

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
May 27, 2021

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 8:48 a.m. on Thursday, May 27, 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, Marketing & Member Services Manager Jacob Knudsen 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 April 22, 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 04/2021; the members purge list for 05/2021, the GM/CEO's & Directors' expenses for 04/2021; and CCEC's attorney invoice. The motion carried unanimously.

III. MANAGER'S REPORT

Chief Financial Officer (CFO) Keeler reviewed the April financials. Operating revenue is up \$1M over the prior year. Cost of power is slightly higher than budget due to kWh usage. At the end of April, the equity level as a percentage of assets is 57%. Operating revenues are in excess of budget, expenses are below budget resulting in strong margins. Mr. Keeler is working with the National Rural Utilities Cooperative Finance Corporation (NRUCFC) to develop a plan to meet the borrowing needs of CCEC and Beacon Broadband (BBI) for the fiber to the home project.

The April asset disposal list was reviewed. More TWACS meters are being disposed of and old/outdated computers are being transferred to BBI.

The April outage reports were reviewed. April and May are osprey nesting months and CCEC saw double the outage counts in the wildlife/bird category this month. Hundreds of members in the Coquille area were without power due to an osprey dropping nesting materials on the line.

The April write-off report was reviewed.

The May safety report was reviewed. There were two first aid related injuries that resulted in no lost time.

The April tree trimming report was reviewed. We are on budget through the end of April. More members are requesting tree removal as proactive steps for wildfire mitigation.

The Coos-Curry Electric Charitable Foundation has awarded six luck of the draw scholarships to local high school students. Financial Peace University (FPU) just finished the first 9-week course with six graduates of the program. One of the graduates is the pastor of a church in Gold Beach and has invited CCECF to host the next FPU course at the Calvary Chapel.

Oregon House Bill 2654 authorizing the use of electric easements to provision

broadband has passed the Senate and is awaiting Governor Brown's signature.

CCEC is following the latest CDC guidelines that fully vaccinated persons are no longer required to wear a mask, those unvaccinated are still required to comply with the mask mandate.

CCEC has hired Jeremy Alexander to fill the Assistant Operations Manager position. Interviews for the Human Resources Director position are ongoing.

CCEC has received the CoBank matching grant in the amount of \$10,000. The funds will be distributed to Oregon Coast Community Action and CCECF.

IV. ITEMS OF BUSINESS

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

Mr. Bischoff updated the board on Mid-C wholesale power market prices are more than three times higher than May prices over the last three years. CCEC is not reliant on the power market so this will not affect our 2021 wholesale power costs; however, it could have a beneficial impact in future years if it allows BPA to sell excess power at higher prices in the secondary market.

BPA rate models for the BP-22 (2022-2023) rate period will come out mid-summer, we are expecting to see a wholesale power rate decrease.

PNGC Vice President of Power Supply is leaving for an opportunity as General Manager at Okanogan County Electric Cooperative.

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 #100-200 Identity Theft Prevention Program – as amended, and the motion carried unanimously.
- Policy #300-010 Rate Schedules and Rules & Regulations – as amended, and the motion carried unanimously.
- Policy #300-050 Net Metering - as amended, and the motion carried unanimously.

C. IT Security Presentation – Dan Springer CIO

CCEC's Chief Information Officer arrived at 10:06 a.m. to present the Electronic Information Security Plan (EISP). Mr. Springer explained the EISP is an overview of the policies, procedures, forms, standards and best practices to minimize risk to data, maintain confidentiality, maintain integrity and maintain availability. Mr. Springer responded to questions from the board and departed the meeting at 10:34 a.m.

D. Fraud Detection & Prevention Presentation – Paul Keeler, CFO

CFO Keeler discussed the three factors that create the fraud triangle: pressure, opportunity, and rationalization. He explained who is responsible for the oversight, the importance of segregation of duties and presented an evaluation of CCEC's fraud risk and opportunities.

E. Proposed Resolution 2021-05 CoBank Banking Authorities

GM/CEO Bischoff presented the proposed CCEC Resolution 2021-05 allowing John Herzog, Brent Bischoff and Paul Keeler to have authority to act on behalf of CCEC in authorizing transactions with CoBank. A motion was made to adopt Resolution 2021-05, the motion was seconded and carried unanimously.

F. Authorized Bank Account Signers

1. Proposed Resolution 2021-06 Rogue Credit Union

GM/CEO Bischoff presented the proposed CCEC Resolution 2021-06 to the Board. A motion was made to adopt Resolution 2021-06 identifying the authorized signers of the Rogue Credit Union accounts. The motion was seconded and carried unanimously.

2. Proposed Resolution 2021-07 Umpqua Bank

GM/CEO Bischoff presented the proposed CCEC Resolution 2021-07 to the Board. A motion was made to adopt Resolution 2021-07 identifying the authorized signers of the Umpqua Bank accounts. The motion was seconded and carried unanimously.

G. Proposed Resolution 2021-08 CFC Letter of Credit

GM/CEO Bischoff presented the proposed CCEC Resolution 2021-08 to the Board. After discussion, a motion was made to adopt Resolution 2021-08 to apply for a Letter of Credit to be issued by National Rural Utilities Cooperative Finance Corporation (CFC) and authorizing Brent Bischoff to act on behalf of CCEC to execute and deliver all documents and instruments necessary to complete the transaction. The motion was seconded and carried unanimously.

H. DRAFT – 2021 Annual Meeting Agenda

The Board reviewed the draft annual meeting agenda and made changes to include the following topics: State of the Cooperative and Beacon Broadband. The board also suggested serving coffee and donuts and giving away swag for members who attend in person.

I. Open Discussion

There were no topics for open discussion.

J. Miscellaneous

Director Radabaugh will be the voting delegate, and GM/CEO Bischoff the alternate, for the NRECA Director Elections at the ORECA Mid-Year Meeting to

