

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
July 28, 2022

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:59 a.m. on Thursday, July 28, 2022, by President Jim Kolen, in the conference room at CCEC District office, Gold Beach, 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, Marketing & Member Services Manager Keith Buchhalter, Chief Financial Officer (CFO) Paul Keeler, and Executive Assistant Shelly Smith-Napier. Director McMahan and General Legal Counsel Tyler Pepple were in attendance via Webex video conference.

IV. ITEMS OF BUSINESS

C. Member Jack Worrall – Member Request to Attend Board Meeting (11:15 a.m.)

President Kolen advised the board that Member Jack Worrall of Brookings applied for and was approved under policy #300-030 to attend the Board meeting and speak to the Board.

Mr. Worrall joined the meeting at 11:01 a.m. and addressed the board with his Beacon Broadband concerns. He distributed to the board members a handout of his updated spreadsheet of his financial calculations for Beacon Broadband and provided his opinion on his financial calculations. The spreadsheet was an update from his previous spreadsheet handed out at the April board meeting. The board thanked Mr. Worrall for his time, and he departed the meeting at 11:13 a.m. Mr. Worrall also posed three written “questions for CCEC regarding Beacon Broadband.”

The meeting adjourned at 11:14 a.m. and reconvened at 11:35 a.m.

I. PRELIMINARY

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

A motion was made and seconded to approve, as presented, the minutes of the June 16, 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 annual Directors meeting. The motion carried unanimously.

II. CONSENT AGENDA

A motion was made and seconded to approve Items A through E under the consent agenda, to-wit: the list of new members for 06/2022; the members purge list for 07/2022, the write off report for 06/2022, the GM/CEO's & Directors' expenses for 06/2022, and the attorney invoices. The motion carried unanimously.

The meeting adjourned at 11:37 a.m. for the board to attend the Wesco open house and the meeting reconvened at 12:33 p.m.

III. MANAGER'S REPORT

Chief Financial Officer (CFO) Keeler reviewed the Financial Report for May 2022 and June 2022. Operating revenues year to date through June are \$263k more than the year-to-date budget. The year-to-date cost of purchased power is \$15k under budget and \$209k higher than the prior year to date. As of June 30, 2022, equity as a percentage of total assets was 50.94%. kWh sold to consumers and used by CCEC for June 2022 are 1.39% lower than the June 2021 sales. The cost per wholesale kWh purchased to serve the membership increased slightly from May to June going up from .0388 cents to .0391 cents.

The July safety report was reviewed. The June all employee safety training topics were CPR, AED, BBP and First Aid. There have been no accidents since the June report. A CCEC crew employee has completed the Rural Electric Safety Achievement Program (RESAP) training and is now a certified observer.

The Q2-2022 Outage Report was reviewed. There is an uptick in planned outages this year due to make ready construction preparing for Beacon Broadband construction. The Q2 System Average Interruption Duration Index (SAIDI) increased over the 5-year average as a result of several moderately sized outages.

The Q2-2022 Tree Trimming Report was reviewed. 429 spans were cleared in Q2-22 compared to the 5-year average of 451 spans. The budget variance at the end of Q2-22 is less than 1%.

CCECF activity during the bi-monthly period included the third annual Kids Safety Camp held the first Saturday in June, Dolly Parton Imagination Library enrollment nearing the goal of 35% of Curry County children ages 0-5, and the completion of two Financial Peace University courses. The CCECF board is considering a bylaw change to allow Beacon Broadband employees the ability to join the CCECF board.

The July CEO report was reviewed. Topics included personnel, wholesale power, member motions follow-up from the annual meeting, and power system.

IV. ITEMS OF BUSINESS *(cont.)*

A. Committee Reports

The Policy Committee chair Director McMahan reported that earlier during the policy committee meeting the board reviewed policy #300-030 Attendance at Board Meetings by Members and asked staff to make recommended changes and present the revised policy at the August policy committee meeting.

The Audit Committee chair Director Loshbaugh reported that early during the audit committee meeting the board received audit proposals from four audit

firms. CFO Keeler will review the completeness of the proposals and report to the board. The board will evaluate each proposal and report back at the August audit committee meeting.

B. NRECA Washington DC Youth Tour Presentation by CCEC Delegate Lily Strahm

Earlier this morning Ms. Lily Strahm gave a presentation to the board about her experiences during her trip on the NRECA Washington DC Youth Tour. She thanked the board for the opportunity she was given to attend.

C. Member Jack Worrall – Member Request to Attend Board Meeting

This topic was addressed earlier in the minutes.

D. Member Motions - Continued Discussion

GM/CEO Bischoff reviewed a table and brief summary of member motions made at the annual meeting. He proposed that the document be posted on the CCEC website and a notice be sent to members in attendance at the annual meeting pointing them to the document on the CCEC website. The board agreed to move forward with posting the document on the website. Additionally, the board requested that the Board member who made the motion be identified in the table and summary.

E. Proposed Resolution 2022-03 – CFC Line of Credit Increase P-5102

CFO Keeler reviewed with the board the need to increase the amount of the CFC Line of Credit from \$3M to \$5M to provide an interim source of funds. He reminded the board this is a short term, revolving line of credit. Director Robison motioned to increase the short-term line of credit from \$3M to \$5M, the motion was seconded, discussion was had, and the motion passed with one opposed (Cockerham).

F. Proposed Resolution 2022-04 – CFC New PowerVision Loan V-9028

CFO Keeler introduced proposed resolution 2022-04 for a new \$15M CFC PowerVision loan and explained the need for financing of the capital projects in CCEC's long range construction plan. Management is further analyzing all long-term financing options to gauge the impact to the financial ratios. This topic will be addressed again next month.

G. Strategic Planning Preparation

GM/CEO Bischoff suggested to the board that it is time to consider an update to CCEC's strategic plan as the current plan is for the years 2020-2023. The board would like to have Russell Green, retired from CFC and contracting strategic planning services with CFC, facilitate the process. GM/CEO Bischoff will reach out to CFC to see when Mr. Green is available.

H. Open Discussion

None.

I. Miscellaneous

- a. NRECA Regional Meetings 7 & 9, Portland OR (Sept 27-29, 2022)
- b. PNGC Annual Meeting, Portland OR (Oct 3-4, 2022)

V. EXECUTIVE SESSION

The regular Board meeting adjourned at 2:14 p.m. and went into an executive session to discuss member issues, contract matters and employee issues. The regular meeting reconvened at 4:05 p.m.

VI. ADJOURN

The next regular meeting of the Board of Directors is scheduled for Thursday, August 25, 2022, at CCEC's office in Port Orford, Oregon.

The meeting adjourned at 4:06 p.m.

/s/ John Herzog
John Herzog, Secretary

ATTEST:

/s/ Jim Kolen
Jim Kolen, President