

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Regular Meeting of the Board of Directors
September 29, 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, September 29, 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 and CEO (GM/CEO) Werner G. Buehler, CFO Doyle Eden, Executive Assistant Dian Marple, and Member & Public Affairs Director Christine Stallard. Legal Counsel Michael G. Hanlon was in attendance. President and Chairman of the Board ("Chairman") Robison recognized members of the audience and guests.

The proposed Agenda was approved.

II. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE

Chairman Robison called for remarks or comments from the audience.

Member Don Jenson stated that he had had several members call him to ask questions about EMF readings, heat pumps, and various other items. He advised that he has no problem answering questions for members and helping his neighbors and the community.

Member Evan Kramer asked if the board had reconsidered its earlier outsourcing decisions so that billing and mailing jobs could be brought back to Port Orford and the

cooperative could retain local legal counsel. Mr. Kramer stated that he thinks CCEC should bring those jobs back to Port Orford to “support the community and the local economy” even if it costs more. Chairman Robison responded that the board is still reviewing outsourcing issues and the subject will be discussed soon as part of the budget process.

Member Kay Jenson asked if she could obtain information concerning a CCEC employee and whether the board has access to personnel files. Chairman Robison responded that, in the absence of allegations of corruption or similar misconduct or illegality, the board does not have access to that kind of information. Legal Counsel Hanlon stated that personnel matters cannot be discussed in public board sessions because employees by law have certain privacy rights with respect to personnel records.

Member Louis Mincer asked if the board has reviewed the potential reduction of the minimum rate/meter charge. Chairman Robison responded that the minimum rate/meter charge will be included in the budget process and they hope to have a decision by the November board meeting. The board plans to evaluate expenditures so the budget can be approved at the December board meeting.

III. CONSENT AGENDA

A motion was made to approve Items A through E under the Consent Agenda. The motion was seconded and carried with Director Schlottmann and Director Herzog voting NO.

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IV. MONTHLY FINANCIAL REPORTS

A. Budget Analysis

CFO Eden gave a brief overview of the budget and the Form 7 as of August 31, 2006. CFO Eden reviewed revenues, costs, budget, CFC Patronage Capital and margins, concluding that so far CCEC is having a good year. Power costs and sales have been good this year. GM/CEO Buehler responded to questions from the board concerning the True-Up calculations. 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 activities of the Oregon Rural Electric Cooperative Association (ORECA). There was a brief discussion concerning potential renewable energy mandates.

Chairman Robison advised the board that it must appoint a designated representative to the ORECA board. A motion was made, seconded and unanimously carried to appoint Grant Combs as CCEC's designated representative to the ORECA board of directors.

C. NRECA Region IX Mtg, CFC Mtg & NISC Mtg Report

Chairman Robison gave a brief report on the NRECA Region IX Meeting that he had recently attended. He reported that it was highly informative and beneficial to attend this presentation. Chairman Robison stated that he learned a great deal from personal interaction with representatives from other cooperatives. He reported on various resolutions that had been presented and voted on at the Region IX Meeting. Some of those resolutions were to attempt to broaden the definition of renewable energy to include hydroelectric power, to create engineering standards within the cooperative group, and to discourage mandates and encourage incentives. Robison also stated that Action Committee for Rural Electrification (ACRE) is an important educational tool that needs to be communicated to CCEC's members.

D. NWPPA-BPA Allocation Conference Report

Director Radabaugh spoke about the recent Northwest Public Power Association (NWPPA)-Bonneville Power Administration (BPA) Allocation Conference in Portland. He described it as a "regional dialog" to discuss how to distribute the BPA allocation after 2011. BPA will meet the needs of CCEC until 2011 but will not meet the needs of CCEC as it grows. The "high water mark" to determine CCEC's BPA allocation will be taken in 2010. The cooperative's power consumption during 2010 will constitute CCEC's Tier 1 allocation. If CCEC grows after that 2010 time period, CCEC must either buy power from BPA in Tier 2 at much higher prices or buy power from other sources at presumably equally high or higher prices.

E. Policy Review Committee Report

Policy Review Committee Chairman Combs stated that the committee had met earlier today. Combs advised that there are several board policies that are still

under review and discussion.

F. CCEC Board Education in Lieu of Attending Elsewhere

There was a brief discussion concerning the costs of bringing NRECA trainers to Port Orford to conduct directors' education. The board agreed that the costs to bring trainers to Port Orford are prohibitive. Director Combs reported that ORECA in partnership with NWPPA is trying to put together NRECA classes in Oregon that directors from all northwest cooperatives would be able to attend at more reasonable costs.

VI. ACTION ITEMS

A. Safety Report

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

B. Appoint CCEC Representative to ORECA Board of Directors

It was noted that Director Grant Combs had been appointed earlier in the meeting by a motion duly made, seconded and carried, to be the CCEC representative to the ORECA board of directors.

VII. OLD BUSINESS

There was no old business to come before the meeting.

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VIII. NEW BUSINESS

A. Association Activities

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

There was a brief discussion concerning the possibility of giving money back to the members in the form of free kWh or in some other form. No action was taken pending discussion concerning rates and fees during the upcoming budget process.

IX. EXECUTIVE SESSION

Regular session was adjourned to executive session at 11:39 a.m. and reconvened in regular session at 3:36 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. Coffin Butte Phase-Two Proposed Board Resolution No. 617– After lengthy discussion, the board resolved to adopt proposed board Resolution No. 617, as presented, to approve the Coffin Butte Phase-Two Subscription Amendatory Agreement and to authorize GM/CEO Buehler to sign the agreement.

C. Legal Counsel Present at all Meetings – After a brief discussion, the board resolved that for legal counsel to be “in attendance,” legal counsel should only be required to be available by telephone at the time of CCEC regular board meetings.

D. Scope of Production for CCEC's 2007 Annual Meeting of the Members – After discussion, the board resolved that the CCEC 2007 annual meeting of the

members be held in Brookings and should include a barbeque chicken luncheon and a health fair.

X. MEETINGS

The board took note of the following meetings:

October 27, 2006, CCEC Regular Board Meeting, Port Orford 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 meeting adjourned at 3:38 p.m.

/s/ Peter Radabaugh

Peter Radabaugh, Secretary

ATTEST:

/s/ Daryl C. Robison

Daryl C. Robison, President/Chairman of the Board