

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
October 26, 2007

I. PRELIMINARY

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. ("CCEC") was called to order at 8:33 a.m. on Friday, October 26, 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: Combs, Robison, Radabaugh, Herzog, Schlottmann, and Kitchen. Also present were General Manager/CEO ("GM/CEO") Roger Meader and Executive Assistant Dian Marple.

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 September 28, 2007 regular board meeting and executive session.

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 E under the consent agenda, to-wit: the list of general & operating checks for 9/2007; the write-off list by district through 10/17/2007; the list of new memberships for 9/2007; the cooperative attorney's(s') invoices; and the GM's & directors' expenses for 9/2007.

III. MANAGER'S REPORT

GM/CEO Meader briefly reviewed the cooperative's financial condition. The outage report and the October 2007 safety report were reviewed. The October safety meetings included training on Automated External Defibrillators (AED). The financials presented under the manager's report were "filed for audit." The safety report was approved by a motion duly made, seconded, and unanimously carried.

Director Robison commended staff for maximizing the cooperative's interest income.

VI. OLD BUSINESS

There was no old business.

V. ITEMS OF BUSINESS

A. ACRT Tree Trimming Recommendation Presentation

Representatives from ACRT, Inc. & Arbor Intelligence (Ai), LLC and several CCEC employees were introduced to the board. The ACRT representatives presented their findings from the data collected and analyzed during the recent tree trimming study. ACRT studied the need, justification, procedures, safety, and effectiveness of the cooperative's line clearance maintenance programs and offered strategies to maximize value, realize long-term cost savings, maintain greater vegetation control, and offer better customer service. There was a lengthy discussion of ACRT's study and CCEC's tree trimming practices and supervision of the tree crews and whether the cooperative is using the tree trimming budget in the most cost effective

way. GM/CEO Meader presented his recommendations to the board, which included an increase in the tree trimming budget, a more aggressive approach, especially in the Brookings area, and to implement the herbicide philosophy as recommended by ACRT. Staff was asked to do some research to find some eco-friendly herbicides. The tree trimming matter was tabled until the next board meeting to allow the board time to read ACRT's study document.

B. Policy Committee Recommendations

- PB#87 Director Duties and Standards of Conduct and Performance – Following discussion, the board agreed to table the discussion of sanctions and penalties until the next policy committee meeting so general counsel can be available for the discussion.
- Computer/Internet/E-mail Use Policy – was not available for review.

C. City of Brookings Issue

The board held a lengthy dialog concerning a recent meeting between CCEC's GM/CEO and two directors and Brookings' mayor, city manager, and one city councilman. No action was taken.

D. Wholesale Power Issues – PNGC/BPA

Wholesale power was discussed briefly.

E. 2008 CCEC Annual Meeting – Schedule Date & Scope of Meeting

After a brief discussion, the board agreed, by consensus, that the 2008 annual meeting will be held on Saturday, June 21, 2008, at the Bandon High School, Bandon, Oregon, to begin at 10 a.m. until about 12 p.m., serving light refreshments and if possible, featuring a health fair. This schedule will allow the meeting to be over by noon and everyone to enjoy the remainder of the day.

F. ORECA – Appoint CCEC Representative to ORECA Board

A motion was made, seconded, and unanimously carried to appoint Grant Combs as Coos-Curry Electric Cooperative's representative to Oregon Rural Electric Cooperative Association's (ORECA) board of directors.

G. Billing Options Review

CFO Eden came before the board to review the cooperative's billing options and respond to questions from the board. Following a discussion about lead time for mailing bills, timing of delivery to members, and the standard look of bills being used successfully by many other cooperatives, a motion was made to authorize staff to engage and use the Arista billing system in conjunction with the upcoming SEDC software upgrade. The motion was seconded and unanimously carried.

H. Selection of Auditor

There was a dialog about the three audit firms that had submitted proposals to the cooperative. It was noted that all three candidates are highly qualified and that all act as auditors for several cooperatives. Controller Corrales was asked to attend the meeting. A motion was made to select Blodgett, Mickelsen & Naef, P.S., Certified Public Accountants, to audit the cooperative's 2007 books in 2008. The motion was seconded, and after a few brief questions to CFO Eden and Controller Corrales, the motion unanimously carried.

Director Robison departed the meeting.

I. 2008 Budget – First Draft Presentation

The 2008 preliminary budget was reviewed by Controller Corrales with

assistance from GM/CEO Meader and CFO Eden. Corrales briefly outlined the presentation and began by reviewing all items in the budget statement. Staff responded to numerous questions and the board made substantial cuts to the preliminary budget. No action was taken. The revised draft of the budget will be presented to the board at the November board meeting.

J. Miscellaneous Issues

There were none.

Chair Combs announced that director Gary Schlottmann had completed the National Rural Electric Cooperative Association's (NRECA) Credentialed Cooperative Director (CCD) training and congratulated director Schlottmann and presented him with his CCD certificate provided by NRECA.

K. Attorney Discussion

Following a brief discussion, the board agreed that general counsel should be asked to attend the November board meeting.

VI. MEETINGS ATTENDED

Brief reports were given about meetings attended.

VII. MEETINGS TO ATTEND

The board announced that the next regular meeting of the board is scheduled on November 30, 2007, at the cooperative's headquarters in Port Orford, Oregon.

