

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
August 27, 2020

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 9:34 a.m. on Thursday, August 27, 2020, by President John Herzog, in the conference room at CCEC Headquarters office, Port Orford, Oregon. This meeting was offered via video conference for board members electing to attend remotely due to social distancing as a result of COVID-19.

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 and Executive Assistant Shelly Smith-Napier. Director McMahan and Marketing and Member Services Manager Jacob Knudsen were in attendance via video conferencing at the Brookings district office, and General Legal Counsel Tyler Pepple was in attendance by phone.

A motion was made, seconded, to approve, as amended, 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 July 23, 2020 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 07/2020; the members purge list for 08/2020, the GM/CEO's & Directors' expenses for 07/2020; and CCEC's attorney invoice. The motion carried unanimously.

Chief Financial Officer Frank Corrales, Jr. arrived at 9:36 a.m.

IV. ITEMS OF BUSINESS

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

PNGC CEO Roger Gray arrived at 9:36 a.m. and introduced himself to the board. Mr. Gray gave an educational presentation discussing BPA, the northwest power supply situation, alternative power supplies, market structures and the BPA contract renewal process. Mr. Gray responded to questions from the Board and departed the meeting at 10:42 a.m.

III. MANAGER'S REPORT

Chief Financial Officer (CFO) Frank Corrales, Jr. gave the financial report for July. Year-to-date through July 31, CCEC has installed 82 new electric services compared with 47 new services during the same period in 2019. Contributions in aid of construction from our members for 2020 is roughly \$600,000 compared to \$300,000 in 2019. Year-to-date operating revenue is \$19K better than budget, year-to-date gross margins are \$54K better than budget and total kWh sales for July 2020 are 2.4% higher than July of 2019. Overall, the first seven months of 2020 kWh sales are 1.27% lower than 2019. The biggest downturn in kWh sales is stemming from commercial and industrial service. Total expenses, excluding cost of purchased power, are 6.0% under budget so far this year. After discussion, Mr. Corrales departed the meeting at 11:11 a.m.

The July outage report was reviewed. There were two planned outages in Coquille and Gold Beach show lengthy durations on the outage report. The dispatch office is investigating and will correct these outage durations using meter data. July was a quiet month for outages, typical of the summer months.

The asset disposal list for July was reviewed.

The June Write Off report was reviewed. CCEC ended the no disconnect moratorium on July 31, 2020. During the first week of August there were 6 members

subject to disconnect and 4 of those were disconnected after several attempts to contact the members. After the second week there was one additional member who was disconnected. 18 vouchers have been received from Oregon Coast Community Action to aid members. The vouchers received paid for past due balances and additional amounts to be applied as credits for future bills. Since ending the disconnect moratorium, the few members where services remain disconnected have been entirely unresponsive to our efforts to contact them. We suspect the members have moved, leaving the residences vacant.

Governor Brown has requested consumer-owned and public utilities across Oregon to voluntarily submit data on disconnects and past due accounts going back 3 years. As a private entity, CCEC is not subject to public records requests as are PUD's and municipalities. ORECA is concerned that this data will be used to substantiate a state-wide disconnect moratorium. Mr. Bischoff does not intend to supply the requested data and the Board concurred.

The August safety report was reviewed. The August safety meetings were cancelled and replaced with field crew visits conducted by CCEC's safety consultant Mr. Martin Church of ESCI. Mr. Church visited multiple job sites and reviewed safety practices. There were no injuries during the month of July.

The Tree Trimming report was reviewed. Mowing was slow to begin due to wet ground conditions and is now closed due to fire danger. Right-of-way mowing will resume when fire season is over.

GM/CEO Bischoff reported on the Coos-Curry Electric Charitable Foundation (CCECF). The foundation held a canned food drive in July and distributed the proceeds to the local food banks. Plans for budgeted programs are on hold until COVID-19 restrictions are lifted.

CCEC's has two capital projects that are delayed by longer than expected material lead times from impacts COVID-19 has had on the economy. These projects are the rebuilding of Parkview substation and refurbishment of the mobile substation transformer.

IV. ITEMS OF BUSINESS

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

This topic was addressed earlier in the minutes.

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 #100-320 Key Accounts Management – to rescind this policy and staff will implement it as a procedure, and the motion carried unanimously.
- Policy #200-070 Delegation of Authority by the Board of Directors to the General Manager/Chief Executive Officer – as amended, and the motion carried unanimously.

Audit Committee - The chair of the audit review committee, Director Robison, stated the draft CCEC audit committee charter was reviewed earlier in the audit committee meeting. Management will make suggested revisions to the charter and include the annual auditor evaluation to the draft charter for presentation at the September committee meeting.

C. Electric Vehicle Program Presentation – Marketing & Member Services

Manager Jacob Knudsen

Mr. Knudsen presented an overview of CCEC's Electric Vehicle (EV) Strategy. The global market for EV's is growing and CCEC's strategy is to position

itself to benefit from EV adoption by our members. CCEC will investigate member charging habits, develop a home EV charger rebate program, explore public DC fast charging opportunities, and employ member outreach/education. Program funding will come from clean fuel credits and new energy sales.

D. Proposed 2021 Board of Director Budget Items

The Board reviewed their current 2020 budget and actual expense history for the period 2008-2020. Discussion followed concerning attendance at meetings/conferences during COVID-19 restrictions. Given uncertainties of in-person meetings in 2021 and to simplify budgeting for Director expenses in 2021, motion was made to budget \$125,000 for the 2021 calendar year, the motion was seconded, and unanimously carried.

E. Miscellaneous

1. Appoint NWPPA Voting Delegate for Annual Meeting (Sept. 10, 2020) –GM/CEO Bischoff was named as the voting delegate.
2. NRECA Online Regional Week (October 14 & 16, 2020) – Director Radabaugh will attend the online event.

V. EXECUTIVE SESSION

The regular Board meeting adjourned to an executive session at 12:47 p.m. to discuss member issues, contract matters, and employee issues. The regular Board meeting reconvened at 3:33 p.m.

VI. ADJOURN

The next regular meeting of the Board of Directors is scheduled for Thursday, September 24, 2020 at CCEC's office in Port Orford, Oregon.

The meeting adjourned at 3:34 p.m.

/s/ Jim Kolen

Jim Kolen, Secretary

ATTEST:

/s/ John Herzog

John Herzog, President