

Regular Meeting Minutes
Salem Electric Board of Directors
22 August 2023 6:00 p.m.

1. CALL TO ORDER: The Salem Electric Board of Directors meeting was called to order at 6:05 p.m. by President Anderson. Directors present: Jeff Anderson, Jan Bargaen, Dave Bauer, Tim Klarr, John Taylor, and Angie Villery. 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: Questions were asked about the 2023 rate recommendation and the updated schedule of charges.
3. MEETING AGENDA: **MOTION** made by Bauer, seconded by Bargaen, and **carried unanimously** to approve the Meeting Agenda.
4. CONSENT CALENDAR: **MOTION** made by Bauer, seconded by Villery, and **carried unanimously** to approve the Consent Calendar with the removal of Item D – Financial Report.
5. CONSIDERATION OF ITEMS REMOVED FROM THE CONSENT CALENDAR: Item D: Questions regarded the Fleet and Materials Reserve (line 32 on the balance sheet) and Energy Efficiency (line 6 on the statement of operations). **MOTION** made by Bargaen, seconded by Klarr, and **carried unanimously** to approve Item D.

6. ACTION/INFORMATION ITEMS:

2023 Rate Recommendation – Action: **MOTION** made by Bauer, seconded by Villery, to: (1) create a facilities reserve fund from BPA's reserve distribution clause to offset the cost of future facilities construction projects, and (2) increase residential and general service rates by 4.70% effective October 1, 2023. The rate adjustment includes an increase of \$5 per month to the basic charge for all rate classes and a per kWh charge adjusted accordingly for each rate class.

The Board discussed revenue requirements, budget forecasting, the three-year balance of funds, net margins, rising operating costs, and tiered rates. The Board deliberated the proposed increase to the basic charge and discussed the impact a rate adjustment may have on the membership.

Bauer **called the question**, which **passed with three in favor and two opposed**. **MOTION** to approve the rate adjustment as stated above **passed with three in favor and two opposed**. (A copy of the recommendation is in the Supplemental Minutes Book.)

Updated Schedule of Charges – Action: **MOTION** made by Bauer, seconded by Villery, and **carried unanimously** to adopt the proposed Updated Schedule of Charges as presented effective October 1, 2023. (A copy of the recommendation is in the Supplemental Minutes Book.)

Bylaw Review – Information: Schacher stated that the attorney has completed the annual review of the bylaws and that no amendments are recommended at this time. Schacher asked the Board to notify him of any issues or areas of concern that would merit further review.

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7. MONTHLY REPORTS:

Department Updates: Member Services – Schacher noted that earlier this month, staff and directors assisted the Claggett Creek Watershed Council at KeizerFest. Engineering & Operations – Schacher stated that the system withstood the demands of the August heatwave and on August 16, the system peaked at 79.40 MW, the highest to date this year.

Manager's Report: Schacher stated that a referendum on the Safe Salem payroll tax is heading to the special election ballot in November. He discussed the BPA post-2028 provider of choice policy draft. Schacher has been nominated for election to the Federated Rural Electric Insurance Exchange Board. The election takes place at the Region 9 meeting on September 27, in Omaha, Nebraska. Schacher noted that the number of signatures needed to be nominated by petition for election to the Salem Electric Board of Directors is one percent of the members of record as of June 30, 2023, which is 19,218 members. Petitioners will need to collect 192 signatures to qualify for the ballot. Schacher highlighted August employee service anniversaries.

Outside Meeting Reports: Bauer commended Anderson for his work on the Claggett Creek Watershed Council. Klarr and Taylor discussed a director education class they recently attended.

8. APPEARANCE OF INTERESTED MEMBERS: Member comments regarded rates and extreme weather.
9. NEW BUSINESS/GOOD OF THE ORDER: Taylor was appointed as voting delegate at the Federated Rural Electric Insurance Exchange meeting. Directors complimented Schacher and staff for proactively managing expenses. A director requested an employee photo directory.
10. EXECUTIVE SESSION: The Board recessed at 7:40 p.m. and convened in Executive Session at 7:45 p.m.
11. ADJOURN: At 8:10 p.m., at the conclusion of the Executive Session, the Board reconvened in regular session and immediately adjourned.

Dave Bauer, Secretary/Treasurer

Approved Pursuant to Board Action on
September 20, 2023

Jeff Anderson, President

SALEM ELECTRIC BOARD MEETING AGENDA
6:00 p.m. Tuesday August 22, 2023

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
 - July 25, 2023 Regular Meeting..... 1-3
 - B. Acceptance of new members (198)
 - C. Release of members no longer taking service (179)
 - D. Financial Report 4-13
 - E. Engineering & Operations Report14-19
 - F. Member Services Report20-22
 - G. Director Remuneration Forms23-43
5. CONSIDERATION OF ITEMS REMOVED FROM CONSENT CALENDAR (Approve)
6. INFORMATION/ACTION ITEMS
 - 2023 Rate Recommendation – Action (Anderson)..... 44-55
 - Updated Schedule of Charges Recommendation – Action (Anderson).....56-58
 - Bylaw Review – Information (Schacher)
7. MONTHLY REPORTS
 - Department Updates
 - Manager’s Report (Schacher)
 - Outside Meetings Reports (Directors)
8. APPEARANCE OF INTERESTED MEMBERS (5 minutes per member)
9. NEW BUSINESS/GOOD OF THE ORDER
 - A. Appoint Federated Voting Delegate
- 10. EXECUTIVE SESSION** (General Manager Self-Evaluation Presentation)
11. ADJOURN (Next Meeting: September 20, 2023, 6:00 p.m. For upcoming agenda items, refer to the Annual Agenda Items Calendar on Call to Order (Documents, Board Meeting General).