

Regular Meeting Minutes
Salem Electric Board of Directors

28 September 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 Bauer. Directors present: Dave Bauer, Joe Van Meter, Jerry Berger, Jeff Anderson, Jan Bargaen, Cindy Condon, and Angie Onyewuchi. 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: None.
3. MEETING AGENDA: **MOTION** made by Anderson, seconded by Condon and **carried unanimously** to approve the Meeting Agenda.
4. CONSENT CALENDAR: **MOTION** made by Van Meter, seconded by Condon and **carried unanimously** to approve the Consent Calendar with the removal of 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 Van Meter and **carried unanimously** to approve Item E.
6. INFORMATION/ACTION ITEMS:

Facilities Plan Recommendation – Action: Schacher and Kriek reviewed the proposed projects and the different funding scenarios and the corresponding impact to member rates. Schacher discussed Cooperative Building Solutions’ business model and the recommendations from other cooperatives and noted that all highly recommend Cooperative Building Solutions for the project. The board discussed concerns about the price of materials and problems with the current supply chain, and that debt could limit other needs in the future.

MOTION made by Berger, seconded by Van Meter and **carried with Anderson, Berger, Onyewuchi, and Van Meter in favor, Condon opposed, and Bargaen abstained**, to acquire borrowing authority of \$20 million from CFC in the form of a project financing loan (based on a fixed interest rate and a 30-year term) that will be accessed to cover actual project costs, and, to authorize management to proceed with using Cooperative Business Solutions as the design/build firm for the renovation of the existing Salem Electric offices and warehouse space and the concurrent construction of warehouse space at both the 9th Street location and the property adjacent to the Alumina Substation, at an estimated cost of \$15,110,000. (A copy of the recommendation is in the Supplemental Minutes Book.)

Strategic Plan Recommendation – Action: Schacher reviewed the proposed strategic plan and key initiatives. The board discussed the growth of electric vehicle production. Further discussion regarded expense management if load growth and revenue streams do not materialize. **MOTION** made by Condon, seconded by Van Meter and **carried unanimously** to adopt the 2021 Strategic Plan with the following objectives:

- Facility Improvements: To ensure the resiliency, capability, and longevity of Salem Electric facilities and its contents.

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- **New Rate Structures:** Design rate structures that influence usage patterns and support a shift in demand peaks while meeting operational and member needs and addressing member equity.
- **Load Growth:** Increase energy sales while continuing to encourage efficient use of electricity.
- **Revenue Streams:** Evaluate the feasibility of generating revenue outside the electrical distribution market.

(A copy of the recommendation is in the Supplemental Minutes Book.)

Authorization to Pay Capital Retains – Action: **MOTION** made by Anderson, seconded by Condon and **carried unanimously** to approve revolvement of capital credits totaling \$2,098,649 from 2007. (A copy of the recommendation is in the Supplemental Minutes Book.)

NRECA Resolutions – Information: In response to discussion at the August board meeting, Condon noted that poverty is not limited to rural populations and proposed striking the word “rural” from NRECA’s Amendment 4, “Support for Efforts to Address Rural Poverty.” The change to the amendment will be proposed at the NRECA Regional Meeting on September 30.

7. MONTHLY REPORTS:

Department Updates: Schacher announced personnel updates in Engineering & Operations and Member Services, and stated that billing statements now include a total monthly charges line. Sen. D. Patterson recently visited Salem Electric as part of her 40 Businesses in 40 Days tour.

Manager’s Report: Schacher stated that due to the ongoing pandemic, the lobby is closed; however the walkup window is open. Several employees are working remotely. SEMAP funds have been expended for the year; however, Round Up funds are available to assist members in need, and LIHEAP funding is renewed October 1. He noted that he, Bauer, and Berger were able to present a retirement gift to Alicia Bonesteele at a recent visit. He highlighted September employee service anniversaries.

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

Outside Meeting Reports: Bauer noted that the ORECA Annual Meeting is in October. Bargaen discussed her participation in a recent director education class.

8. APPEARANCE OF INTERESTED MEMBERS: A member had questions about the new rate schedules and financing for the facilities project and commented on the strategic plan.
9. NEW BUSINESS/GOOD OF THE ORDER: None.
10. EXECUTIVE SESSION: None.

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11. ADJOURN: With no further business to come before the board, the meeting adjourned at 8:00 p.m.

Jerry Berger, Secretary/Treasurer

Approved Pursuant to Board Action on
October 26, 2021

Dave Bauer, President

SALEM ELECTRIC BOARD MEETING AGENDA
6:00 p.m. Tuesday September 28, 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. August 24, 2021 Regular Meeting 1-4
 2. August 24, 2021 Executive Session 5
 - B. Acceptance of new members (239)
 - C. Release of members no longer taking service (207)
 - D. Financial Report..... 6-14
 - E. Engineering & Operations Report15-21
 - F. Member Services Report.....22-24
 - G. Director Remuneration Forms25-37
5. CONSIDERATION OF ITEMS REMOVED FROM CONSENT CALENDAR (Approve)
6. INFORMATION/ACTION ITEMS
 - Facilities Plan Recommendation – Action (Schacher).....38-41
 - Strategic Plan Recommendation – Action (Schacher)42-68
 - Authorization to Pay Capital Retains– Action (KriECK)..... 69
 - Director Compensation Review – Information (Bauer) 70
 - NRECA 2021 Proposed Resolutions/Amendments – (Condon)
 - Annual Audit Update – Information (KriECK)
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**
11. ADJOURN – Next Meeting: October 26, 2021, 6:00 p.m. For upcoming agenda items, refer to the Annual Agenda Items Calendar on Call to Order (Documents, Board Meeting General).