The 1960s: An Eventful Decade

Columbus Day
It was a decade that gave us the most powerful and damaging storm in our history. After the hurricane force winds subsided on October 12, 1962, SE restored power to its members before any of the surrounding utilities, which did a lot for the co-op’s reputation. It let the community know that, as small as Salem Electric was, when it came to providing reliable service it could compete favorably against much larger companies.

Stability, Growth and a Management Shake-up
By the 1960s Salem Electric had won a hard fought battle for a franchise, giving it the right to operate and serve customers in the City of Salem. Leading up to this time there had been heated competition between the co-op and its neighboring private utility. Occasionally fought in the pages of local newspapers, the battles had mainly subsided. The decade began and ended with growth in members served. Until 1968, any utility customer within reach of the co-op’s lines was fair game and nearly every Salem Electric employee was involved in promoting the co-op’s service to potential members. Of course competition worked two ways and Salem Electric was always in danger of losing members through enticements offered by its competitor.

When a new commercial load came along, it was not unusual for private utilities to offer incentives to secure the load for their utility.

During this time, Salem Electric’s board had established a “no incentives” policy. It was their position that joining the co-op and getting power at cost should be incentive enough. In the mid-1960s Salem Electric’s manager crossed the line and provided an incentive to a new downtown commercial load in exchange for choosing Salem Electric’s service. After the board became aware that the policy had been violated, the manager was discharged. The shake-up was startling to staff. However, the board’s decision to hire a recently retired engineer from the Rural Electrification Administration (REA) to manage the co-op for two years brought much needed stability. Upon his departure, the co-op’s 29-year-old assistant manager Jere Overs, a Salem Electric employee first hired at 17, became general manager, a position he would hold for the next 29 years. One of his first tasks was to sit down with the regional manager of Portland General Electric to establish boundaries between the two utilities.

Continued on next page
Within ten years the city would condemn the new building as it revamped Front Street. The building was torn down and railroad tracks were relocated through the space where it had been. The next move placed Salem Electric in West Salem at its current location.

**Co-op Goals**

Salem Electric’s young manager thought a lot about how to manage the co-op’s staff, finances, assets, inventory, employee and member relations and a host of other things. Using his engineering background, he tried to simplify the job by considering where the focus should be to ensure the co-op’s success. He jotted down the things he thought most important and the result was a set of five goals that have been in place at Salem Electric ever since. They were eventually adopted by the board as Salem Electric’s official goals. With small adjustments the goals can provide the same valuable focus to any business or organization. They are simple and memorable:

- **Reliable Service**
- **Financial Stability**
- **Good Customer Relations**
- **Good Employee Relations**
- **Low Rates**

The goals are especially helpful when difficult decisions need to be made. Considering how each alternative will affect the goals often simplifies an otherwise complex decision-making process.

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**Territorial Agreement**

Following a national trend encouraged by state and federal lawmakers, Salem Electric and Portland General Electric (PGE) negotiated and signed a territorial allocation agreement in 1968. The duplication of service (e.g. two sets of poles, wires, transformers, etc. running down the same streets) was considered by many to be wasteful. Throughout the U.S. many private, public and cooperative utilities began establishing exclusive service territories. As a cooperative, Salem Electric was in a good negotiating position. After all, Salem Electric’s members owned the cooperative and owners could not be forced to change utilities; private utility customers generally had no say in the matter. The agreement between Salem Electric and PGE doubled the size of Salem Electric’s service territory over a ten-year period while PGE benefited from the containment of the co-op to a designated territory.

**A New Location**

After operating out of a 100 year-old house for nearly 30 years the co-op built a modern headquarters building in 1968 next door to the original office. The house that had served as the co-op’s office, as well as the office and recording studio for Salem Electric’s founder Harry Read’s radio station KSLM, was demolished.
**MYTH:** Salem Electric owns my info and can give it to anyone.

**FACT:** Salem Electric takes every effort to protect your personal information in addition to the state laws in place that prohibit the sharing of information with any unaffiliated third party.

**MYTH:** My data is still vulnerable to cybersecurity threats.

**FACT:** Salem Electric takes the responsibility to protect our system from cyber threats seriously.

**MYTH:** They’re collecting all this data so they can get rich.

**FACT:** Salem Electric never shares or sells member data. Many laws prohibit the use of such data for mailing lists or other commercial purposes.

**MYTH:** Salem Electric can control which appliances I use and how much I use them.

**FACT:** Salem Electric cannot control how you use your appliances, but your energy use will be reflected in your utility bill. We are also always available to suggest ways to help you save energy.

**MYTH:** It’s too hot in my home, my utility must have turned down my AC.

**FACT:** Salem Electric can’t access your thermostat — many other factors in your home can contribute to ineffective cooling.

**MYTH:** That AMI meter will make me sick.

**FACT:** Radio frequency levels in an AMI meter are well below the maximum set by the Federal Communications Commission — typically 70 times less than the FCC standard and less than a microwave or cell phone.

**MYTH:** AMI meters are less accurate and make members pay more on their bills.

**FACT:** Meter manufacturers supply certified testing results to prove that AMI meters generate accurate measurements. Salem Electric repeatedly performs accuracy tests to verify compliance.
Are you curious about what your energy dollars pay for? Understanding your energy usage helps you focus your efficiency efforts. Many houses have inadequate insulation in their attics, leaky ductwork and other energy problems. Even newer, more efficient homes could benefit from more energy-efficient appliances and lighting options. Here’s a breakdown of energy use and costs in the average residence along with steps you can take to control your costs.

42% Heating
- If you have a forced-air system, having your ductwork sealed by a professional can save you money. Between 25–40% of conditioned air (hot and cold) is lost due to leaky ductwork. Take care of air leaks around windows and doors by caulking or weatherstripping and be sure your insulation levels are adequate.
- Install a programmable thermostat that can automatically adjust the temperature in your home for maximum savings and comfort in the summer and winter.

15% Water Heating
- Consider a more efficient water heater if it’s over 10 years old.
- Wash your clothes in cold water.
- Install high-performance faucets and showerheads to save water and energy.

8% Lighting
- Switch to high-efficiency LEDs that use up to 80% less energy than traditional incandescent bulbs.
- Place dimmable fixtures on dimmer switches. They enable you to save even more energy by using lower light levels.
- On outdoor fixtures, install motion sensors or photocells that automatically turn on at dusk and off at dawn.

9% Appliances
- Consider replacing an older refrigerator with an Energy Star model that uses 50% less energy than a 2001 (or older) refrigerator and recycle your old model.
- If your washing machine is more than 10 years old, it’s costing you about $180 more per year than an Energy Star-rated model would.
- Only run your dishwasher with full loads; use the “rinse hold” feature sparingly — it uses 3–7 gallons of hot water each time it’s used.

7% Cooling
- If your home has central air that’s more than a decade old, a new system could be up to 40% more efficient. Prior to installing new equipment, properly insulate your home and be sure your heating and cooling system is properly sized for your home.

4% Electronics
- Unplug computers, stereos and video game consoles that draw energy even when they’re not in use.
- Trade that older flat-screen TV; they can cost about three times more to operate compared to a newer, higher efficiency model.

15% Other
- Plug your laptop adaptor into a power strip that can be turned off because the adaptor draws energy even when the laptop isn’t attached.
- If you have a stand-alone freezer with manual defrost, don’t let frost build up more than ¼ inch, because it affects the efficiency of the unit.

Rebates and Incentives
Visit SalemElectric.com (Member tab) or contact our Member Services department at 503 362-3601 to find out about available rebates and incentives.
March 16, 2016

Presented by:
Jeff Anderson
Secretary/Treasurer

Board Meeting Summary

Board Action: The board approved a resolution authorizing the general manager to act on the board’s behalf in regard to utility easements.

Leadership Youth: Leadership Youth Representative Caleb Moore reported that he plans to visit the Navy recruitment center to begin the application process for acceptance.

Capital Credits: The 2016 unclaimed capital retains publication will be published March 23 and then monthly for the next three months in an attempt to locate former members without a valid mailing address on record.

Engineering & Operations: The National Electrical Safety Code inspections are underway, crews are wrapping up tree trimming and working on general line clearing projects.

Member Inquiries: There has been a 75% increase in high bill calls this year compared to last winter with its warmer than usual temperatures. While this year’s winter bills are not higher than average, they are higher than last year’s.

Information Technology: NWPPA, a utility training association, has a new event app that makes it easy to track selected sessions at conferences, locate meeting rooms, access training handouts and documents and learn more about the speakers.

Annual Meeting: This year’s Annual Meeting will be held on Tuesday, May 10, 6 p.m. at West Salem Roth’s in the Founder’s Room. Employee presentations will be given by: JB Phillips, Courtney Charnetzki, Chris Krieck and Michael Richman.

UPCOMING BOARD MEETINGS

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BOARD OF DIRECTORS

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<th>Jerry Berger</th>
<th>Joe Van Meter</th>
<th>Jeff Anderson</th>
<th>Dave Bauer</th>
<th>Alicia Bonesteel</th>
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<tr>
<td>President</td>
<td>Vice-President</td>
<td>Secretary/Treasurer</td>
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<td>Paul Ennor</td>
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All regular board meetings are held at 7 PM at Salem Electric, 633 Seventh Street NW, Salem, Oregon

Congratulations & Best Wishes

After 19 years at Salem Electric, Tim Lulay retired on April 14, 2016.

Tim was hired on April 14, 1997 as a Customer Service/Field Representative. Tim’s knowledge of credit, billing, customer service and meter reading made him invaluable at Salem Electric. His willingness to help wherever he was needed was appreciated by everyone.

In retirement Tim plans to enjoy time with family, volunteer where opportunities arise and spend as much time as possible with his grandchildren.

Congratulations also to Larry Michaels who retired on April 21, 2016 after 37 years at Salem Electric.

Larry was hired on August 28, 1978 as a Meter Reader. In 1979 he became a Groundman and proceeded through the ranks becoming an Apprentice Lineman in February 1983, a Journeyman Lineman in 1986, and Crew Foreman in August 2004. On the line crew, Larry’s calm demeanor was a tremendous asset. He was a valuable member of the Salem Electric crew and was well respected as Crew Foreman.

Salem Electric extends best wishes to Tim and Larry on this new season in each of their lives.
If you read your newsletter, visit our website, or call the office you’ll see that Salem Electric is different from a lot of other companies. There is a commitment to providing great customer service — something not as common as it once was. When you call the office your call is answered by a person usually within a few rings. That, in itself, sets Salem Electric apart. Another thing that sets us apart is the fact that you begin earning capital credits as soon as you sign up as a member.

As an electric cooperative, Salem Electric is owned by the members it serves. Unlike investor-owned utilities who return profits to their investors, co-ops allocate capital credits to their members. Each October the board decides whether the financial condition of the co-op can allow for the distribution of capital credits. Currently we distribute approximately 5% of outstanding capital credits annually — roughly a 20-year cycle.

As a member, each May you will receive an allocation notice showing the capital credits you earned for the previous year and the total amount outstanding. This makes it very important for you to keep us informed of your mailing address if you move off of our service so we are able to send you your allocation. Each year we publish thousands of names of past members in a special newspaper insert and on our website in a attempt to locate members who have left our service and we no longer have a current mailing address for. Visit SalemElectric.com between now and December 9, 2016, and click on the Members tab to access the most recent list to help us find your friends, neighbors, or family members.

Capital credits — just one more thing that makes Salem Electric special.

Your board of directors takes their role very seriously. As directors they are representing you, the co-op member. Director training is an important piece of what helps each director acquire and develop the skills needed in foundational governance knowledge, prepares them to be effective leaders and keeps them informed on issues facing the electric utility industry.

Congratulations to board members Alicia Bonesteel and Joe Van Meter who recently achieved their Gold Level Certification through the National Rural Electric Cooperative Association (NRECA) director training program. The NRECA Gold Level Certificate can only be achieved after directors have completed and received both the Credentialed Cooperative Director and Board Leadership certificates.