radabaugh, Combs, Herzog, and Schlottmann. Also present were General Manager/CEO (GM/CEO) Werner G. Buehler, Controller Frank Corrales, and Executive Assistant Dian Marple. Legal Counsel Michael G. Hanlon was in attendance. President/Chairman of the Board Robison recognized members of the audience and guests.

The proposed Agenda was approved as amended, adding under New Business B. Board Report to Members.

II. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE

President/Chairman of the Board Robison called for remarks or comments from the audience.

Member Evan Kramer asked if energy conservation programs would be made available to members. President/Chairman of the Board Robison responded that the board is still looking into the cost effectiveness of those programs. Mr. Kramer also asked about outsourced jobs being brought back to Port Orford and about the possibility of the board reducing rates. President/Chairman of the Board Robison responded that

the board is still discussing outsourcing issues and contracts and the possible reduction of the rates.

Member Rick Hazard asked if the cooperative will be providing a solar rebate program and asked the board to consider setting up a program to give a member a rebate if the member installs solar panels. GM/CEO Buehler advised that the federal government and state government both have a process whereby tax credits could be obtained for solar installations. Mr. Hazard stated that he was aware of those tax credits but he is asking CCEC to create an additional rebate program for solar panels.

Member Don Jenson stated that in regard to conservation, the Oregon legislature passed a law in 1981 that all public utilities must participate in a conservation program, including heat pump programs, weatherization loan programs, etc. Mr. Jenson stated that the statute is still in effect. Mr. Jenson also asked a question concerning the round-up program.

III. CONSENT AGENDA

After a brief discussion and questions, a motion was made to approve Items A through E under the Consent Agenda. The motion was seconded and carried with Director Schlottmann voting NO. Mr. Schlottmann stated that he would like to see a more detailed description on the list of checks so he will know what he is approving. Management will send a “key” out (providing more detail on the categories of expenditures) with the next list of checks.

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IV. MONTHLY FINANCIAL REPORTS

A. Budget Analysis

Controller Corrales gave a brief overview of the budget and the Form 7 as of July 31, 2006. Controller Corrales reviewed revenues, costs, budget and margins, concluding that CCEC came in very close to budget for the month. Controller Corrales responded to questions from the board. A motion was made to approve the monthly financials as presented. The motion was seconded and unanimously carried.

V. REPORTS

A. Staff Reports

The board reviewed the Operations Report including the outage report. The Engineer's Report (including the substation load report and the staking report and variances) also was reviewed. The Member Services and Southern Division reports (with attachments) were discussed. The Member & Public Affairs Report and the Communications report with various attachments also were reviewed.

B. ORECA Report

Director Combs gave a very brief report on the Oregon Rural Electric Cooperative Association meeting.

C. Strategic Planning Session Report

Director Itzen stated that he believed that the Strategic Planning Session (SPS) was a good expenditure of time. President/Chairman of the Board Robison concurred and reported on some of the items that had been discussed at the SPS: meter charge & rates; financial impact of potential changes to the system and appropriate planning; the slice true-up; budget process, round-up program; review of

policies; cash flow from 2006 – 2012 and capital investments; board meeting location; retire 1972 capital credits; and, most importantly, power supply. Robison stated that it was a great opportunity for the directors to communicate frankly and work together.

D. Policy Review Committee Report

Policy Review Committee Chairman Combs stated that the committee had met on August 8th in Gold Beach and that the committee had agreed on policy bulletins (PB) as follows: PB #59 is acceptable as written; PB #64 is to be changed so the GM/CEO is able to handle most member requests but can submit member requests to the board for board action as appropriate; and PB #69 is acceptable as written. PB #13 requires recommendations by management and PB #20 and PB #52 will require some additional discussion.

VI. ACTION ITEMS

A. Safety Report

Following a review of the August 2006 Safety Report, a motion was made to approve the Safety Report as presented. The motion was seconded and unanimously carried. GM/CEO Buehler responded to questions regarding the wellness program.

B. Description of Duties of President/Chairman of the Board

The board reviewed a compilation of the materials that were provided in the board packet concerning a list of duties for the president/chairman of the board. There was a brief discussion and responses to various questions, after which a motion was made to approve the list of duties of the president/chairman of the board. The motion was seconded. There was additional discussion, and a motion was made to

amend the list of duties. The motion to amend was seconded. Discussion ensued and a second motion to amend the list of duties was made and seconded. The first motion to amend the list of duties carried and the second motion to amend the list of duties carried. The original motion to approve the list of duties of the president/chairman of the board, as amended, unanimously carried.

C. Timeframe/Schedule Budget & Budget Workshops

After a lengthy discussion, a board budget workshop was scheduled for November 13, 2006, at CCEC in Port Orford, beginning at 8:00 a.m. There will be pre-budget meetings scheduled preceding or following the September and October board meetings.

D. Member Meetings in All Areas

The board discussed having board meetings held in areas other than Port Orford. It was agreed that management would attempt to schedule meetings in each of the four CCEC areas for directors and management to meet with members to listen and respond to their concerns and questions. The response and attendance would be assessed after the meetings. It was suggested that perhaps there should be a meeting in each area once a year with the exception of having two meetings in Brookings. The meetings will be scheduled to begin at 7 p.m. and all board members will be asked to attend all meetings if at all possible. GM/CEO Buehler was asked to attend the meetings. These meetings would not be formal board meetings but simply events where the members can meet with board members in their own areas.

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.

B. Report to Members

There was a brief discussion concerning the possibility of sending out a "Report to Members" that would provide members with a brief overview of what is occurring at board meetings and at the cooperative. It was suggested that the report be a letter from the board and submitted as a bill stuffer. The use of newspaper publications was also discussed and it was noted that press releases are both subject to being edited by the newspaper and sometimes are not printed. It was agreed that there should be a letter prepared from the board, reviewed by all board members, and subsequently submitted to the printer for stuffing and mailing in appropriate billing statements to the members. This communication method will be used on a trial basis for one month with management providing a cost analysis for the board to determine if it appears to be cost effective.

IX. EXECUTIVE SESSION

Regular session was adjourned to executive session at 11:37 a.m. and reconvened in regular session at 4:41 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. Harbor Hills/Crown Terrace System Backbone – After lengthy discussion, the board resolved to approve the rebuilding of the power line up to the Harbor Hills/Crown Terrace area and to increase the budget to include the rebuild in the amount of \$92,000.

C. Sixes Rural Fire Protection District Request – After a lengthy discussion of additional information regarding the moving of the pole for the Sixes Rural Fire Protection District as requested, the board resolved that in addition to moving the pole as set forth at the July meeting, CCEC will waive the \$250 work order deposit fee, will pay the trenching costs on the cooperative's side of the meter and will pay any charges assessed by Charter Communications for Charter's splice because the pole is moved. Sixes Rural Fire Protection District will be responsible for all trenching for the member's side of the service and for moving the meter base.

D. Requests for Donation/Contribution – After discussion, the board resolved to approve the following requests for donation/contribution:

1. Curry Health Foundation – A cash donation/sponsorship of \$500 to support health care projects in Curry County.

X. MEETINGS

The board took note of the following meetings:

September 29, 2006, CCEC Regular Board Meeting, Port Orford OR.

