

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
September 28, 2007

I. PRELIMINARY

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. ("CCEC") was called to order at 8:37 a.m. on Friday, September 28, 2007 by President/Chairman of the Board ("chair") Combs in the conference room at the cooperative's headquarters, Port Orford, Oregon. Secretary Radabaugh called the roll, showing the following directors present: Robison, Radabaugh, Combs, Herzog, Schlottmann, and Kitchen. Also present were Interim General Manager/CEO ("GM/CEO") Roger Meader, Executive Assistant Dian Marple, and Member & Public Affairs Director Christine Stallard.

The proposed agenda of this meeting, as amended, was approved.

Chair Combs advised the board that no CCEC members had applied under PB#76A to attend the board meeting and speak to the board.

A motion was made, seconded and unanimously carried to approve, as written, the minutes of the August 23 & 31, 2007 regular board meeting and to approve, as amended, the minutes of the September 7, 2007 special board meeting.

II. CONSENT AGENDA

The board held a brief dialog concerning the consent agenda. A motion was duly made, seconded, and unanimously carried to approve Items A through F under the consent agenda, to-wit: the list of general & operating checks for 8/2007; the write-off

list by district through 9/17/2007; the purge list for 8/2007; the list of new memberships for 8/2007; the cooperative attorney's(s') invoices; and the GM's & directors' expenses for 8/2007.

III. MANAGER'S REPORT

GM/CEO Meader briefly reviewed the cooperative's financial condition, advising the board that the margins are fine and that the cooperative is very close to budget at this time. Revenue is lower than expected and the GM/CEO is watching the financial situation closely. The outage report and the September 2007 safety report were reviewed. The September safety report included September safety meetings on proactive driving and mayday training for all employees. The manager's financial and safety reports were approved by a motion duly made, seconded, and unanimously carried.

VI. OLD BUSINESS

There was no old business.

V. ITEMS OF BUSINESS

B. Billing Options

CFO Doyle Eden joined the meeting to give a presentation regarding billing options available to the cooperative, which presentation included comparisons between two outside billing companies and two in-house billing scenarios. The board listened to recommendations by management and the matter was tabled to await additional information requested by the board.

C. Cash Collections Options

CFO Eden presented the board with available options in regard to the cooperative's remittance – cash collections of checks that are received as payment of electricity billings. He talked about the options with the most value to the membership, the employees, the management, and the board. Technology is available to have imaged payments and paperless remittance. The CFO and the GM/CEO responded to questions from the board. A motion was made to accept management's recommendation to approve the cash collections option that will be the best fit with the new billing software and to accept Comsquared's proposal. The motion was seconded and unanimously carried.

D. Policy Committee Recommendations

- Proposed, revised PB#57 Directors' Insurance Benefits – The board reviewed proposed changes to PB#57. A motion was duly made, seconded, and unanimously carried to approve as submitted proposed, revised PB#57.
- Proposed PB#87 Director Duties and Standards of Conduct and Performance - After a brief review by the board and a dialog regarding whether the policy should include director penalties or sanctions, a motion was duly made, seconded, and unanimously carried to approve as amended proposed PB#87. The policy review committee will review the question of whether the policy should include penalties or sanctions.

E. By-Laws Committee - Discussion

The board agreed that each committee member, including the GM/CEO,

should review the cooperative's by-laws and note recommended changes. The general counsel and the EA would be asked to make the same review and comment. A committee meeting was scheduled.

The regular session adjourned to executive session at 11:11 a.m. to discuss potential litigation and contract matters. The regular session reconvened at 12:30 p.m. The following were discussed in executive session:

F. City of Brookings Issue

The board discussed in executive session the matter concerning a potential utility in the City of Brookings. A motion was made, seconded, and unanimously carried that the GM/CEO and two directors should meet with the Brookings mayor and a couple of city council members to deliver a letter of response to the City of Brookings' letter and to discuss the situation.

G. Potential Contract and/or Easement Issues

The board discussed in executive session member easement and potential contract issues. By a motion made, seconded, and unanimously carried, the board authorized the GM/CEO to attempt to settle some easement/contract issues within certain guidelines.

I. MIR Under PB#64

The board discussed in executive session a member information request under PB#64. After a brief discussion, a motion was made, seconded, and carried to deny the member information request. Director Kitchen cast a no vote.

A. Communications Plan

Member and Public Affairs Director Christine Stallard introduced the cooperative's proposed communications plan for 2008. Her presentation included a power point presentation and the communications budgets for 2007 and 2008. Following a lengthy discussion, a motion was made, seconded, and unanimously carried to approve the Communications Plan and budget for 2008 and to release all of the funds for the communications plan from the 2007 budget that were on hold. Christine will reevaluate the item in the 2008 communications plan of \$20,000 for print ads.

H. Wholesale Power Issues

Wholesale power was discussed at length.

J. Proposed Financial Forecast Scenarios

There was a dialog concerning the financial forecast scenarios to be proposed.

K. Medical Insurance Meetings and Financial Impacts

The GM/CEO reported on the medical insurance meetings with employees and retirees and the financial impacts of the changes.

L. Oregon NRECA Board of Directors Election – Vote by Mail

The chair reported that only one person was running for the Oregon NRECA board position. A motion was made, seconded, and unanimously carried to mark the Oregon NRECA board position ballot in favor of Bryan Wolfe.

M. 2008 Budget - Discussion

There was a brief dialog during which management asked for any input from directors.

N. Miscellaneous Issues

There was a discussion/dialog concerning the following miscellaneous issues on which no action was taken:

- Low Density Discount for 2008
- Workers' Comp Insurance for 2008 – Rates dropped for 2008
- Audit Bid Requests – Three bids are expected
- Loan Re-rates
- 2008 Budget

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. adjourned to an executive session at 2:40 p.m. to discuss personnel issues and reconvened into regular session at 2:44 p.m. The chair was authorized by motion duly made, seconded, and unanimously carried to sign a memorandum of understanding on behalf of the cooperative to resolve a potential personnel issue.

O. Disposal List

A motion was made, seconded, and unanimously carried to approve the disposal list as presented.

P. Proposed Bank Resolution

The GM/CEO advised the board of the purpose of the proposed bank resolution. A motion was made, seconded, and unanimously carried to adopt the proposed bank resolution for Chetco Federal Credit Union for signatures, a copy of which is attached hereto and incorporated herein by reference, authorizing the execution of new signature cards.

