

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
June 28, 2010

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:32 a.m. on Monday, June 28, 2010 by Chairman of the Board Peter Radabaugh (Chair 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, Peter Radabaugh, Ed Dowdy, Cheryl McMahan, Dave Kitchen, John Herzog, and Jim Kolen. Also present were General Manager/Chief Executive Officer (GM/CEO) Roger Meader, Executive Assistant (EA) Dian Marple, and Marketing & Member Services Manager (M&MSM) Christine Stallard. 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.

An item was added to the agenda under the Items of Business: Miscellaneous Business Issues-IRS 990 Form.

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, seconded, and unanimously carried to approve, as written, the minutes of the May 27, 2010, regular board meeting, and the minutes of the May 27, 2010, executive session.

II. CONSENT AGENDA

A motion was made and seconded to approve Items A through D under the consent agenda, to-wit: the write-off list through 6/16/2010; the list of new memberships for 5/2010; the Cooperative attorney's invoice; and the GM's & Directors' expenses for 5/2010. The motion carried unanimously.

III. MANAGER'S REPORT

The financials were reviewed, and GM/CEO Meader gave a brief report on 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 the internal member services report.

The safety meetings in June included Traffic Control/Flagger Certification training. The June 2010 safety report was reviewed by the Board.

IV. ITEMS OF BUSINESS

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

The Board held a discussion about wholesale power issues, Pacific Northwest Generating Cooperative's (PNGC Power) report and strategic resource plan, equity, future power supplies, snow pack and water, energy conservation, and the Bonneville Power Administration (BPA.) GM/CEO Meader talked about renewables and a future plan. One goal is to educate members concerning the "value of electricity." A discussion occurred about the Power Resources Cooperative (PRC) and the Boardman plant.

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:

- Proposed update P#100-260 Equity Management Policy (replaces PB#83)
A motion was made, seconded, and unanimously carried to approve, as amended, P#100-260 Equity Management Policy (replaces PB#83.)
- Proposal to rescind PB#37 Standby Service Basis, Large Power Industrial
GM/CEO Meader explained the proposal to rescind PB#37. Following a discussion and questions, a motion was made to rescind PB#37 Standby Service Basis, Large Power Industrial. The motion was seconded and the motion carried, with a vote of 5 YES votes and 1 abstention.

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. Most of the towers have been set either by helicopter or by crane. The proposed project completion target date is August 22, 2010. Christine Stallard showed a video of some of the tower installations.

D. Annual Meeting – update

Dian Marple and 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 have been mailed and the deadline for their return is July 14, 2010. 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. The process for counting the ballots has been put in place.

E. Rates Options

CFO Frank Corrales arrived at 10:31 a.m. GM/CEO Roger Meader reviewed the rate options he had prepared. A lengthy discussion followed concerning rate designs, rate structures, rate classes, the various scenarios, and cost of service, and a motion was made, seconded and following additional discussion, unanimously carried to select scenario three. The Board reviewed the rate classes, the base charges, and the cost of service issues. Following a discussion and a review of the Summary of Rates, a motion was made, seconded, and unanimously carried to approve the Summary of Rates, effective October 1, 2010, a copy of which is attached hereto and made a part hereof.

F. CFC Forum – report

CFO Frank Corrales, Jr. and GM/CEO Meader reported on the CFC Forum that they recently attended. They talked about the workshops offered by CFC, such as COSA, rate design process, rates, demand, and usage. The CFO talked about the accounting workshop and accounting standards and how the international accounting standards may impact the cooperative in the future. The GM/CEO advised the Board that the CFC Forum is a very good training format, and the Board should consider authorizing one director to attend next year.

G. Touchstone Energy Standards & Best Practices Meeting - report

The GM/CEO gave a report on his meetings with Touchstone Energy. Touchstone Energy has many tools that the cooperative is able to utilize, and the GM/CEO declared that Touchstone Energy is a good business partner and it carries a good product.

