

WASHINGTON ELECTRIC COOPERATIVE, INC.

ORGANIZATIONAL/REGULAR MEETING OF THE BOARD OF DIRECTORS

May 26, 2021

The organizational/regular meeting of the Board of Directors, conducted via video teleconference, was called to order at 3:31 p.m. by President Barry Bernstein with the following board members present:

Barry Bernstein	Steven Farnham	Anne Reed
Don Douglas	Jean Hamilton	Richard Rubin
Roger Fox	Steve Knowlton	Mary Just Skinner

The board met in executive session to discuss board leadership arrangements, reconvening in open session at 4:04 p.m. At that time, they were joined by General Manager Patty Richards; Attorney Ron Shems of the law firm Tarrant, Gillies, Richardson, & Shems, the Cooperative's legal counsel; Director of Finance & Administration (F&A) Cheryl Willette; Director of Products & Services Bill Powell, and Administrative Assistant Dawn Johnson. Guest John Murphy from Stantec arrived at 4:15 p.m. and left the meeting at 4:54 p.m. Ms. Willette and Mr. Powell left the meeting at 6:00 p.m.

ELECTION OF OFFICERS

President Bernstein noted that further discussion and action on the election of board officers was being postponed to June 1.

APPROVAL OF CONSENT AGENDA ITEMS

There being no corrections or comments, President Bernstein declared the minutes of the regular board meeting held April 28, 2021, approved.

CFC LINE OF CREDIT (LOC) RENEWAL

General Manager Richards summarized the request for action on the line of credit. She explained the LOC renewal is a routine and normal annual administrative activity that requires WEC Board of Director action. WEC relies on a line of credit to manage its finances. At their May 12 meeting, the Finance, Administration and Power Planning (FAPP) Committee discussed and unanimously supported the action to renew the existing \$2.6 million uncommitted line of credit with the Cooperative Finance Corporation (CFC). There was a brief discussion regarding the use of the LOC.

A motion was made by Director Douglas to adopt the resolutions presented in the Certificate of Resolutions and Incumbency, which authorizes WEC to establish an uncommitted line of credit with the National Rural Utilities Cooperative Finance Corporation in the amount of \$2.6 million. The motion was seconded by Director Farnham. The board voted unanimously in favor of the motion.

2021 EQUITY DISTRIBUTION PLAN

Director of F&A Willette noted that the proposed 2021 Equity Distribution Plan is for the same total amount as last year and was reviewed and recommended unanimously by the FAPP Committee on May 12, 2021. There was a brief discussion regarding the process used to determine the timing formula in refunding capital credits back to active and inactive members.

A motion was made by Director Douglas to approve the 2021 Equity Distribution Plan which includes a total retirement of \$770,000 (Electric Members \$450,000 - FIFO \$154,000 LIFO 296,000, REC members \$10,000 – FIFO \$2,500-year 2006, LIFO \$7,500 and CIAOC \$310,000). The motion was seconded by Director Skinner. The board voted unanimously in favor of the motion.

POLICY MANUAL INDEX AND REVIEW

Director Fox reviewed the information in his recent email regarding creation of a more logically-organized index for the policy manual, and the planned periodic review of policies. He noted that it would be helpful to have another board member assist with the review of the policies.

BOARD MEETING FORMAT

By popular demand, in-person board meetings will resume in June, possibly at the Old Brick Church adjacent to the Co-op office.

PRESENTATION FROM JOHN MURPHY OF STANTEC

General Manager Richards introduced Mr. Murphy to the board and WEC staff. Mr. Murphy reviewed the technical report, provided by Stantec Engineering, in executive session.

EXECUTIVE SESSION

The board entered Executive Session at 4:17 p.m. to discuss Coventry Landfill Gas Production, Coventry Property Tax Litigation, Broadband, Staff Changes, and a net metered generation compensation issue. The meeting reconvened in open session at 6:06 p.m.

As there was no further essential business to discuss, the meeting adjourned at 6:06 p.m.



M. Anne Reed, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on May 26, 2021, at which meeting a quorum of the Board was present and voting.



M. Anne Reed, Secretary