

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
February 25, 2010

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:30 a.m. on Thursday, February 25, 2010 by Chairman of the Board (Chair Radabaugh) Peter Radabaugh in the conference room at the cooperative's headquarters, Port Orford, Oregon. The Secretary called the roll, showing the following directors present: Robison, Radabaugh, Dowdy, McMahan, Kitchen, Herzog, and Kolen. Also present were General Manager/Chief Executive Officer (GM/CEO) Roger Meader, Executive Assistant (EA) Dian Marple, Marketing & Member Services Manager Christine Stallard, and General Legal Counsel Melinda J. Davison arrived at 9:45 a.m.

There was a call for items for strategic discussion, but there were none.

Items added to the agenda were: Manager's Report – Outage Report, Staff Contacts, and Member Services Internal Report; Items of Business – Proposal to Rescind PB#36, PB#76, & PB#65 and Port Orford Dark Sky Ordinance; and Meetings Attended – 2/23/2010 BPA Transmission Reconstruction – Bandon OR and 2/24/2010 BPA Transmission Reconstruction – Port Orford OR.

Chair Radabaugh advised the Board that no CCEC member 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 January 21, 2010, regular board meeting, and a motion was made, seconded and unanimously carried to approve, as written, the minutes of the January 21, 2010, executive session. A motion was made, seconded, and unanimously carried to approve, as amended, the minutes of the January 27, 2010, executive session meeting, and as amended, the minutes of the January 28, 2010, executive session meeting.

II. CONSENT AGENDA

A motion was made and seconded to approve Items A through E under the consent agenda, to-wit: the list of general & operating checks for 1/2010 the write-off list through 2/16/2010; the list of new memberships for 1/2010; the Cooperative attorney's invoice; and the GM's & Directors' expenses for 1/2010. The Board held a brief discussion and the motion carried unanimously.

III. MANAGER'S REPORT

The financials were reviewed, and GM/CEO Meader gave a brief report on revenue, expenses, and margins and responded to questions from the Board. The financials presented under the manager's report were filed for audit.

The following reports were given: credit card usage, right-of-way clearing, and obsolete asset disposal.

The February 2010 safety report was reviewed. The safety meetings in February included Use & Care of Personal Protective Grounds training. The February 2010 safety report was approved, as presented, by a motion duly made, seconded, and unanimously carried.

Meader talked about outages and reported on his meeting with representatives from the Bonneville Power Administration (BPA) to discuss the January BPA outage.

Staff contacts were mentioned and Marketing and Member Services Manager Christine Stallard presented a new member services internal report, discussed the information provided about phone traffic at CCEC and the Cooperative Response Center, walk-in traffic, credit checks and collections, credit card usage, shut-offs, security payments, complaints, AMR system items, and other miscellaneous information, and responded to questions from the Board.

Attorney Melinda Davison arrived at 9:45 a.m.

IV. ITEMS OF BUSINESS

A. Wholesale Power Issues - PNGC Power/PRC/BPA

The Board held a discussion about wholesale power issues, future power supplies, the Public Power Council (PPC), the Pacific Northwest Generating Cooperative (PNGC Power) matters, the resource committee's activities, future

generation options, and the BPA issues. Discussion continued regarding water, run-off, and snow pack, future growth, power supply, and Renewable Energy Credits (REC).

The regular session adjourned to executive session at 9:55 a.m. to discuss potential contract issues, and regular session reconvened at 10:14 a.m.

F. CoBank Presentation

CoBank Oregon Account Executive VP Leigh Taylor and Senior Credit Analyst Jennifer Daurio were introduced by CCEC CFO Frank Corrales. Ms. Taylor gave an overview and background of CoBank, part of the Farm Credit System, and a cooperative, agribusiness bank in communications, energy and water. CoBank is cooperative owned, returns capital credits, and its services are available to CCEC. Ms. Taylor talked about interest rates, risk management, factors that are used to establish interest rates, unsecured lines of credits, and secured debt. Ms. Daurio spoke briefly and both responded to questions from the Board and management. Ms. Taylor and Ms. Daurio departed.

G. Ten-year Financial Forecast

CFO Frank Corrales presented the National Rural Utilities Cooperative Finance Corporation Compass power point presentation and ten-year financial forecast. He talked about CCEC's financial status, advising that a financial forecast takes into account many assumptions about the future, including trends, proposed loads, operating revenue, operating expenses, plant investment, debt, loan requirements, power requirements, capital credits retirements, and other variables. He advised that the recent construction work plan was a very useful tool for this forecast. Corrales reviewed three scenarios with the Board and responded to questions. CFO Corrales agreed to run the scenarios again with suggested variables and assumptions and to present the revised financial forecast at the March board meeting. Corrales departed.

B. Policy Committee Recommendations

Policy Review Committee Chair McMahan reported on and explained policy issues, led a discussion with the Committee, and made recommendations. The following actions were taken:

- Proposal to Rescind PB#33 Employee Purchases – A motion was made,

seconded and unanimously carried to rescind PB#33 Employee Purchases.

- Proposed P#100-240 Use of Member Advisory Committees (replaces PB#79) – A motion was made, seconded, and unanimously carried to approve, as amended, proposed P#100-240 Use of Member Advisory Committees.
- Proposed revised P#200-040 Director Duties, Code of Ethics, & Standards of Conduct – A motion was made and seconded to approve, as amended, proposed revised P#200-040 Director Duties, Code of Ethics, & Standards of Conduct. Director Robison and Director Kitchen abstained from the vote, and the motion carried with 4 YES votes.
- Proposed P#200-080 Computer Use by Board of Directors (replaces PB#70) – A motion was made, seconded, and unanimously carried to approve, as amended, proposed P#200-080 Computer Use by Board of Directors.
- Proposed P#300-030 Attendance at Board Meetings by Members (replaces PB#76A) – A motion was made, seconded, and unanimously carried to approve, as amended, proposed P#300-030 Attendance at Board Meetings by Members.
- Proposal to Rescind PB#36 Capital Credits – A motion was made, seconded and unanimously carried to rescind PB#36 Capital Credits.
- Proposal to Rescind PB#76 Board Meetings – A motion was made, seconded and unanimously carried to rescind PB#76 Board Meetings.
- Proposal to Rescind PB#65 Employee Evaluations – A motion was made, seconded and unanimously carried to rescind PB#65 Employee Evaluations.

The policy committee chair referred to other policies that are being examined for potential revisions and requested input from the Board.

C. Transmission Line Progress - update

CCEC System Engineer Andrew McBride reported on the progress of the transmission line rebuild and responded to questions from the Board. The 83 foundations for the towers are being completed as of this date. The tower construction

bids are being requested, and a contractor should be selected by April. Tower construction is expected to begin in May. The wire and materials bids are still being discussed. The transmission line rebuild project is on schedule. McBride departed.

D. Annual Meeting – update

A discussion occurred as to ideas, areas, and topics that might be good to explore as potential informational booths at the 2010 annual meeting. The Annual Meeting Timeline was presented and reviewed, and nominating committees will be submitted for appointment at the March board meeting.

E. ICON Training – recap

The Board held a recap of the recent ICON training. A brief discussion occurred as to the program and its value.

F. CoBank Presentation

The CoBank Presentation was made earlier in this meeting.

G. Ten-Year Financial Forecast

The Ten-Year Financial Forecast was presented earlier in this meeting.

H. Miscellaneous Business Issues

There were none.

I. Port Orford Dark Sky Ordinance

The Board held a discussion about the Port Orford Dark Sky Ordinance recently adopted by the Port Orford City Council. Interpretation of the ordinance and how it affects CCEC commercial business members and CCEC residential members was discussed, and legal counsel was consulted. It appears that CCEC commercial business members may not be affected by the ordinance but CCEC residential members are affected.

The Board took action to give each CCEC residential member within the Port Orford city limits who has a yard light the option to decommission his/her yard light, at no cost to the member, or to pay for the upgrade to the new code set forth in the Port Orford Dark Sky Ordinance. The member will be given 12 months to comply with the upgrade or CCEC will decommission the yard light. CCEC will send letters to all CCEC residential members who have yard lights within the Port Orford city limits, setting forth the cost to upgrade the light to comply with the Port Orford Dark Sky Ordinance or offering to decommission the yard light. If the member obtains an exemption from the

City of Port Orford, CCEC will accept that Letter of Exemption issued by the City of Port Orford, exempting a CCEC member's yard light from compliance with the Port Orford Dark Sky Ordinance. Compliance by the member to the Port Orford Dark Sky Ordinance or delivery of a City of Port Orford Letter of Exemption must be completed within the 12-month period stated in the letter that will be sent to the CCEC member, or the yard light will be decommissioned.

GM/CEO Meader was instructed to prepare, with the assistance of Legal Counsel Davison, and execute a letter, conveying the Board's resolution, and to send the letter to all CCEC residential members who have yard lights within the Port Orford city limits.

V. EXECUTIVE SESSION

The regular session adjourned to an executive session at 2:15 p.m. to discuss the following: contracts, member issues, legal opinions, and personnel issues. The executive session adjourned and the regular session reconvened at 3:50 p.m.

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 for March 26, 2010, at the Cooperative's headquarters office in Port Orford, Oregon.

VIII. ADJOURN

The meeting adjourned at 3:55 p.m.

/s/ C L McMahan
C L McMahan, Secretary

ATTEST:

/s/ Peter Radabaugh
Peter Radabaugh, Chairman