

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Regular Meeting of the Board of Directors
November 28, 2006

I. PRELIMINARY

The Regular Meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:05 a.m. on Tuesday, November 28, 2006 by President/Chairman of the Board (Chairman) 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, CFO Doyle Eden, Executive Assistant Dian Marple, Member Services Manager Lauren Porsch, and Member & Public Affairs Director Christine Stallard. Chairman Robison recognized members of the audience and guests.

The proposed Agenda was approved as amended.

II. REMARKS & COMMENTS BY MEMBERS OF THE AUDIENCE

A. Chairman Robison called for remarks or comments from the audience.

Member Paul Stephan advised the board that he was a little confused as to some of the fees involved in the net metering policy. Chairman Robison responded that Mr. Stephan's questions regarding net metering would be discussed at a later meeting. The board is planning a net metering workshop and the board expects to have some clarification of Mr. Stephan's questions regarding fees and insurance following that workshop.

Member Hannah Barton described what happened to her horse in her

pasture and advised the board the Federated Insurance has denied her claim. Chairman Robison responded to Ms. Barton that her claim would be reviewed in executive session.

Jason Bodewig of Jensen's Tree Service made a presentation to the board. He stated that he wanted to talk about comments that had been made in a previous public board meeting by Director Gary Schlottmann about tree trimming in the Gold Beach area and that the tree trimming company was "doing a lousy job" of trimming trees, which comments were published in the *Port Orford Today*. Comments were made and questions were asked. Mr. Schlottmann stated that he did not attack Jensen's Tree Service and did not even know what company was trimming trees. Mr. Bodewig responded that "everyone knows that Jensen's works for Coos-Curry Electric" and that he had received numerous calls from members concerning the comments made in the public meeting that were published. Mr. Bodewig continued his presentation, showing a picture of the transmission tower that was taken from the same angle as the photo previously distributed by Mr. Schlottmann. Mr. Bodewig then showed another picture of the same tower taken from a location quite some distance down the road, which photo showed that the tower is at that angle clear of trees or brush. Mr. Bodewig said it was the angle of the first photo that made it look like there were trees around the tower. Mr. Schlottmann apologized to Jensen's Tree Service saying that he "never intended it to be taken that way." He stated that Coos-Curry budgets 1.8 million per year and that "as a board member, it's my job to have management look into this matter." Mr. Phil Jensen and Erik Jensen both made statements concerning Mr. Schlottmann's comments, particularly noting that Mr. Schlottmann's comments could have caused several landowners to refuse or to be

reluctant to allow Jensen's Tree Service access to their property to cut trees and brush as necessary to clear CCEC's right-of-ways.

Chairman Robison advised that the conduct of board members and what board members should and should not say or should and should not be involved in will be discussed in an upcoming board workshop.

Member Evan Kramer asked about outsourcing and rate structure. Chairman Robison responded that the board is working on the budget and hopes to announce its decisions on outsourcing and rates at the December board meeting.

Member Louis Mincer passed out a letter to the board concerning alternative energy matters.

Member Guy Mullan spoke to the board about his rental units and the cooperative's flat rate fee. He asked if the fee will go up or down in the future. Chairman Robison responded that the board is working on the rate structure and will make a decision soon. Mr. Mullan stated that some of his renters are on fixed incomes and are struggling to survive every month. Mr. Mullan stated that the \$200 connect fee needs to be reassessed. Chairman Robison responded that the board has already reviewed the connect fee issue and will be taking action on a revised policy later today.

B. Curry County Commission Marlyn Shafer and Curry County Economic Development Director Susan Brown were introduced and invited to make their presentation. Commissioner Shafer advised that she is asking the board for a check for \$10,000 from the cooperative to support a county project that is in the planning stage to provide a redundancy line to loop high speed telecommunications connectivity. The county is trying to be the vehicle to provide the service availability and it expects to find a company to provide the actual service. EDD Brown reported on the status of the

project. Commissioner Shafer and EDD Brown responded to questions from the board. Chairman Robison advised Commissioner Shafer that the CCEC board will discuss the request and that CCEC management will notify the County of the board's decision.

III. CONSENT AGENDA

There was a brief discussion concerning the consent agenda. A motion was made to approve Items A through E under the Consent Agenda. The motion was seconded and, following a question to CFO Eden, the motion carried with Director Schlottmann casting a nay vote.

IV. MONTHLY FINANCIAL REPORTS

A. Budget Analysis

CFO Eden gave a brief review of the cooperative's financials, including margins, as of September 30, 2006. CFO Eden continued his presentation with a summary of the Form 7 as of September 30, 2006. He also reviewed the cooperative's revenues, costs, budget, and margins, concluding that so far CCEC is very close to budget. CFO Eden responded to questions from the board concerning the PNGC true-up at the end of the year, the member outage hours, the percentage of debt to assets, consumer accounts expense and investments in National Rural Utilities Cooperative Finance Corporation, Sterling Bank and Chetco Federal Credit Union. A motion was made to approve the monthly financials as presented. The motion was seconded and unanimously carried.

V. REPORTS

A. Staff Reports

Staff reports were discussed briefly. Chairman Robison described the reports as very thorough.

B. ORECA Report

Director Combs gave a very brief report on the activities of the Oregon Rural Electric Cooperative Association (ORECA).

C. Policy Review Committee Report

Policy Review Committee Chairman Combs stated that the committee had met earlier today. Committee Chairman Combs advised that the policy review committee has recommended the following:

PB#20 Termination of Service for Non-Payment of Energy Bills - that proposed revised Policy Bulletin No. 20 be adopted as presented. A motion was made and seconded to adopt proposed revised Policy Bulletin No. 20 as presented. After additional dialog, an amendment to the motion was made and seconded to make the revision to Policy Bulletin No. 20 effective 12/4/2006. Chairman Robison called for a vote on the amended motion and the motion carried unanimously.

PB#52 Service Connection Fees - that proposed revised Policy Bulletin No. 52 be adopted as presented. A motion was made and seconded to adopt proposed revised Policy Bulletin No. 20 as presented. After additional dialog, an amendment to the motion was made and seconded to make the revision to Policy Bulletin No. 52 effective 12/4/2006. Chairman Robison called for a vote on the amended motion and the motion carried unanimously.

PB#64 Member Information Request - that proposed revised Policy Bulletin No. 64 be adopted as presented. A motion was made to adopt proposed

revised Policy Bulletin No. 64 as presented. The motion was seconded and carried unanimously.

PB#83 Equity Management - that proposed Policy Bulletin No. 83 be adopted as presented by the policy committee. A motion was made to adopt proposed Policy Bulletin No. 83 as presented by the policy committee. The motion was seconded and carried unanimously.

D. Round-Up Program

M&PA Director Stallard reported on the Round-up Program project and the steps she has taken to advertise the program.

VI. ACTION ITEMS

A. Safety Report

Following a review of the November 2006 Safety Report, a motion was made to approve the Safety Report as presented. CFO Eden and GM/CEO Buehler responded to questions from the board. The motion was seconded and unanimously carried.

VII. OLD BUSINESS

There as no old business to come before the meeting.

VIII. NEW BUSINESS

A. Association Activities

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

IX. EXECUTIVE SESSION

