

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
May 27, 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, May 27, 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: Daryl 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 (M&MSM) Christine Stallard, and Chief Financial Officer (CFO) Frank Corrales, Jr. General Legal Counsel Melinda J. Davison was available by phone as needed.

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

Items were added to the agenda under the Items of Business: Miscellaneous Business Issues-Vehicles-surplus old vehicles.

Chair Radabaugh advised the Board that no CCEC member had applied, under P#300-030, to attend the board meeting and speak to the Board.

A motion was made and seconded to approve, as written, the minutes of the April 22, 2010, regular board meeting, and following a discussion, the motion carried unanimously. A motion was made, seconded, and unanimously carried to approve, as written, the minutes of the March 26, 2010, executive session, and a motion was made, seconded, and unanimously carried to approve, as written, the minutes of the special telephonic board meeting held on May 12, 2010.

II. CONSENT AGENDA

A motion was made and seconded to approve Items A through E under the consent agenda, to-wit: the write-off list through 5/18/2010; the list of new memberships for 4/2010; the Purge List for 5/2010; the Cooperative attorney's invoice; and the GM's & Directors' expenses for 4/2010. The motion carried unanimously.

III. MANAGER'S REPORT

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

The following reports were given: outage report, credit card usage, and disposal of obsolete assets.

The May 2010 safety report was reviewed by the Board. The safety meetings in May included Electrical Injuries, Treatment, and Prevention training. GM/CEO Meader advised that his research reveals that Board approval of the monthly safety report is not necessary, and a simple review of the safety report by the Board is adequate. A discussion occurred concerning the safety committee. The safety committee chair will ask the committee to change its meeting date so the GM/CEO can attend the cooperative's safety committee meetings more often.

IV. ITEMS OF BUSINESS

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

The Board held a discussion about wholesale power issues, Power Resources Cooperative, Boardman plant, intertie, Coffin Butte facility, Pacific Northwest Generating Cooperative's (PNGC Power) report, snow pack, PNGC Power's strategic planning session, and the Bonneville Power Administration's and PNGC Power's anticipated true-ups.

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:

- Update proposed P#100-250 Whistle-Blower Protection Policy (replaces PB#84) – Following discussion, this policy was tabled to await input from General Legal Counsel Davison.

The policy committee chair advised that other policies are being worked on.

C. Transmission Line Progress - update

GM/CEO Meader gave an update on the transmission line rebuild project. The towers have all been delivered, and the contractor is setting towers now, and plans

to install 53 poles using a helicopter. The proposed project completion target date is August 22, 2010.

D. Member Satisfaction Survey Results

At 10:00 a.m., Gina Ritchie of National Rural Electric Cooperative Association (NRECA) was introduced by Christine Stallard. Ms. Ritchie reviewed the results of the Member Satisfaction Survey phone interviews recently conducted by NRECA on behalf of CCEC. NRECA interviewed 450 CCEC members and compiled the results for CCEC. Christine Stallard advised that the member satisfaction survey is one of the tools that she uses to formulate CCEC's annual communications plan. Overall, the members' satisfaction is very high. Ms. Ritchie departed at 10:50 a.m.

General Counsel Melinda J. Davison was contacted and attended the meeting by telephone at 10:57 a.m.

B. Policy Committee Recommendations - revisited

Proposed P#100-250 revisited:

- Proposed P#100-250 Whistle-Blower Protection Policy – General Counsel Davison gave her legal opinion as to certain language, interpretations, and proposed amended language within the updated policy.

The regular session adjourned to an executive session at 11:03 a.m. to discuss the following: contracts, member issues, and legal opinions. The executive session adjourned and the regular session reconvened at 11:20 a.m.

F. Rates Adequacy

CFO Frank Corrales reviewed the eight potential rate increase options he put together for 2010 and 2011. A lengthy discussion followed concerning the various scenarios, and the Board agreed, by consensus, to go with scenario eight. The CFO then reviewed the rate classes and rate structures scenarios, cost of service, and rate designs. Two scenarios were reviewed and discussed at length. The Board agreed, by consensus, to approve scenario #1 with a 4% increase, but asked the CFO to modify scenario #2 and present it again, along with base rate scenarios that were discussed.

General Counsel Davison departed the meeting at 12:15 p.m.

E. Annual Meeting – update

EA Dian Marple and M&MSM Christine Stallard gave an update on the progress of plans that are underway for the CCEC 2010 annual meeting. The mail-out packets with the notice, ballots, envelopes, and information are being processed, and the target date for mailing is during the week of June 7. A “Be Prepared Fair” emergency/disaster preparedness fair is being planned, along with the Lions Club health screening van, an American Red Cross blood drive, door prizes, and a meal prepared by the Friends of the Fair.

G. Board Strategic Planning Session Schedule – report

GM/CEO Meader reported that the facilitator had been selected for the Board’s Strategic Planning Session (SPS) and is scheduled for September 28, 2010. The Board agreed, by consensus, to hold the SPS in the conference room at the CCEC Port Orford office.

H. NRECA Legislative Conference - report

Chair Radabaugh reported on his meetings with legislators and other cooperative representatives in Washington DC.

I. Miscellaneous Business Issues

- NWPPA Safety Award - presentation – The GM/CEO advised the Board that CCEC had received a safety award from the Northwest Public Power Association. The award plaque was presented to the Board.
- Vehicles – surplus, old vehicles – The Board was given a report concerning excess, older vehicles. The Board agreed, by consensus, to authorize management to sell seven old vehicles, by a sealed bid process. The Board also advised the GM/CEO that the two budgeted replacement vehicles for purchase should be selected from local dealers by a bid request process, provided that the local bids are within 5% of other bids from outside the area.

B. Policy Committee Recommendations - *revisited*

Proposed P#100-250 revisited:

- Proposed P#100-250 Whistle-Blower Protection Policy – To update this

