

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
April 25, 2008

I. PRELIMINARY

The regular meeting of the board of directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:34 a.m. on Friday, April 25, 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/chief executive officer (GM/CEO) Roger Meader, executive assistant (EA) Dian Marple, and member & public affairs director Christine Stallard.

Items were added to the proposed agenda under II. Consent Agenda, cooperative auditor's billing, and under V. Items of Business: A. Wholesale Power PNGC Power letter of intent and N. Communications discussion.

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 March 27, 2008 regular board meeting.

II. CONSENT AGENDA

The board held a brief dialog concerning the consent agenda. Management responded to questions from the board. 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 3/2008; the write-off list by district through 4/14/2008; the list of new memberships for 3/2008; the cooperative attorney's invoice; the cooperative auditor's invoice; and the GM's & directors' expenses for 3/2008.

III. MANAGER'S REPORT

GM/CEO Meader reviewed the cooperative's financial condition. The financials presented under the manager's report, including the 2007 year-end Form 7, were filed for audit. Cash flow projections were discussed.

The outage report was mentioned.

The April 2008 safety report was reviewed. The safety meetings in April included hearing conservation training for all employees. The April 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.

IV. OLD BUSINESS

There was no old business.

V. ITEMS OF BUSINESS

A. Wholesale Power Issues – PNGC Power/BPA

There was a lengthy dialog concerning power supply and organizational issues, Pacific Northwest Generating Cooperative (PNGC Power), and Bonneville Power Administration (BPA). The board authorized directors Kitchen and Radabaugh to

attend the PNGC Power meetings in May and June. The board agreed by consensus that it is the responsibility and duty of the board to keep informed on all aspects of BPA contracts and negotiations and power supply issues. Weather issues and BPA products were mentioned.

- PNGC Power Letter of Intent - The GM/CEO presented a proposed letter of intent regarding the future organization of PNGC Power. A motion was made, seconded, and unanimously carried to authorize the president/chairman to sign, as presented, the proposed letter of intent.
- PNGC Power Amendatory Agreement No. 6 – The GM/CEO reviewed the large load policy and the proposed amendatory agreement No. 6 necessary for the remaining 3½ years of the power supply contract. A motion was made, seconded, and unanimously carried to authorize the general manager/chief executive officer to sign, as presented, the proposed amendatory agreement No. 6.
- PNGC Power Board Summary & OPT Involvement – The board discussed additional power supply issues and the OPT involvement. Director Radabaugh requested and the board agreed, by consensus and instructed the GM/CEO to invite someone from BPA to attend a CCEC board meeting to discuss power supply issues and answer questions.
- PNGC Power RMG Memo & Workshop & SEP – There was a brief dialog concerning the RMG memo, the workshop, and the SEP.
- PNGC Power -- Approve Davison to Join BPA Contract/Attorney Team – Following discussion, a motion as made to authorize the cooperative's legal counsel Davison to participate in the attorney meetings as part of

the attorney team in regard to the BPA contracts discussion. The motion was seconded and unanimously carried. The GM/CEO responded to additional questions from the board.

F. SHARP Re-Certification for 5th Year & Presentation by Mark Hurliman and Roel Solis of OSHA

The meeting moved to the break room where most of the CCEC employees from the Port Orford facility were present. Mark Hurliman and Roel Solis from Oregon OSHA were introduced. Mr. Hurliman congratulated Coos-Curry Electric Cooperative, Inc. for its achievement of graduation from the SHARP program for its Port Orford facility and praised the employees for completing the program and management and the board for their support of CCEC's employees. The GM/CEO and the chair accepted a plaque denoting CCEC's graduation from the SHARP program. The meeting returned to the conference room and continued.

B. Policy Committee Recommendations

Reorganize, update & replace policy bulletins

- Proposed P#100-100, Signing of Financial Requirements Statements & Expenditures Reports (Replaces PB#15)

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

- Proposed P#100-110, Cooperative Cash Investments (Replaces PB#12)

A motion was made, seconded, and unanimously carried, to approve, as written, proposed Policy No. 100-110.

- Proposed P#200-010, Directors' Fees (Replaces PB#19)

A motion was made, seconded, and unanimously carried, to approve,

as written, proposed Policy No. 200-010.

- Proposed P#400-010, Employee Business Travel & Expenses (Replaces PB#18)

A motion was made, seconded, and unanimously carried, to approve, as written, proposed Policy No. 400-010.

- Proposed P#400-020, Employee Policy Handbook (Replaces PB#86)

Following a lengthy discussion of the proposed changes, a motion was made, seconded, and unanimously carried, to approve, as amended, proposed Policy No. 400-020.

- Proposed P#400-030, Fitness for Duty

A motion was made, seconded, and unanimously carried, to approve, as amended by the cooperative's labor attorney, proposed Policy No. 400-030.

C. Cooperative Donations Policy - discussion

The board held a lengthy discussion about the cooperative's philosophy on donations. The board agreed, by consensus, that cooperative donations will be one of the topics during the next board strategic planning session.

D. Proposed Resolution 2008-03 – Residential Exchange Credit – FAS 71

Following a discussion, a motion was made to approve, as presented, the proposed Resolution No. 2008-03, FAS 71 – Residential Exchange Credit. The motion was seconded and unanimously carried.

E. Approve Audit Report from Blodgett, Mickelsen & Naeff

The board briefly discussed the audit report from Blodgett, Mickelsen & Naeff. A motion was made to approve the audit report, as presented, and the motion was seconded and unanimously carried.

F. SHARP Re-Certification for 5th Year and Presentation by Roel Solis & Mark Hurliman of OSHA

The SHARP presentation was completed earlier in this meeting.

G. Cash Flow Projections

The cash flow projections were discussed earlier during the manager's report.

H. Board Strategic Planning Session in August – Discussion

The board was advised that a representative from National Rural Utilities Cooperative Finance Corporation (CFC) has offered to perform, at no cost to CCEC, the facilitator's functions at the board's strategic planning session (SPS) scheduled in August. Following a brief dialog, the board agreed, by consensus, to invite CFC's representative, Dan Kessler, to facilitate the board's SPS in August and to change the date of the August board meeting to August 23 and the date of the SPS to August 22.

I. Annual Meeting – Approve Nominations by Committee and Nominations by Petition – District 4

A motion was made, seconded and unanimously carried to approve the nominating committee's report, as submitted, for District 4, nominating Daryl C. Robison. It was noted that no petitions were submitted for approval.

J. Approve Asset Disposal List

A motion was made, seconded, and unanimously carried to approve, as presented, the asset disposal list, to be disposed of in the most advantageous manner.

K. Collections/Delinquent Accts/Write-Offs & Policies that Control-Discussion

The board held a lengthy dialog concerning collections, delinquent accounts, and write-offs and the policies that control these items and reviewed materials provided that compare CCEC's collections and write-offs to other cooperatives in Oregon and nationwide. No action was taken.

L. Bylaws Committee Recommendation

Proposed articles of association and bylaws amendments – The board was given the final draft of the proposed amendments and the explanation documents as approved at the March board meeting. No action was taken.

M. Miscellaneous Issues

- In-house CFC classes – The board reviewed the list of classes offered by CFC and agreed that two of the classes should be presented to the board by CFC's representative. The GM/CEO was asked to contact CFC and make the arrangements.
- Schedule board meeting dates for September 2008 – January 2009 – The following board meeting dates were scheduled: September 26, 2008, October 24, 2008, November 21, 2008, December 20, 2008, and January 23, 2009.
- Donation requests –
 1. The Agness Illahe Volunteer Fire Dept. – Although following a brief discussion, the request was denied, Director Schlottmann stated that he will personally donate \$500 to the Agness Illahe Volunteer Fire Dept.
 2. Habitat for Humanity-Curry County – Director Kitchen declared a conflict. Curry County Habitat for Humanity requesting a

donation of funds to assist in beginning a new project in Curry County. A donation of \$500 from the Brookings' area donation budget was approved. Director Kitchen abstained from the vote/decision.

3. City of Brookings matching grant for hydro feasibility study –
There was a lengthy discussion concerning a hydro feasibility study on Ferry Creek proposed by the City of Brookings. A motion was made, seconded and unanimously carried to approve the expenditure of \$4375 for matching grant funds to the City of Brookings to conduct a Ferry Creek hydro feasibility study. The GM/CEO was instructed to talk to the Brookings city manager about the feasibility of the project.
- Installation of Banners – The board agreed, by consensus, and declared that due to numerous liability issues, the cooperative will no longer install banners for its members. The GM/CEO was instructed to inform the appropriate CCEC employees of the board's decision.
 - Transmission Line Public, Open-House Meeting in Brookings/Harbor – CCEC will hold a public, open-house meeting on the transmission line rebuild at the Beach Front Inn in Harbor on May 27, 2008 at 6p and will invite all CCEC members to attend.

N. Communications Discussion

The board briefly discussed the cooperative's communications issues, which included articles, newspapers, meetings, Ruralite publication, and press releases.

