1. **CALL TO ORDER:** The Salem Electric Board of Directors meeting was called to order by President Jeff Anderson. Directors present: Jeff Anderson, Dave Bauer, Joe Van Meter, Alicia Bonesteele*, Jerry Berger, Cindy Condon, and Jan Bargen. Staff members present: Tony Schacher, General Manager; Jamie Buystedt, Distribution Engineering Associate; Chris Krieck, Administrative Services Manager; Britni Davidson, Member Services Manager; Michael Richman, IT Manager; and Cindy Lenker, Executive Assistant. (A list of the members, employees, and guests in attendance are in the Supplemental Minutes Book.)

*Bonesteele attended via conference call.

2. **APPEARANCE OF INTERESTED MEMBERS:** A member asked about Salem Electric’s tree trimming notification procedures and another member said his request to review several years’ worth of board meeting minutes is only for reference purposes.

3. **MEETING AGENDA:** **MOTION** made by Berger, seconded and **carried unanimously** to approve the Meeting Agenda as presented.

4. **CONSENT CALENDAR:** **MOTION** made by Van Meter, seconded and **carried unanimously** to approve the Consent Calendar with the removal of Item 4A – Minutes and Item 4E – Engineering and Operations Report.

5. **CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR:** Regarding Item 4A – Minutes, Condon said the August 27, 2019 minutes stating she “met a person from ODOE’s Energy Advisory Group” should be corrected to read, “a person from ODOE”, she does not know if the person is on the Energy Advisory Group. With regard to Item 4E – Engineering and Operations Report, Condon asked if funds are transferred between different project accounts and if so, are they tracked. Krieck said that when funds are transferred they are tracked in the accounting system. **MOTION** made by Condon, seconded by Van Meter and **carried unanimously** to approve Items 4A and 4E.

6. **INFORMATION/ACTION ITEMS:**

   **Audit Engagement Letter – Action:** **MOTION** made by Van Meter, seconded by Bargen and **carried unanimously** to sign the audit engagement letter authorizing Aldrich to begin the 2019 annual audit process.

   **Authorization to Pay Capital Retains - Action:** **MOTION** made by Van Meter, seconded by Bonesteele and **carried with six in favor and one opposed** to approve revolvement of capital credits totaling $2,099,520 for portions of the years 2003 and 2004. (A copy of the recommendation is in the Supplemental Minutes Book).

   **Approval of NRECA’s 2019 Proposed Resolutions - Action:** **MOTION** made by Van Meter, seconded by Bonesteele and **carried unanimously** to empower Bauer as this year’s voting delegate to make decisions on the resolutions using his best judgement, taking into consideration his understanding of the board’s position on the various issues addressed in the resolutions.

   **Director Compensation Survey - Information:** Schacher said the information provided is updated biannually.
Basic Charge Increase Recommendation - Action: MOTION made by Berger, seconded by Van Meter and carried unanimously to approve the Rate Committee recommendation to increase the residential basic charge $5 per month and apply a similar percentage increase to the general service base charge effective October 1, 2019. (A copy of the recommendation is in the Supplemental Minutes Book).

Service Charge Implementation Recommendation – Action: MOTION by Berger, seconded by Van Meter and carried unanimously to approve the Rate Committee recommendation implementing a 1.5% monthly service charge on accounts with a delinquent balance of $50 or more with the minimum service charge being $3 effective October 1, 2019. Davidson said that although the service charge is effective October 1, there were processes that needed to be put into place, so the charge will not be added to bills until those are complete. While processes are being completed, members will be notified of the coming change through various methods. (A copy of the recommendation is in the Supplemental Minutes Book).

Eliminate Outdoor Field Lighting Recommendation – Action: MOTION by Bauer, seconded by Bargen and carried unanimously to approve the Rate Committee recommendation eliminating the Schedule 3(a): Outdoor Field Lighting Rate effective October 1, 2019. Staff will give the required 30-day notice to the City of Salem (the only account billed under the rate) letting them know they will be billed at the general service rate beginning November 1, 2019. (A copy of the recommendation is in the Supplemental Minutes Book).

Net Metering PV Program Recommendation – Action: MOTION by Condon, seconded by Van Meter and carried unanimously to approve the Rate Committee recommendation to continue offering incentives at their current level ($300 per kW installed up to $1,500 maximum) for PV installations up to 1% of Salem Electric’s single-hour peak load (912 kW), with a review of the program when generated capacity reaches 850 kW, and change the current annual true-up on banked energy to a monthly true-up. (A copy of the recommendation is in the Supplemental Minutes Book).

Cogeneration Penny Premium Recommendation – Action: MOTION by Berger, seconded by Van Meter and carried unanimously to approve the Rate Committee recommendation eliminating the 1 cent/kWh premium on the Cogeneration, Small Power Production, and Net Meter Rate effective October 1, 2019. (A copy of the recommendation is in the Supplemental Minutes Book).

Updated Schedule of Charges Recommendation – Action: MOTION by Bauer, seconded by Condon and carried unanimously to approve the Rate Committee recommendation to approve the proposed Schedule of Charges effective October 1, 2019. (A copy of the recommendation is in the Supplemental Minutes Book).

Rate Recommendation – Action: MOTION by Berger, seconded by Van Meter and carried unanimously to approve the Rate Committee recommendation implementing a 4.25% rate adjustment effective October 1, 2019. (A copy of the recommendation is in the Supplemental Minutes Book).
7. **MONTHLY REPORTS:**

   **Department Updates:** Buystedt gave a report on the Alumina Substation project and provided information on the proposed Hughes Substation project. Davidson noted that the Member Services section of the board packet now includes a graphical Credit Review. This information was previously reported in the Financial Report section. She also reported that Salem Electric’s 2017 Annual Report received a 1st place award (with a perfect score of 50 points) at the NWPPA Northwest Communication and Energy Innovations Conference.

   **Manager’s Report:** Schacher said staff would be providing additional information regarding the funding of the Hughes Substation project included in the 2020 proposed budget; reported that a location has been selected for the Guatemala International Project; said the selection process for the 2020 NRECA Youth Tour has begun; and thanked those from the board who attended the SEDCOR awards luncheon last week.

   **Strategic Planning Document Update:** Schacher reviewed updates to the Strategic Planning Document.

   **Outside Meeting Reports:** Several reported on the ORECA Director Education Conference saying the presentations were varied and interesting. They also thanked Schacher for the presentation he gave.

8. A member asked if Salem Electric’s line extension costs are recouped by the co-op; staff said material costs are recouped. A member asked when members would be notified of the rate changes; staff said an article would be included in the October *Info Bulletin*. A member asked how many employees are included in the retiree medical benefit liability referred to earlier in the meeting; Schacher said that was a personnel matter. A member asked if there had been any outages resulting from yesterday’s wind; staff said no.

9. **NEW BUSINESS/GOOD OF THE ORDER:** **MOTION** by Van Meter, seconded by Bonesteele and **carried with five in favor, 1 opposed, and 1 abstained** that a U.S. flag, the Oregon State flag, and the co-op principals be added to the board room.

   Related to the presentation at ORECA Director’s Education Conference, Condon said the Salem City Club had a presentation on wildfire mitigation and she provided copies of the Oregon Department of Forestry Wildfire Prevention and Preparation information from that meeting.

10. **EXECUTIVE SESSION:** None.

11. **ADJOURN:** Meeting adjourned at 7:57 p.m.

______________________________
Joe Van Meter, Secretary/Treasurer

Approved Pursuant to Board Action on

______________________________
October 22, 2019

______________________________
Jeff Anderson, President
SALEM ELECTRIC BOARD MEETING AGENDA
6:00 p.m. Wednesday September 18, 2019

1. CALL TO ORDER

2. APPEARANCE OF INTERESTED MEMBERS (5 minutes per member)

3. MEETING AGENDA (Approve)

4. CONSENT CALENDAR (Approve)
   A. Minutes of Prior Meetings
      August 27, 2019 ................................................................. 1-3
      August 27, 2019 Executive Session ........................................ 4
   B. Acceptance of new members (264)
   C. Release of members no longer taking service (163)
   D. Financial Report ............................................................... 5-13
   E. Engineering & Operations Report ......................................... 14-20
   F. Member Services Report .................................................... 21-22
   G. Director Remuneration Forms ............................................ 23-33

5. CONSIDERATION OF ITEMS REMOVED FROM CONSENT CALENDAR (Approve)

6. INFORMATION/ACTION ITEMS
   Audit Engagement Letter – Action (Schacher) ................................. 34-41
   Authorization to Pay Capital Retains – Action (Krieck) ...................... 42
   Approval of NRECA’s 2019 Proposed Resolutions – Action (Bauer)
   Director Compensation Survey – Information (Schacher) .................. 43
   Basic Charge Increase Recommendation – Action (Anderson) .............. 44-45
   Service Charge Implementation Recommendation – Action (Anderson) ... 46
   Eliminate Outdoor Field Lighting Recommendation – Action (Anderson) .... 47-48
   Net Metering PV Program Recommendation – Action (Anderson) ........... 49
   Cogeneration Penny Premium Recommendation – Action (Anderson) ....... 50
   Updated Schedule of Charges Recommendation – Action (Anderson) ....... 51-53
   Rate Recommendation – Action (Anderson) .................................... 54-56

7. MONTHLY REPORTS
   Department Updates (Department Managers)
   Manager’s Report (Schacher)
   Strategic Planning Document Update (Schacher)
   Outside Meetings Reports (Directors)

8. APPEARANCE OF INTERESTED MEMBERS (5 minutes per member)

9. NEW BUSINESS/GOOD OF THE ORDER

10. EXECUTIVE SESSION

11. ADJOURN (Next Meeting: October 22, 2019 – 6:00 p.m.)