

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
September 30, 2010

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:29 a.m. on Thursday, September 30, 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, Marketing & Member Services Manager Christine Stallard, and General Legal Counsel Melinda J. Davison.

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

One item was added to the Agenda under Items of Business: E.1 Climate Change. The agenda as amended was approved.

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 August 26, 2010, regular board meeting, and as written, the minutes of the August 26, 2010, executive session.

II. CONSENT AGENDA

Following a brief discussion, a motion was made and seconded to approve Items A through E under the consent agenda, to-wit: the write-off list through 9/21/2010; the list of new memberships for 8/2010; the purge list for 9/2010; CCEC's attorney's invoice; and the GM's & Directors' expenses for 8/2010. The motion carried unanimously.

III. MANAGER'S REPORT

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

The following reports were given: outages, credit card usage, the asset disposal

list, and internal member services information.

The safety meetings in September included Healthy Lifestyles and Fire Extinguisher & Emergency Evacuation training for all employees. The August 2010 safety report was reviewed by the Board.

Discussion continued on the safety report, including safety of CCEC personnel while driving and using cell phones, hands-free cell phone devices, and the new Oregon law concerning using cell phones while driving.

IV. ITEMS OF BUSINESS

E. 1. Climate Change - discussion

The Board held a discussion concerning the Board's position and message to the members concerning climate change. No position was taken on climate change at this time.

A. NRECA Youth Tour – Student Report

Vice Chairman McMahan advised that she had accompanied Jessica Paulson and other students as a chaperone to Washington DC for the National Rural Electric Cooperative Association's (NRECA) annual youth tour. McMahan introduced student Jessica Paulson and her father Kevin Paulson to the Board at 8:55 a.m. Jessica spoke about her experiences and her excitement in being among all of the history and historical sites in DC. She thanked the Board for the chance to see the seat of government, meet new people and make new friends, and for the chances for personal growth, the opportunities to learn, and other experiences granted to her by being able to be a part of this tour event. The Paulsons departed at 9:10 a.m.

B. CFC Financial Training

Dan Kessler of the National Rural Utilities Cooperative Finance Corporation (CFC) was introduced at 9:20 a.m. Mr. Kessler conducted two training sessions for the Board: Commitment to Excellence and Planning-A Key to the Future. The Board thanked Mr. Kessler, and he departed at 10:10 a.m.

C. Wholesale Power Issues – PNGC Power/PRC/BPA

The Board held a dialogue about wholesale power issues, the Bonneville Power Administration's (BPA) rates and conservation program. Pacific Northwest Generating Cooperative's (PNGC Power) report, wholesale power supplies, PNGC Power's end-use CCEC member survey, the budget, and the Power Resources

Cooperative (PRC) were discussed.

D. 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#100-270 Disposition of Property (replaces PB#39) – To update this policy into the new format, a motion was made, seconded, and unanimously carried to approve, as amended, proposed P#100-270 Disposition of Property (replaces PB#39).
- Update proposed P#300-060 Line Construction Policy (replaces PB#13) – To update this policy into the new format, a motion was made, seconded, and unanimously carried to approve, as presented, effective 1/1/2011, proposed P#300-060 Line Construction Policy (replaces PB#13).
- Draft proposed P#400-060 Compensation Policy – discussion – GM/CEO Meader advised the Board about his reasons for asking the Board to consider a compensation policy. Legal Counsel recommended that the policy be reviewed by the cooperative's employment attorney. Following additional dialogue, the GM/CEO will revise the language as discussed and submit the revised policy to the employment attorney for review and comment.

Proposed New Rate Schedules – effective 10/1/2010 –

- The Board discussed the proposed new rate schedules, effective 10/1/2010. A motion was made to approve, as amended, the new rate schedules, effective 10/1/2010. The motion was seconded, and unanimously carried.

E.2. Net-Metering Presentation

The GM/CEO advised the Board that a CCEC member, who has a power generating/net-metering facility on CCEC's system, has requested that CCEC conduct a net-metering true-up on an annual basis instead of a monthly basis as set forth in the Net-Metering Policy. Following a lengthy discussion about costs to CCEC and savings to the member, a motion was made to deny the member's request. The motion was seconded, and following the legal opinion of General Counsel Davison and additional

discussion, the motion to deny carried with a vote of 4 YES vote to 3 NO votes. The Chairman voted to break the tie vote.

A motion was made to offer the member a two-year special contract with CCEC as a “pilot program” for the purpose of promoting renewables. During the two-year contract, the member will operate a small, hydro-generating facility and CCEC will pay the member the current retail rate for all power generated, to be calculated on an annual basis. The motion was seconded and carried with one director abstaining from the vote. If the member agrees to the proposal set forth in this motion, general legal counsel will prepare the appropriate contract.

F. Capital Credits Presentation (deceased patrons)

CFO Frank Corrales, Jr. distributed materials to describe paying decedents’ capital credits on a discounted payment schedule. The cooperative’s bylaws allow CCEC to pay decedent’s capital credits. The Board held a lengthy discussion and agreed by consensus that a policy to pay decedent’s capital credits on a discounted schedule should be created for the Board to consider. The CFO will prepare a draft policy for review.

The Regular Session adjourned to Executive Session at 12:55 p.m. and reconvened into Regular Session at 2:59 p.m.

G. Roof Repair/Replacement-Gold Beach – budget change

The Board reviewed proposals to repair or replace the roof on CCEC’s Gold Beach facility. The board chose the option to replace the flat roof with a gable roof and then choose metal roof over composition shingles. A motion was made and passed for the bid for \$165,000 to replace the flat roof with a gable roof with metal surface, motion passed.

It was discovered that there was an error in the reading of the bids, the Board voted to rescind the motion and the vote. The board instructed the CEO to get new bids and bring them back to the board.

H. Transmission Line Progress - update

GM/CEO Meader gave an update on the progress of the transmission line

rebuild project.

I. Demand Control Investigation

GM/CEO Meader talked about his investigation into the demand control issue. He recommended that CCEC wait a few years before getting into demand control and in the meantime, to watch what other cooperatives are doing in the demand control area. The Board agreed, by consensus that CCEC should review demand control again in 3 – 5 years.

J. Special Presentation

Chairman Radabaugh was presented with his Board Leadership Certificate (BLC) for completing all of the required NRECA BLC courses.

K. NRECA Region 9 Meeting - report

Vice Chairman McMahan gave a report on the activities that took place at the NRECA Region 9 Meeting that she attended on behalf of CCEC. She talked about resolutions presented and approved, training sessions that she attended, and networking opportunities that were available.

Director Robison departed at 3:15 p.m.

L. Board Meetings

- Reschedule December board meeting: Due to a conflict, the Board resolved to reschedule the December board meeting to December 15, 2010.
- Schedule 2011 board meetings: The Board resolved to schedule the following 2011 board meetings:
 - January 27, 2011
 - February 24, 2011
 - March 24, 2011
 - April 21, 2011
 - May 26, 2011
 - June 30, 2011
 - July 28, 2011
 - August 25, 2011
 - September 22, 2011

