

Regular Meeting Minutes
Salem Electric Board of Directors

25 January 2022

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; JB Phillips, Engineering & Operations Manager; Michael Richman, IT Manager; Jacob Knudsen, Member Services Manager; Michele Adkins, Executive Coordinator; 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: Members withheld comment until the end of the meeting.
3. MEETING AGENDA: **MOTION** made by Van Meter, seconded by Berger and **carried unanimously** to approve the Meeting Agenda as amended.
4. CONSENT CALENDAR: **MOTION** made by Van Meter, seconded by Anderson and **carried unanimously** to approve the Consent Calendar with the removal of Item A – Minutes of the Prior Meeting, Item D – Financial Report, Item E – Engineering & Operations Report, and Item F – Member Services Report.
5. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR:
 Item A – **MOTION** made by Bargaen, and seconded by Condon for general consent to suspend the rules and allow Bargaen’s ‘nay’ votes to be noted out-of-time in the minutes of the December monthly meeting.
 During discussion, the following points were made:
 - The minutes were recorded correctly; standard practice for the Board is to record votes as pass or fail with numbers.
 - If names are recorded, the names of all who voted should be recorded.
 - The request was submitted two days after the meeting adjourned; the appropriate time to make such a request is before the Board moves to the next item of business.
 A roll call vote was taken. Those voting in favor of the motion were Bargaen and Condon; those opposed were Anderson, Berger, Onyewuchi, and Van Meter. **Motion failed.**
MOTION made by Van Meter, and seconded by Berger to approve the minutes as submitted. A roll call vote was taken. Those voting in favor of the motion were Anderson, Berger, Condon, Onyewuchi, and Van Meter; Bargaen abstained. **Motion passed.**
 Items D, E, and F – Questions were asked and answered. **MOTION** made by Condon, seconded by Anderson and **carried unanimously** to approve Items D, E, and F.
6. INFORMATION/ACTION ITEMS:
Proposed Amendment to Bylaw 4.4(a) - Nomination and Election of Directors – Action: **MOTION** made by Berger, seconded by Anderson and **carried unanimously** to change the last day to submit a nomination by written petition from 30 days to 45 days prior to

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each annual meeting and to change the date of the membership of record from December 31 of the preceding year to June 30 of the preceding year. The proposed amendment will be included on the 2022 ballot. (A copy of the recommendation is in the Supplemental Minutes Book.)

Board & Industry Meetings Calendar – Information: Due to spring break, the NRECA Region 9 meeting, and the Christmas holiday, staff proposed moving the March meeting to March 16, the September meeting to September 21, and the December meeting to December 14. **MOTION** made by Van Meter, seconded by Barga and **carried unanimously** to approve these changes.

Resolutions – Information: Salem Electric submitted an amendment to the NRECA proposed Resolution Amendment 4, "Support for Efforts to Address Rural Poverty," which was approved at the NRECA Region 9 meeting last fall. Condon stated that the amendment will be presented as an alternative to the proposed resolution amendment at the NRECA annual meeting in March. Condon noted that the NWPPA 2022 resolutions process is also underway. Comments or concerns about proposed resolutions at either association should be forwarded to the Resolutions Committee.

7. MONTHLY REPORTS:

Department Updates: Staff presented a year-end summary report on the net margin, operating revenue, total expenses, power cost, operating expenses, utility billing revenue, and MWh sales. The significant variance in net margin is due in part to increased revenue and decreased expenses. IT migrated existing services to new hardware and upgraded servers to keep them current, and ongoing cybersecurity practices help protect against threats to our system. For much of the year, the lobby remained closed due to the coronavirus pandemic. In-person assistance was provided through a walk-up window. Incoming phone calls continued to decline and the use of paperless billing and online payments increased. Recurring donations to the Round Up program more than doubled while one-time donations increased 24% from the previous year. Energy efficiency programs saved 1,231,734 kWh, which is enough energy to power 151 homes for a year. During the February ice storm, 16,987 meters or 84.4% of the system experienced an outage and the average outage per member was 13.9 hours. With the help of mutual aid from four utilities, power was restored to all members within four days. The 2021 operations, maintenance, and capital expenditures were 89% of budget, new services totaled 74, and the average outage time per member, excluding the ice storm, was 13.88 minutes.

Manager's Report: Schacher noted that we provided mutual aid crews to assist two neighboring utilities after severe winter storms caused power outages in their service territories. Schacher highlighted January employee service anniversaries.

Outside Meeting Reports: Van Meter summarized a recent ORECA board meeting and governmental affairs committee meeting.

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8. APPEARANCE OF INTERESTED MEMBERS: Members commented on the proposed amendment to Bylaw 4.4(a), Robert's Rules of Order, average outage time per member, and the challenges faced by the cooperative during the past year.
9. NEW BUSINESS/GOOD OF THE ORDER: Bauer proposed a hybrid format for future board meetings to allow directors to meet in person while members would attend via Zoom. After discussion, meetings will continue virtually and the Board will reconsider its decision in the spring.

The Board discussed whether to hold the annual meeting in person as planned or to move it to a virtual format. The Board decided that due to the ongoing pandemic, the meeting will be held virtually.

10. EXECUTIVE SESSION: None.
11. ADJOURN: With no further business to come before the Board, the meeting adjourned at 8:30 p.m.

Jerry Berger, Secretary/Treasurer

Approved Pursuant to Board Action on
February 22, 2022

Dave Bauer, President

SALEM ELECTRIC BOARD MEETING AGENDA
6:00 p.m. Tuesday January 25, 2022

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. December 15, 2021 Regular Meeting..... 1-4
 2. December 15, 2021 Executive Session..... 5
 - B. Acceptance of new members (173)
 - C. Release of members no longer taking service (160)
 - D. Financial Report..... 6-19
 - E. Engineering & Operations Report20-26
 - F. Member Services Report.....27-30
 - G. Director Remuneration Forms31-50
5. CONSIDERATION OF ITEMS REMOVED FROM CONSENT CALENDAR (Approve)
6. INFORMATION/ACTION ITEMS

Bylaw 4.4(a) – Nomination and Election of Directors – Action (Berger)..... 51

Board & Industry Meetings Calendar – Information (Schacher)..... 52

Resolutions – Information (Condon)
7. MONTHLY REPORTS

Department Updates (Department Managers)

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

Virtual / Hybrid Meetings
10. **EXECUTIVE SESSION**
11. ADJOURN (Next Meeting: February 22, 2022, 6:00 p.m. For upcoming agenda items, refer to the Annual Agenda Items Calendar on Call to Order (Documents, Board Meeting General).