

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
August 25, 2022

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 10:03 a.m. on Thursday, August 25, 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, Marketing & Member Services Manager Keith Buchhalter, Chief Financial Officer (CFO) Paul Keeler, and Executive Assistant Shelly Smith-Napier. General Legal Counsel Tyler Pepple was in attendance via Webex video conference.

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

A motion was made and seconded to approve, as presented, the minutes of the July 28, 2022, 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 E under the consent agenda, to-wit: the list of new members for 07/2022; the members purge list for 08/2022, the write off report for 07/2022, the GM/CEO's & Directors' expenses for 07/2022, and the attorney invoices. The motion carried unanimously.

IV. ITEMS OF BUSINESS

B. Member Lynn Coker – Member Request to Attend Board Meeting (10:15 a.m.)

Member Lynn Coker arrived at 10:08 a.m. to address the board and inform them of actions some CCEC members have been taking to petition for a special member meeting. Mr. Coker distributed documents to the board and departed the meeting at 10:26 a.m.

C. Long Range Construction Work Plan Presentation – Robert Hurting of ECI (10:30 a.m.)

CCEC Engineering Manager Matt Mjelde, CCEC Engineer Kendrick Schaben and Robert Hurting of ECI arrived at 10:47 a.m. to present the Long-Range Construction Work Plan. Mr. Hurting described the purpose of the planning, the model development, the planning criteria, and the long-range plan. He went on to review substation trends by district and concluded with a summary, recommendations, and costs for each district. He responded to questions from the board. Matt, Kendrick and Robert departed the meeting at 11:50 a.m.

III. MANAGER'S REPORT

Chief Financial Officer (CFO) Keeler reviewed the Financial Report for July 2022. Operating revenues year to date through July are \$19k more than the year-to-date budget. The year-to-date cost of purchased power is \$145k under budget and \$109k higher than the prior year to date. As of July 31, 2022, equity as a percentage of total assets was 50.44%. kWh sold to consumers and used by CCEC for July 2022 are 2.29% lower than the July 2021 sales. The cost per kWh decreased slightly from June to July going from \$0.0391 to \$0.0364.

The August safety report was reviewed. The August crew safety training topics were Pole Top and Bucket Truck Rescue and Helicopter Rescue. There have been three BBI subcontractor boring incidents and a car/pole accident since the July report. The parties who caused these damages are responsible for the cost of repairs.

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

appreciation days.

IV. ITEMS OF BUSINESS (cont.)

A. Committee Reports

Policy Committee – The chair of the policy review committee, Director McMahan, advised that, earlier in a committee meeting, the committee discussed the policies for review, proposed new, revised, or rescinded language.

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

- Policy #200-010 Directors' Fees – and the motion carried with one opposed (Cockerham)
- Policy #300-030 Attendance at Board Meetings by Members – the Board asked staff to make changes to the policy and resubmit at the September committee meeting.

Audit Committee – The audit committee chair, Director Loshbaugh, advised that, earlier in a committee meeting, the committee discussed audit proposals from four audit firms and recommend selecting Aldrich CPAs & Advisors for the upcoming three-year audit period beginning with year end 2022. A motion was made and seconded to approve Aldrich as the audit firm for the period 2022-2024 and the motion passed unanimously.

Compensation Committee – The compensation committee chair, Director Robison, reminded the board of the need for the 2nd quarter CEO review. This item will be placed on the September Executive Session agenda.

B. Member Lynn Coker – Member Request to Attend Board Meeting

This topic was addressed earlier in the minutes.

C. Long Range Construction Work Plan Presentation – Robert Hurting of ECI

This topic was addressed earlier in the minutes.

D. Member Motions - Continued Discussion

Work continues on Policy #300-030 Attendance at Board Meetings by Members. The Member Motions document has been posted on CCEC website and an email sent to members in attendance at the annual meeting informing them of actions taken by the Board in response to member motions.

E. Long Term Financing

CFO Keeler reviewed proposed resolution 2022-04 for a new \$15M CFC PowerVision loan that was presented at the July board meeting and went on to explain the need for financing of CCEC's long range construction plan. He then reviewed the terms of the loan. A motion was made and seconded to approve Resolution 2022-04 for the new CFC PowerVision loan and the motion passed with one opposed (Cockerham).

CFO Keeler then reviewed information regarding a proposal from CoBank for construction financing for Beacon Broadband Inc. The proposed loan would require a promise from CCEC to pay the outstanding loan if BBI was unable to pay the loan. CCEC would not have to provide any security or collateral for the loan but would be required to sign the guaranty agreement. President Kolen asked the Board members for comments and an informal approval for management to proceed with the CoBank proposal. With the exception of Director Cockerham, the remainder of the board agreed to move forward with looking into securing long term financing for BBI from CoBank.

F. Open Discussion

Discussion was had regarding the member petition to hold a special membership meeting. General Legal Counsel Pepple reviewed the process and

