

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
May 26, 2022

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:35 a.m. on Thursday, May 26, 2022, by President Jim Kolen, in the conference room at CCEC Headquarters office, Port Orford, Oregon.

Director Herzog called roll and stated a quorum was present, including Directors Cockerham, Kolen, Loshbaugh, McMahan, Radabaugh and Robison. Also present were Chief Executive Officer (GM/CEO) Brent Bischoff, Chief Financial Officer (CFO) Paul Keeler, and Executive Assistant Shelly Smith-Napier. General Legal Counsel Tyler Pepple was in attendance via video conference.

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

A motion was made and seconded to approve, as presented, the minutes of the April 28, 2022, regular meeting of the Board of Directors. The motion carried unanimously.

A motion was made and seconded to approve, as presented, the minutes of the April 28, 2022, special meeting minutes of the Beacon Broadband Shareholders, and 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 04/2022; the members purge list for 05/2022, the GM/CEO's & Directors' expenses for 04/2022; and CCEC's attorney invoice. The motion carried unanimously.

III. MANAGER'S REPORT

Chief Financial Officer (CFO) Keeler reviewed the Financial Report for April

2022. Operating revenue year to date through April is \$165K less than the year to date budget. The year to date cost of purchased power is \$14,000 under budget and \$160K higher than the prior year to date. As of April 30, 2022, equity as a percentage of total assets was 50.90%. kWh sold to consumers and used by CCEC for April 2022 are 6.98% higher than the April 2021 sales. The cost per kWh increased slightly from March to April going up from 0.0392 cents to 0.0419 cents.

The April write-off report was reviewed.

The May safety report was reviewed. The May safety training topics were OSHA Heat Exposure rule and OSHA Wildfire Smoke AQ1 rule. Two safety incidents were reported where sub-contractors working on the Beacon Broadband project inadvertently contacted the energized power system. There were no injuries. Corrective action was taken.

Coos-Curry Electric Charitable Foundation received a \$10,000 matching grant from the CoBank's Sharing Success program. The grant monies will go towards ORCCA community action, the Bright Ideas grant program and the Dolly Parton Imagination Library program. Two FPU programs have been completed and two more are upcoming. The foundation co-hosted a STEM fair at Harbor Lights Middle School in Bandon. Volunteers are still needed next Saturday for the CCECF Kid's Safety Camp.

The May CEO report was reviewed. Topics included Personnel, PNGC update, CCECF Kid's Safety Camp, Member Organized Public Meeting held May 16 at the Harbor Grange, and the DOE Offshore Wind Study.

IV. ITEMS OF BUSINESS

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

This item was covered in the CEO report.

B. Committee Reports

Policy Committee - Policy committee chair, Director McMahan, 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 #100-200 Identity Theft Prevention Program – as presented, and the motion carried unanimously.
- Policy #300-070 Retirement of Deceased Patron’s Capital Credits – as amended, and the motion carried unanimously.

Audit Committee - Policy committee chair, Director Loshbaugh, advised that, earlier in a committee meeting, the committee directed staff to send requests for proposals to six independent audit firms for the upcoming year end audit period 2022-2024.

BBI General Manager Paul Recanzone joined the meeting at 9:50 a.m.

C. Response to Member Jack Worrall with corrected spreadsheet information

At the April board meeting, member Worrall presented to the board his Beacon Broadband Profit/Loss projections worksheet. On May 10, 2022, Mr. Worrall emailed the board a revised worksheet. Staff reviewed Mr. Worrall’s worksheet and made adjustments and corrections to lines 3 & 4, 6 and 9, and also added explanatory notes. After corrections, the Cash Positive/Negative is reasonable in comparison to the figures in the BBI business plan. Mr. Bischoff emailed the staff corrected worksheet to Mr. Worrall prior to the May 16th member-organized public meeting, but Mr. Worrall chose to distribute his uncorrected version of the spreadsheet at the May 16 meeting.

D. Approved Board Member Attendance Request – Member Joe Wilson
(10:00a.m.)

Member Joe Wilson joined the meeting at 10:06 a.m. A prepared statement written by Mr. Wilson regarding the operation of CCEC and its subsidiary Beacon Broadband was distributed to the board members. The board will respond to Mr. Wilson prior to the annual meeting. Mr. Wilson departed the meeting at 10:16 a.m. BBI General Manager Paul Recanzone departed the meeting at 10:16 a.m.

E. 2021 YE Audit Report

The 2021 year-end financial statement audit completed by independent auditors DeCoria, Blair & Teague was presented to the board at the April board meeting. A motion was made and seconded to approve the 2021 year-end financial statement audit, as presented, and the motion carried unanimously.

F. Options for Capital Credits Allocation

CFO Keeler presented the board with three options for the 2021 allocation of margins to members. Mr. Keeler reviewed with the board the CCEC bylaws, historical allocations, and managements recommendation. A motion was made and seconded to approve Option B, and the vote failed (2 for and 4 against). A motion was made and seconded to approved Option C, and the vote failed (2 for and 4 against). The board determined to table the decision until the June board meeting.

G. BBI Note Payable – Continued Discussion

CFO Keeler reviewed options for the BBI Note Payable to CCEC. The board directed staff to proceed with Option 1, interest only, for the first three years and to proceed with drafting an intercompany loan agreement with an addendum for the interest options available. GM/CEO Bischoff noted the loan

agreements will have signature lines for the board presidents in place of the CEO who is the same for both companies.

H. CCEC Wildfire Mitigation Plan Presentation – Jeremy Alexander Asst Ops Manager

Jeremy Alexander arrived at 11:20 a.m. to review highpoints of the CCEC plan since its inception in January of 2021. Highpoints include the implementation of the CFP map overlay onto CCEC territory maps, pilot program starting up on the G10A line using new VacuFuse cutouts and flying drones to identify snags outside the ROW. Staff is incorporating recent attorney feedback into the plan and will present an updated version at the June board meeting for board approval. Jeremy Alexander departed the meeting at 11:51 a.m.

I. 2022 CCEC Annual Meeting Agenda Overview

The board reviewed the annual meeting agenda topics.

J. Open Discussion

No topics for discussion.

K. Miscellaneous

No topics for discussion.

V. EXECUTIVE SESSION

The regular Board meeting adjourned at 12:06 p.m. and went into an executive session to discuss member issues, contract matters and employee issues. The regular meeting reconvened at 1:42 p.m.

VI. ADJOURN

