

Regular Meeting Minutes
Salem Electric Board of Directors

24 August 2021

6:00 p.m.

1. CALL TO ORDER: The virtual meeting of the Salem Electric Board of Directors was called to order by President Dave Bauer. Directors present: Dave Bauer, Joe Van Meter, Jerry Berger, Jeff Anderson, Jan Bargen, and Cindy Condon. Staff members present: Tony Schacher, General Manager; Chris Kriek, Administrative Services Manager; and Randi Johnson, Executive Assistant. (A list of the members, employees, and guests in attendance is in the Supplemental Minutes Book.)
2. APPEARANCE OF INTERESTED MEMBERS: A member commented about the rate making process. Another member relayed a social media conversation about tree trimming.
3. MEETING AGENDA: **MOTION** made by Anderson, seconded by Bargen and **carried unanimously** to approve the Meeting Agenda.
4. CONSENT CALENDAR: **MOTION** made by Anderson, seconded by Berger and **carried unanimously** to approve the Consent Calendar with the removal of Item D – Financial Report and Item E – Engineering & Operations Report.
5. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR: Questions were asked and answered. **MOTION** made by Condon, seconded by Anderson and **carried unanimously** to approve Items D and E.

6. INFORMATION/ACTION ITEMS:

Resolution Reaffirming Schacher to NRU Board – Action: **MOTION** made by Van Meter, seconded by Berger and **carried unanimously** to adopt Resolution 08-24-21 appointing Schacher to a seat on the Northwest Requirements Utilities Board of Directors. (A copy of the resolution is in the Supplemental Minutes Book.)

Rate Recommendation – Action: **MOTION** made by Anderson, seconded by Berger and **carried with four in favor, one opposed, and one abstained** to approve the Rate Committee Recommendation as presented effective October 1, 2021. (A copy of the recommendation is in the Supplemental Minutes Book.)

During discussion, the following points were made:

- That the committee looked at potential adjustments over a period of 10 years so that over time rates would become more aligned with cost of service.
- That a goal of the rate adjustments is to move toward equity among the different rate classes.
- That the rate recommendation applies only to the period October 1, 2021 through September 30, 2023.
- That the rate design creates three classes of general service and removes the general service tiered rate structure.
- That the 2021 BPA rates were incorporated into the proposed rate design.
- That the proposed rates assume a \$3 million draw from the PowerVision loan for normal utility plant expenditures during the 2022-2023 budget cycle.

Updated Schedule of Charges Recommendation – Action: **MOTION** made by Anderson, seconded by Berger and **carried unanimously** to approve the updated Schedule of Charges as presented to provide cost recovery for the services provided effective October 1, 2021. (A copy of the recommendation is in the Supplemental Minutes Book.)

Resolutions Committee Report – Information: Condon discussed the proposed NRECA resolutions and amendments that the committee reviewed at its meeting on August 17. She asked the board to provide comments and noted that the committee will meet prior to the September board meeting.

7. MONTHLY REPORTS:

Department Updates: Schacher stated that Microsoft is shifting its software to a subscription plan. New licensing agreements will be similar to current charges, but billing will occur every three years.

Manager’s Report: Schacher stated that the mask mandate has been reinstated and that staff is adapting to the new changes. He discussed BPA’s Record of Decision (ROD) and noted that power rates decreased 2.6 percent while transmission rates increased 11.1 percent, and for the first time in its history, Salem Electric will become a Tier II customer. Schacher noted that staff and legal counsel reviewed the current bylaws and that no changes to the bylaws are anticipated in the 2022 election cycle. He stated that staff are finalizing the new strategic plan to present to the board in September. Kriek provided information about FEMA reimbursement for eligible expenses incurred during the February ice storm. Schacher highlighted employees celebrating service anniversaries this month.

Strategic Planning Document Update: None.

Outside Meeting Reports: None.

8. APPEARANCE OF INTERESTED MEMBERS: Members commented on rate adjustments and commended the work of the Committee and the Board.
9. NEW BUSINESS/GOOD OF THE ORDER: Schacher stated that the September board meeting will be held via Zoom. Condon asked about creating scholarships to assist students interested in becoming linemen. Condon would like more information about AMI data and requested a presentation.
10. EXECUTIVE SESSION: The Board recessed at 8:20 p.m. and convened in Executive Session.

Board Meeting Minutes
August 24, 2021
Page 3

11. ADJOURN: At 8:45 p.m., at the conclusion of the Executive Session, the board reconvened in regular session and immediately adjourned.

Jerry Berger, Secretary/Treasurer

Approved Pursuant to Board Action on
September 28, 2021

Dave Bauer, President

SALEM ELECTRIC BOARD MEETING AGENDA
6:00 p.m. Tuesday August 24, 2021

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
 1. July 27, 2021 Regular Meeting 1-3
 2. July 27, 2021 Executive Session 4
 - B. Acceptance of new members (212)
 - C. Release of members no longer taking service (180)
 - D. Financial Report 5-13
 - E. Engineering & Operations Report14-20
 - F. Member Services Report21-23
 - G. Director Remuneration Forms24-32
5. CONSIDERATION OF ITEMS REMOVED FROM CONSENT CALENDAR (Approve)
6. INFORMATION/ACTION ITEMS

Reaffirm Schacher as Director to NRU – Action (Schacher)..... 33

Rate Recommendation – Action (Anderson).....34-40

Updated Schedule of Charges Recommendation – Action (Anderson).....41-43

Report of Resolutions Committee – Information (Condon)
7. MONTHLY REPORTS

Department Updates (Schacher)

Manager’s Report (Schacher)

 - COVID Update

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** (General Manager Self-Evaluation Presentation)
11. ADJOURN (Next Meeting: September 28, 2021, 6:00 p.m. For upcoming agenda items, refer to the Annual Agenda Items Calendar on Call to Order (Documents, Board Meeting General).