

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
April 22, 2021

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 9:24 a.m. on Thursday, April 22, 2021, by President John Herzog, in the conference room at CCEC Headquarters office, Port Orford, Oregon.

Secretary Kolen called roll showing all directors in attendance and stated a quorum was present. Also present were General Manager/Chief Executive Officer (GM/CEO) Brent Bischoff, Chief Financial Officer Paul Keeler, and Executive Assistant Shelly Smith-Napier. General Legal Counsel Tyler Pepple was in attendance by Webex video conferencing.

A motion was made, seconded, to approve, as presented, the regular Board meeting agenda and the motion carried unanimously.

President Herzog advised the Board that no 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 presented, the minutes of the March 25, 2021 regular meeting of the Board of Directors. The motion carried unanimously.

II. CONSENT AGENDA

A motion was made and seconded to approve Items A through D under the consent agenda, to-wit: the list of new members for 03/2021; the members purge list for 04/2021, the GM/CEO's & Directors' expenses for 03/2021; and CCEC's attorney invoices. The motion carried unanimously.

III. MANAGER'S REPORT

New Chief Financial Officer (CFO) Paul Keeler introduced himself to the board and gave an overview of his career. Mr. Keeler then went on to review the March financials. Operating revenue is up \$700k over the prior year due to kWh usage and new member accounts. Cost of power year to date is \$55k higher than 2020 due to kWh usage. Operating expenses are \$300k higher than the prior year, but \$13k favorable to budget as those higher costs were anticipated in the current year budget. Net margins year to date, including Broadband, are 200K higher than 2020 year to date. The balance sheet construction work-in-progress (CWIP) mostly relates to the TWACS meter replacement project. CCEC is in year 3 of a 4-year plan to deploy TWACS. Some of the work orders will be closed out in the next few months and the CWIP balance will be decreasing. Other property and investments decreased due to the payment of the capital term certificates from PNGC.

The March outage reports were reviewed. There was an early March windstorm that resulted in several outages. Lightening in Gold Beach also resulted in a few members being without power. Planned outages are keeping below 4 hours. The Q1 outage reports were reviewed. The Customer Average Interruption Duration Index (CAIDI) was 131 minutes vs. 126 minutes in 2020, the industry benchmark is 120 minutes. The System Average Interruption Frequency Index (SAIFI) was 0.19 up from 0.13 in 2020, the benchmark is 1.3. The System Average Interruption Duration Index (SAIDI) was 25.1 minutes vs 16.1 in 2020. 84 minutes is an industry benchmark.

The March asset disposal list was reviewed. Retired computers and security cameras are being disposed of.

The March write-off report was reviewed.

The April safety report was reviewed. There were no employee accidents during the month. There was one car pole accident in March which caused an outage.

The March tree trimming report was reviewed. We are on budget through the end of the first quarter and making good progress on clearing the right of ways.

The Coos-Curry Electric Charitable Foundation has transitioned to bi-monthly

board meetings. The foundation has \$6K in equity at the end of the first quarter 2021. There are 208 Curry county children receiving free books through our affiliate, the Dolly Parton Imagination Library. The current FPU class is on lesson 7 of 9 with a total of 10 registrants. CCECF will team up with Calvary Chapel in Gold Beach to offer an upcoming FPU course.

CCEC and Beacon Broadband (BBI) are gearing up for make-ready work. Many CCEC poles will need to be replaced before BBI can attach to them. We are investigating the possibility of CCEC prorating the cost to BBI for make-ready replacement of poles that are nearing end of life. This approach would be fair to CCEC and reduce construction costs for BBI.

Oregon House Bill 2654 relating to use of electric easements to provision broadband has passed the House with a 54-0 vote and will now move to a Senate committee for consideration.

IV. ITEMS OF BUSINESS

A. Wholesale Power Issues (BPA, PNGC Power and PPC)

Mr. Bischoff updated the board on the BPA BP 22 rate case now in progress. The BPA BP 22 rate case will become effective October 1, 2021.

Mr. Bischoff updated the Board of PNGC's work toward their strategic goals.

PNGC VP of Government Affairs & Policy is leaving for an opportunity at NRECA. This comes on the heels of the recent General Counsel resignation.

B. Committee Reports

Policy Committee - The chair of the policy review committee, Director Kolen, advised that, earlier in a committee meeting, the committee discussed the policies and/or rate schedules for review, proposed new, revised, or rescinded language.

A motion was made and seconded to approve the following proposed, revised policies:

- Policy #100-080 Accounting Records – as amended, and the motion carried unanimously.
- Policy #100-100 Signing of Financial Requirements Statements & Expenditures – as amended, and the motion carried unanimously.
- Policy #100-110 Cooperative Cash Investment – deferred until May.
- Policy #100-140 Authorized Occupants on Cooperative Poles - as amended, and the motion carried unanimously.

Audit Committee - The chair of the audit committee, Director Robison, stated the committee has completed the 2020-year end audit evaluation. The issuance of RFP's for the 2022-2024 audit period will be delayed until Q1-2022. Director Robison has requested a report to the Board of the internal processes and controls in place to detect and prevent fraud.

C. 2021 CCEC Annual Meeting – Approve Director Candidates Nominated by Petition

The Nominations by Petition for the CCEC District Director positions received by the deadline and verified to be qualified candidates are as follows:

- District 1 & 2 – Brookings area
 - John Herzog, incumbent
- District 3 – Gold Beach area
 - Jim Kolen, incumbent

The Board approved the Nominations by Petition, as presented, for inclusion on the Ballot for Directors for a vote of the CCEC membership by vote-by-mail prior to the 2021 Annual Meeting of the Membership schedule for June 24, 2021.

D. CFC One Card Program Reimbursement Agreement – CFC Resolution

The CFC One card will be used for larger CCEC and Beacon Broadband purchases. A motion was made and seconded to approve the CFC resolution for the CFC One Card program. The motion carried unanimously.

E. Open Discussion

Director Cockerham shared that she recently learned of a co-op that includes co-op vehicle locations in outage maps available on their cell phone. She asked if CCEC has vehicle location tracking capability. Mr. Bischoff explained that CCEC has purchased an automatic vehicle locating system (AVL) but the system is not yet fully installed.

V. EXECUTIVE SESSION

The regular Board meeting adjourned to the Beacon Broadband, Inc board meeting and executive session, and then to the CCEC executive session at 11:21 a.m. to discuss member issues, contract matters, and employee issues. The regular Board meeting reconvened at 11:47 a.m.

VI. ADJOURN

The next regular meeting of the Board of Directors is scheduled for Thursday, May 27, 2021 at CCEC's office in Port Orford, Oregon.

The meeting adjourned at 12:50 p.m.

/s/ Jim Kolen

Jim Kolen, Secretary

ATTEST:

/s/ John Herzog

John Herzog, President