

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
February 29, 2008

I. PRELIMINARY

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:31 a.m. on Friday, February 29, 2008 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, executive assistant (EA) Dian Marple, and legal counsel Melinda J. Davison.

Two items were added to the proposed agenda under V. Items of Business, N. Board Relations & O. Employee Survey.

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 amended, the minutes of the January 25, 2008 regular board meeting. A motion was made, seconded and unanimously carried to approve, as written, the minutes of the February 1, 2008 executive 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 E under the

consent agenda, to-wit: the list of general & operating checks for 1/2008; the write-off list by district through 2/19/2008; the list of new memberships for 1/2008; the cooperative attorney's(s') invoice(s); and the GM's & directors' expenses for 1/2008.

III. MANAGER'S REPORT

GM/CEO Meader briefly reviewed the cooperative's financial condition. The financials presented under the manager's report were filed for audit.

The outage report was reviewed and the consensus was that January was another busy month with a high number of weather related outages.

The February 2008 safety report was reviewed. The February 2008 safety meetings included CPR training and AED training for all employees. The February 2008 safety report was approved by a motion duly made, seconded, and unanimously carried.

The GM/CEO gave a report on his business and community contacts for the previous month.

There was a discussion concerning a Request for Proposal notice that was published for the Gold Beach addition/remodel. Director Kitchen declared a potential conflict and left the room. The GM/CEO was instructed to have a letter written to all bidders giving the budget information for the proposed project and allowing an additional 2 weeks to submit sealed bids. Legal counsel will review the letter prior to its being sent out.

VI. OLD BUSINESS

There was no old business.

V. ITEMS OF BUSINESS

A. FASB 71 Options - Discussion

The board and management held a lengthy dialog concerning options available to defer the benefits of the 2007 Residential Exchange Credit Settlement to the 2008, 2009, and 2010 operating years, as allowed under Financial Accounting Standard 71. Management advised that the cooperative's auditor has been consulted on this matter. The decision was deferred to a future date because no decision needs to be made until the funds have been received by the cooperative.

B. Wholesale Power Issues – PNGC/BPA

The GM/CEO reported on the residential exchange interim contract with Bonneville Power Administration (BPA). Pacific Northwest Generating Cooperative (PNGC Power) and the cooperative's legal counsel have reviewed the contract. Following questions to and responses from the GM/CEO and legal counsel, a motion was made to accept and authorize the GM/CEO to sign the Stand Still & Interim Relief Payment Agreement. The motion was seconded and additional discussion followed during which legal counsel reviewed the rate case and other areas surrounding the rate case. The motion carried unanimously.

The March meetings at Power Resources Cooperative (PRC) and PNGC Power and the March Strategic Education Program (SEP) were discussed. There was additional dialog concerning future power supply and the future of PNGC Power.

C. Policy Committee Recommendations

Reorganize, update & replace policy bulletins

- Proposed P#100-010, Mission Statement

Following a brief discussion, proposed Policy No. 100-010 was approved, as amended, by a motion duly made, seconded and unanimously carried.

- Proposed P#100-020, Purpose of Policies, Origin, Development, & Amendment (Replaces PB#1)

A motion was made, seconded, and unanimously carried, to approve, as written, proposed Policy No. 100-020.

- Proposed P#100-030, Governance, Policies & Bylaws Committee (Replaces PB#78)

A motion was made, seconded, and unanimously carried, to approve, as written, proposed Policy No. 100-030.

- Other policies were deferred for additional discussion.

D. Rate Discussion – Declining Block Rate

The board discussed the declining block rate and conservation issues. A motion was made, seconded, and unanimously carried to revisit the declining block rate discussion during the 1st quarter of 2009 and to consider requesting a cost of service analysis at that time.

E. Tree Cutting Claim

The regular session adjourned to an executive session at 11:04 a.m. to discuss a tree-cutting claim. The regular session reconvened at 11:21 a.m. CCEC through its legal counsel is in negotiations to resolve this matter.

F. Radio Ads

The regular session adjourned to an executive session at 11:38 a.m. to discuss radio ads and other advertising. The regular session reconvened at 11:57 a.m.

The GM/CEO was asked to monitor cooperative advertising and press releases.

G. Report on Phone & Outage Response Procedures & CRC Procedures & Progress

The board received a report on the phone system and outage response procedures and Cooperative Response Center (CRC) procedures and progress. The GM/CEO recommended to the board that the closing time for the CCEC offices in Port Orford and Brookings be changed to 4:30 p.m. for safety reasons and to be consistent with closing times for the Gold Beach and Coquille offices. The GM/CEO also advised that he believes that a "receptionist" should be hired to answer the cooperative's phones and direct incoming calls and that the cooperative should implement a courier service to pick up at each area office and deliver the daily bank deposit.

Following a discussion, a motion was made to add a telephone receptionist position, to implement a courier service to pick up and deliver bank deposits, and to set 4:30 p.m. as the closing time for the cooperative's offices in Port Orford and Brookings. The motion was seconded and unanimously carried.

The GM/CEO advised that he is working on procedures to handle, in-house, 90% of outages during working hours. The board was also advised that management is working on procedures for outages after hours, including up-to-date messages being given to CRC and including asking member service representatives to answer the phones, after-hours, during long outages.

Management is working on written procedures for these issues. The board asked that the local board member be contacted, if possible, when outages occur.

H. Unclaimed Capital Credits Advertising

There was a brief report on the capital credits advertising and on the number of calls that have been received by the cooperative as a result of advertising the list of names from the 1959-1970 unclaimed capital credits.

I. FEMA Update

The FEMA update was given by the GM/CEO.

J. Phyllis Templeton Memorial - Discussion

Following a brief discussion, Director Robison stated that the board should recognize and express its appreciation to the employees who have contributed to the memorial for Phyllis Templeton, the CCEC Payroll/HR Specialist, who died in January. The board was advised that the cooperative's employees wish to remember Phyllis by creating a little area off the back/kitchen area porch of the Port Orford office, near the pond with a table and benches and with a windbreak and possibly a cover and a plaque in Phyllis' memory. A motion was made and seconded to approve the donation of cooperative funds in an amount equal to donations received from employees. No plans or designs have been created at this time but many employees have already volunteered to donate their time on a couple of weekends to do whatever is necessary to build the memorial to Phyllis. The motion carried unanimously.

K. Annual Meeting – Nominating Committee Appointment Process

There was a brief discussion concerning nominating committee appointments by the board of directors. The appointment process is set forth in the cooperative's bylaws. No action was taken.

L. Bylaws Committee Recommendation

Proposed bylaws amendments – The board reviewed the proposed

amendments and the explanation documents. A motion was made to accept and approve the proposed bylaws amendments as presented and the motion was seconded. There was discussion pertaining to specific areas of concern and pertaining to the possibility of the board approving separately each of the three items of the proposed amendments for submission to the members. Legal counsel and management responded to questions and several changes were made to the proposed bylaws amendments. The motion was amended to accept and approve the proposed bylaws amendments, #1, #2 and #3, including the drafted changes, and the amended motion was seconded. The motion failed.

Discussion continued and a motion was made to approve all of proposed bylaws amendment #1, including drafted changes, pertaining to legal issues to keep the cooperative in compliance with current laws. The motion was seconded and carried unanimously.

A motion was made to approve all of proposed bylaws amendment #2, including drafted changes, pertaining to general cleanup/housekeeping issues. The motion was seconded and carried unanimously.

A motion was made to put it to a vote of the members to approve all of proposed bylaws amendment #3, including drafted changes, pertaining to increasing the board from 5 directors to 7 directors. If approved by the members, the board will appoint two at-large directors to fill the new positions and will ask for résumés from qualified members interested in filling the at-large director positions and interview all qualified candidates before completing the process and appointing the at-large directors. The at-large directors shall be appointed to serve until the 2009 annual meeting of the members at which they or their successors shall have been elected and

qualified in accordance with the bylaws. The motion was seconded and the motion carried by a vote of 3 yes votes and 2 no votes being cast.

Legal counsel agreed to complete a new draft of the drafted changes and to submit a draft of those changes to management within a few days.

Melinda Davison, legal counsel, departed from the meeting.

M. Miscellaneous Issues

- Update on audit – The board was given an update on the current audit.
- Update on transmission line engineering – The board received a brief update.
- Asset disposal list – A motion was made, seconded, and unanimously carried to approve, as presented, the disposal of assets list.
- Donation requests – The board approved, by consensus, several requests for donation.

N. Board Relations

Board relations were discussed. No action was taken.

O. Employee Survey

The board discussed conducting an anonymous employee survey. A motion was made to implement an anonymous employee survey, on a voluntary basis at each employee's discretion, with the survey documents to be sent directly to the board chairman to reconcile. The motion was seconded and carried unanimously. Management will implement the voluntary, anonymous employee survey as directed.

