Our power poles have just one purpose... to support the power lines and equipment needed to deliver electricity to our customers. Unfortunately, some people have other plans for our poles, like supporting garage sale signs, bird houses and other things. Using our poles for things other than their intended purpose can create a dangerous situation for our linemen. A lineman’s climbing gear can slip on the nails and screws used to attach these signs, making it difficult to work high to bring a better quality of life to the people and communities we serve. A simple way that strengthens member loyalty to their electric cooperative is to work to understand the needs of our members. We are strong advocates for their interests. When delivering high-quality electric power and other services our membership desires, we keep them informed and involved in the governance of the cooperative, making sure they understand the uniqueness of electric cooperative service.

Another thing unique to co-ops is Salem Electric. It is a “not-for-profit” organization, but the co-op’s annual budget does provide for a “net margins” each year. ...we provide the most reliable electric service in the region and use a business model which returns money to its members each year.

The net margin is the monies left over after all operating costs are paid. Each year our net margin is allocated to our members in the form of capital credits based on the total amount each member paid Salem Electric for electricity. Each spring, members who purchased electricity from us during the previous year receive a notice letting them know how much was allocated to them, as their total allocations to date. Each year we pay 5% (20-year-renewal) of the outstanding capital credits to current and former members on a first-year-in and first-year-out basis as approved by the board.

Salem Electric, like other businesses, has operating costs. But unlike for-profit companies, every net margin dollar Salem Electric takes in, are spent on capital improvements (wires, poles, and transformers); general plant additions (computers, communications and office vehicles, equipment, etc.); debt repayment; and payment of capital credits earned by current and former members who have contributed to the net margins in prior years. We began revolving capital credits in 1979 and this year, we will pay out over $38 million in credits returned to our current and former members. Investor-owned electric companies’ “profits”, which also come from ratepayers, are paid to stockholders who are typically not customers. In conclusion, we provide the most reliable service in the region and use a business model which returns money to its members each year. Pretty good deal if you ask me.

Joe Van Meter
Director

Yes, We Do Windows!
In May 2004, when Ken and Judy moved from Southern California to their West Salem home, their home inspection detected some windows needed to be replaced. Getting bids from numerous companies proved to be confusing. Then they heard about the Salem Electric WeatherWise Program. “What we got from Salem Electric was quality, unbiased information and a good education on conversation,” said Ken.

As a result of Salem Electric’s free home energy audit, they found that part of their floor needed to be insulated and several ducts needed to be wrapped. In addition, energy could be saved by replacing old windows and patio doors with new high-efficiency, framed windows and doors. Salem Electric provided a listing of all our programs...
**Employee Spotlight**

**Jack Belleque**

My Oregon ancestors were early settlers in the mid-Willamette Valley six generations ago. I was part of a family of ten children who grew up in the Gervais area. I graduated from Pacific University in Forest Grove. Salem Electric was my first full-time job after college, in 1981, and I’ve been here ever since. I’m currently the head of administrative services, a department that includes accounting, finance and customer services. My wife Kathy and I have four children: Sarah (a U of O grad in June), Elizabeth (Linfield College); Andrea (Gervais High); and Mark (5th grade at Sacred Heart). I really like coaching, boys basketball and baseball, as well as girls softball. I’ve also served on the Gervais Board past the couple of years.

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**Board Meeting Summary from March 29**

Presented by: Carl E. Beach, Secretary/Treasurer

**May 2005**

**Information Items**

**Administrative Services:**
- The Stotman Journal will include an insert in April, May and June listing nearly 8,000 names of people with unclaimed capital credits. The Salem Electric website also lists the names.
- The new Hughes Substation transformer should be installed and ready to energize by mid-July.
- Staff is trying to locate a small wind generator for installation at West Salem High School to be used as an educational tool.
- The new Habitat Improvement Program has received good press coverage and 26 members have signed up.
- The Electric Technology Grant will be awarded to West Salem High School in 2005 to provide funding to study hydrogen fuel cells.

**Member Services:**
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**Manager’s Report:**
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**Check Here**

If you’ve paid close attention to your Salem Electric bill, you’ve probably noticed the statement, “I Check here if adding $10.00 annually to help those less fortunate pay their electric bill. The funds you donate are distributed to members throughout the year by The Salvation Army.”

In addition to your voluntary dollar check-off donations, SE distributes $116,000 each winter to our members with electric heat. Typically this helps over 1,000 of our members annually.

**Call for Signature Pledges**

If you would like to sign up for the Habitat Improvement Program, please complete this form and return it to Salem Electric. You can save postage and include it with your electric payment.

**Yes,** I want to help restore our local native fish and wildlife habitat.

Carl Beach, President, Salem Electric

For more information, visit our website at salememlectric.com.
In May 2004, when Ken and Judy moved from Southern California to their West Salem home, their home inspection detected some windows that would need to be replaced. Getting bids from numerous companies proved to be confusing.

Then they heard about the Salem Electric Weatherwise Program. “What we got from Salem Electric was quality, unbiased information and a good education on conservation,” said Ken.

As a result of Salem Electric’s free home energy audit, they found that part of the floor needed to be insulated and several ducts needed to be wrapped. In addition, energy and money, making your home more comfortable and helping the environment, contact our Member Services Department at 503 362-3601 and we’ll find a program that’s right for you. You can also visit our website at salemelectric.com, and click on “Member Services” to get a listing of all our programs.

No Signs On Power Poles

Our power poles have just one purpose…to support the power lines and equipment needed to deliver electricity to our customers. Unfortunately, some people have other plans for our poles, like supporting garage sale signs, bird houses and other things. Using our poles for things other than their intended purpose can create a dangerous situation for our lineman. A lineman’s climbing shoes and use a wooden stake to support your sign.

Yes, We Do Windows!

Yes, We Do Windows! According to Ken and Judy, a listing of all our programs.

From Director

I frequently shared with you the training I have attended to better understand the electrical business and represent you on the Salem Electric board. As a part of this education I have learned the difference between investor-owned utilities, owned by stockholders, and cooperatives, which are member-owned, like Salem Electric. I continue to learn more about cooperatives and the unique history of our country. You’ve seen in previous issues of this newsletter, co-ops are a special kind of utility. Last month you read about the Seven Cooperatives Principles. This month includes information about community involvement — a few of the reasons that co-ops are special. Another unique thing about co-ops is their Cooperative Business Model. As directors, managers and employees in the electric cooperative network, we work hard to bring a better quality of life to the people and communities we serve in a way that strengthens member loyalty to their electric cooperative.

We work to understand the needs of our members. We are strong advocates for their interests. While delivering high-quality electric power and other services our membership desires, we keep them informed and involved in the governance of the cooperative, making sure they understand the uniqueness of electric cooperative service.

Another thing unique to co-op created capital, Salem Electric is a “not-for-profit” organization, but the co-op’s annual budget does provide for “a net margins” each year.

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In conclusion, we provide the most reliable electric service in the region and use a business model which returns money to our members. As responsible local businesses, co-ops contribute approximately $155,000 annually in dues and donations to civic and community organizations. In addition, electric co-ops donated $40,000 last year to provide energy bill payment assistance to low-income residents.
EMPLOYEE SPOTLIGHT

Jack Belleque

"My Oregon ancestors were early settlers in the mid-Willamette Valley six generations ago. I was part of a family of ten children who grew up in the Gervais area. I graduated from Pacific University in Forest Grove. Salem Electric was my first full-time job after college, in 1981, and I’ve been here ever since. I’m currently the head of administrative services, a department that includes accounting, finance and customer services. My wife Kathy and I have four children: Sarah (a U of O grad in June), Elizabeth (Linfield College); Andrea (Gervais High); and Mark (5th grade at Sacred Heart). I really like coaching, boys basketball and baseball, as well as girls softball. I’ve also served on the Gervais School Board the past couple of years."

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BOARD MEETING SUMMARY from March 29

Presented by: Carl E. Beach, Secretary/Treasurer

May 2005

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In conclusion, we provide the most reliable service in the region and use a business model that returns money to its members each year. Pretty good deal if you ask me. Joe Van Meter

As a cooperative, our “customers” truly own our members and our owners.

ELECTRIC COOPERATIVES — ACCOUNTABLE, RESPONSIBLE, REWARDING

Oregon’s electric co-ops directly employ over 730 people, creating an annual payroll of approximately $38 million and pay about $10 million annually in payroll taxes and other benefits. Each year, electric cooperatives pay an additional $10 million in taxes, fees and franchises to governments in Oregon.

On average, electric co-ops purchase 75% of their goods and services from Oregon companies. This amounts to more than $104 million annually.

The majority of electric co-ops return dividends directly to their members in the form of capital credits. Over the last five years, co-ops returned an average annual amount of $6.4 million to their members. Since their inception, Oregon electric co-ops have returned a total of over $13 billion in capital credits to current and former members.

Electric co-ops place considerable importance on encouraging energy efficiency. Co-ops spent over $3 million last year on energy efficiency rebates and incentives — generating an annual energy saving of 26.6 million kilowatt hours.

Co-ops also assist their communities through donations of money, time and materials. Last year, co-ops contributed an additional $314,000. Direct donations to food banks were over $5,000, and equipment donations, totaling $17,600, went to volunteers on community programs and projects. As responsible local businesses, co-ops contribute approximately $150,000 annually in dues and donations to civic and community organizations. In addition, electric co-ops donated over $100,000 last year to provide energy bill payment assistance to low-income members.

Salem Electric is a member-owned, non-profit electric cooperative. As a member-owner, you are part of a broader, stronger movement of community-owned electric utilities across the United States. Unlike investor-owned companies, every dollar of capital credits earned by current and former members are returned to co-op members. As a result, Oregon electric co-ops have returned over $1 billion in capital credits to current and former members.

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A cooperative’s purpose is to satisfy the needs of its members and their owners.

As a cooperative, our “customers” truly own our members and our owners.

Oregon’s electric co-ops directly employ over 730 people, creating a combined payroll of approximately $38 million and pay about $10 million annually in payroll taxes and other benefits. Each year, electric cooperatives pay an additional $10 million in taxes, fees and franchises to governments in Oregon.

On average, electric co-ops purchase 75% of their goods and services from Oregon companies. This amounts to more than $104 million annually.

The majority of electric co-ops return dividends directly to their members in the form of capital credits. Over the last five years, co-ops returned an average annual amount of $6.4 million to their members. Since their inception, Oregon electric co-ops have returned a total of over $13 billion in capital credits to current and former members.

Electric co-ops place considerable importance on encouraging energy efficiency. Co-ops spent over $3 million last year on energy efficiency rebates and incentives — generating an annual energy saving of 26.6 million kilowatt hours.

Co-ops also assist their communities through donations of money, time and materials. Last year, co-ops contributed an additional $314,000. Direct donations to food banks were over $5,000, and equipment donations, totaling $17,600, went to volunteers on community programs and projects. As responsible local businesses, co-ops contribute approximately $150,000 annually in dues and donations to civic and community organizations. In addition, electric co-ops donated over $100,000 last year to provide energy bill payment assistance to low-income members.