

WASHINGTON ELECTRIC COOPERATIVE, INC.

79th ANNUAL MEMBERSHIP MEETING

May 2, 2018

The 79th Annual Membership Meeting was held at the Washington Electric Cooperative Operation Center on Wednesday, May 2, 2018, with 230 members, guests, and employees in attendance. The business meeting was called to order at 6:01 p.m. by President Barry Bernstein.

INTRODUCTIONS

President Bernstein introduced WEC Board of Directors and the 2018 candidates Steven Farnham, Roger Fox, Stephen Knowlton and Richard Rubin as this year's director candidates. President Bernstein also introduced guests including 98-year-old Gene Reed as a special recognized guest, Deputy Attorney General Joshua Diamond, Senator Mark MacDonald and Mayor of Barre Lucas Herring.

President Bernstein then recognized WEC staff. The extra member applause for the line crew was heartening and very much appreciated.

NOTICE OF MEETING

Secretary Annie Reed certified that Volume 79, No. 3 of the Cooperative's newsletter, *Co-op Currents*, constituted the official notice of the 79th Annual Meeting of the Members and that this notice was mailed to all members of record on the 6th day of April 2018, in accordance with the requirements of the Bylaws.

CERTIFICATION OF QUORUM

President Bernstein called on Ballot Committee Co-chair Joe Kelly to present the certification of quorum. Mr. Kelly stated 843 ballots were received by mail from the CPA firm, 40 ballots were invalid (spoiled) and 21 ballots had been cast in person at the meeting for a total of 813 members voting in the election which he certified constituted a quorum for the purpose of transacting business at the 79th Annual Membership Meeting in accordance with the Cooperative's bylaws.

APPROVAL OF MINUTES—2017 ANNUAL MEMBERSHIP MEETING

President Bernstein called for a motion to waive the reading of the minutes of the 2017 Annual Membership Meeting held on May 4, 2017, and to approve the minutes as presented.

A motion was made by WEC Member Jackie Folsom of Cabot to waive the reading of the minutes of the 2017 Annual Membership Meeting and to approve them as presented. The motion, which was duly seconded by Leo Martineau of Orange, passed unanimously.

EMPLOYEE RECOGNITION

Every year the Cooperative honors employees who reach five-year employment increments. This year President Bernstein presented a certificate of appreciation to General Manager Richards and

Manager Richards presented certificates of appreciation to five of the six employees who qualified for these milestones:

- Dawn Johnson, Administrative Assistant, 5 years of service;
- Patty Richards, General Manager, 5 years of service;
- Jason Preston, Maintenance Foreman, 10 years of service;
- Amos Turner, Construction Foreman, 10 years of service;
- Brian Wilkin, Utility Field Technician, 15 years of service;
- Ed Schunk, T&D System Technician, 30 years of service;
- Linda Nelson, Associate Director of Finance, 35 years of service.

PRESIDENT'S REPORT

President Bernstein thanked everyone for coming. He noted there would be a rate increase that would go into effect July 1, 2018 as a temporary surcharge. He stated that the WEC Board of Directors and WEC staff work hard in preparing rate increases and we only file when we have to.

President Bernstein noted that the rate design was moving forward and recognized focus group efforts that took place in November 2017. He also noted that the rate design was not an easy process but that the design was in line with the state mandate of fossil fuel reduction over the next decade.

Due to the increase in severity and length of storms President Bernstein requested members interested to volunteer for help in meal preparation and serving during the extended outage periods.

TREASURER'S REPORT

Treasurer Donald Douglas opened his report with the traditional humorous anecdote, and then reviewed WEC's financial status including its one hundred percent renewable status, which generated member applause, and that seventy percent of WEC's power is generated at the Coventry Plant. Treasurer Douglas noted that WEC again had a clean audit and led applause to the Finance Department. He then reviewed the areas that are causing financial challenges. These areas include the inclement weather, Renewable Energy Credit market, declining sales of kWh and cost of transmission.

MANAGER'S REPORT

Manager Richards welcomed members to WEC's Operation Center and thanked everyone for coming out. Ms. Richards addressed several topics in her report to the membership, beginning with WEC's excellent safety record continued with 939 days without an employee lost time accident, and 1.3 million miles without a reportable vehicle accident. Ms. Richards briefly described the Service Quality & Reliability Performance SQRP process and pointed out that a full report can be found in the annual meeting issue (April) of WEC's newsletter, Co-op Currents. Ms. Richards announced due to storm related outages WEC missed one metric for outage duration in 2017, but all other areas were met. She reviewed five major storms that occurred in 2017 and noted a 46% increase in the number of consumer hours out of power. Ms. Richards commented that WEC donated \$38,000 to 74 worthwhile non-profits and community organizations from the WEC member-funded Community Fund. This was \$10,000 more than 2016.

Ms. Richards recognized the extreme weather has caused a significant increase in outages and then noted WEC is working hard to make its grid more resilient. She invited WEC's Director of Engineering and Operations Dan Weston to address work that WEC is doing to improve the performance of the electric grid. Mr. Weston summarized work including work identified in its 2018 Construction Work Plan (CWP). Seven million dollars are slated for work on the WEC electric grid

over the next four years. Significant work will take place including replacing decayed power poles with new poles. He noted that all WEC employees are working together to improve reliability for members.

Mr. Weston went on to discuss issues associated with the Emerald Ash Borer. The insect is killing ash trees, forcing utilities to proactively remove live ash trees in the vicinity of power lines.

QUESTION/ANSWER SESSION

The meeting was opened to questions and/or comments from attendees. WEC member Sandal Cate asked if WEC sent staff to assist in the Virgin Islands. General Manager Richards stated that WEC sent lineman Kyle Sands to assist. Member John Pellas recognized WEC for being one hundred percent renewable. He also commented that global warming maybe causing more frequent storm outages and this maybe harming WEC's financial position. General Manager Richards noted that WEC is working on a Climate Change statement and WEC's position would be published in the Co-op Currents. Member, and former director Bud Haas reviewed WEC's development over the decades and the need for "out of the box" thinking for the future generation of power and the members' ability to pay. General Manager Richards responded by stating that WEC needs to be innovative in its planning for future energy ideas such as battery storage. President Bernstein noted that decisions consider the membership collectively not individually. He stated that "We are a big battery when solar isn't working." The pace of change is faster now, and all factors must be considered.

ADJOURNMENT

President Bernstein ended the meeting with the announcement that Roger Fox, Richard Rubin, and Stephen Knowlton had been re-elected to the Board of Directors. With no further business to conduct, the meeting was adjourned at 6:58 p.m., prior to Charlie Nardozzi presenting "Gardening with Charlie", and the awarding of door prizes donated by FireProTec, Cabot Creamery, Efficiency Vermont, Hunger Mountain Co-op, Lowell McLeod, Sanel Auto Parts, Farnham Sugar Farm, WESCO, and WEC.

Date of Membership Approval: 5/2, 2019

Attest:


M. Annie Reed, Secretary

