

COOS-CURRY ELECTRIC COOPERATIVE, INC.
Minutes of the Regular Meeting of the Board of Directors
October 27, 2022

I. PRELIMINARY

The regular meeting of the Board of Directors of Coos-Curry Electric Cooperative, Inc. (CCEC) was called to order at 11:08 a.m. on Thursday, October 27, 2022, by President Jim Kolen, in the conference room at CCEC Headquarters office, Port Orford, Oregon.

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

II. MEMBER PARTICIPATION

A. Open Comment Period

No members were present for the open comment period.

B. Member Request to Present

1. Member Joe Wilson (11:15 a.m.)

Member Joe Wilson arrived at 11:15 a.m. to address the board. Copies of an email received the morning of October 27, 2022, from Mr. Wilson were distributed. Mr. Wilson summarized his email which presented his interpretation of the CCEC Articles of Incorporation and Bylaws relative to holding a member special meeting. General Legal Counsel Pepple disputed Mr. Wilson's interpretation of the Articles of Incorporation and supported an alternative interpretation. Mr. Wilson also discussed his opinion on HB

2654. Mr. Wilson departed the meeting at 11:36 a.m.

I. PRELIMINARY (*cont.*)

A motion was made and seconded to approve, as amended, to include the City of Brookings Franchise Agreement Update to the regular Board meeting agenda and the motion carried unanimously.

A motion was made and seconded to approve, as presented, the minutes of the September 20, 2022, regular meeting of the Board of Directors. The motion carried unanimously.

III. 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 09/2022; the members purge list for 10/2022, the write off report for 09/2022, the GM/CEO's & Directors' expenses for 09/2022, and the attorney invoice. The motion carried unanimously.

IV. MANAGER'S REPORT

Chief Financial Officer (CFO) Keeler reviewed the Financial Report for September 2022. Operating revenues year to date through September are \$44k less than the year-to-date budget. The year-to-date cost of purchased power is \$321k under budget and \$17k higher than the prior year to date. As of September 30, 2022, equity as a percentage of total assets was 48.76%. Mr. Keeler answered several questions and concluded the report.

The September safety report was reviewed. CCEC Operations Manager, Scott Adams arrived at 11:39 a.m. to report to the board the findings of the Rural Electric Safety Achievement Program (RESAP) onsite safety observations that took place September 13-14, 2022. The board was very pleased with the results and asked management to

relay their appreciation to the entire staff. Mr. Adams departed the meeting at 12:02 p.m.

The 3rd quarter outage reports were reviewed.

The 3rd quarter tree trimming report was reviewed.

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

V. ITEMS OF BUSINESS

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 #100-280 Safety & Loss Control – as presented, and the motion carried.
- Policy #100-290 Planning Policy – as amended, and the motion carried.
- Policy #200-120 GM/CEO Evaluation & Compensation Policy – as amended, and the motion carried.
- Policy #300-100 Special Members Meeting Policy – as amended, and the motion carried with one opposed (Cockerham).

Audit Committee – The audit committee chair, Director Loshbaugh, advised that a pre audit meeting with CCEC's independent auditors, Aldrich CPA's & Advisors, will be held on January 26, 2023.

B. 2023 CCEC Annual Operating and Capital Budgets - Draft

CFO Keeler presented the draft 2023 operating and capital budgets to the board noting the changes in staffing, distribution of labor expenses, and proposed additions to general plant and distribution plant for the coming year. CFO Keeler asked the board to review the budget and present any questions to him throughout the month. The board will vote on the 2023 budget at the November board meeting.

C. Reclaiming of Capital Credits – Proposed CCEC Resolution 2022-06 Conversion of Unclaimed Capital Credits to Permanent Equity

CFO Keeler reminded the board of the steps CCEC has taken to convert unclaimed capital credits for the years 1987-1989 to permanent equity following ORS 62.425 and ORS 62.245. Resolution 2022-06 directs the GM/CEO to account for the unclaimed capital credits for the years 1987, 1988 and 1989 as permanent equity in the books of the Cooperative. A motion was made and seconded to approve Resolution 2022-06 and the motion passed unanimously.

D. Financing Matters – Proposed Resolution 2022-07 CoBank CCEC Guarantor of BBI Loans

CFO Keeler presented proposed Resolution 2022-07 to the board which allows for Beacon Broadband to secure \$60M in financing through CoBank with CCEC guaranteeing payment of the loan, on an unsecured basis. CCEC has reviewed all factors and CoBank was the preferred solution. A motion was made to approve Resolution 2022-07 allowing the President, General Manager/Chief Executive Officer, and Chief Financial Officer to execute the necessary paperwork for CCEC to provide the guaranty necessary to secure Beacon's CoBank financing. The motion passed with one opposed (Cockerham).

E. 2022 Capital Credits General Retirement Discussion

CFO Keeler presented three options for board consideration of the 2022 capital credits general retirement: 1) no retirement in 2022, 2) retire the oldest year outstanding (1995), or 3) hybrid model to retire the oldest year outstanding (1995) and a portion (25%) of the 2021 year. The board discussed the options, and a motion was made and seconded to approve option 3 and the motion passed with one opposed (Cockerham).

F. City of Brookings Franchise Agreement Press Release

Marketing & Member Services Manager Keith Buchhalter and CEO Bischoff reminded the board of their discussions with the City of Brookings concerning renewal of the City franchise agreement. The board reviewed the draft CCEC press release, asked staff to make recommended changes, and issue the press release prior to the November 7, 2022, Brookings City Council workshop addressing this topic.

G. Open Discussion

The board had a discussion relative to the Member Special Meeting policy that was approved at today's board meeting relative to the member petition currently in circulation. GM/CEO Bischoff read the petition to the board. A motion was made and seconded to allow the petition currently in circulation to move forward in its process provided the petitioners' are following the articles of incorporation. The discussion continued and a vote was had. The motion failed. The board tabled further discussion and any vote on how to treat the current petition to a future meeting.

H. Miscellaneous

1. DVC informed CCEC of their 2023 hourly rates.

2. Select board meeting dates for remainder of 2022 – Thursday, November 17, 2022, and Thursday, December 29, 2022
3. Select board meeting dates for 2023 – The board meetings for 2023 are scheduled for the fourth Thursday of each month with the exception of June (annual meeting) which will be decided at a later date.
4. PPC Voting Delegate – GM/CEO Bischoff was selected as the voting delegate.
5. 2023 ORECA Board and ACRE Committee Designees – Director Radabaugh has been selected as the Board representative and as the CCEC representative for the ACRE Committee. Director McMahan will serve as the alternate board representative.

The regular Board meeting adjourned at 2:21 p.m. and went into an executive session at 2:30 p.m. to discuss member issues, contract matters and employee issues. The regular meeting reconvened at 3:32 p.m.

The next regular meeting of the Board of Directors is scheduled for Thursday, November 17, 2022, at CCEC's office in Port Orford, Oregon.

/s/ John Herzog
John Herzog, Secretary

/s/ Jim Kolen
Jim Kolen, President