

**WASHINGTON ELECTRIC COOPERATIVE, INC.
REGULAR MEETING OF THE BOARD OF DIRECTORS**

April 27, 2022

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:02 p.m. by President Stephen Knowlton. The following Board members were in attendance:

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

Also present were General Manager Louis Porter; Attorney Ron Shems of the law firm Tarrant, Gillies, & Shems, the Cooperative's legal counsel; Director of Engineering & Operations (E&O) Dave Kresock; Director of Finance & Administration (F&A) Larry Monserrate; Director of Products & Services Bill Powell; Member Services Supervisor Susan Golden; Administrative Assistant Rosie Casciero; and WEC members Susan Alexander, Betsy Allen, Olivia Campbell Andersen, Roy Folsom, and JJ Vandette. Ms. Alexander joined the meeting at 4:13 p.m. Ms. Campbell Andersen joined at 4:55 p.m. Mr. Folsom left at 5:30 p.m. Ms. Alexander, Ms. Allen, Ms. Campbell Andersen, and Mr. Vandette left at 5:47 p.m. Directors Hamilton and Rubin, Mr. Shems, Mr. Powell and members Alexander, Allen, Campbell Anderson and Vandette attended remotely.

INTRODUCTORY COMMENTS

President Knowlton acknowledged the meeting as the last one Directors Bernstein and Reed would attend as Directors, as their terms conclude at the annual meeting on May 5. He thanked them for their guidance, service, and dedication throughout their years on the Board, particularly noting Director Bernstein's twenty-year tenure as Board President and all that he has done for the Co-op. Former Director Folsom also thanked Directors Bernstein and Reed for their service to the Co-op and friendship through the years, and noted his experience that leaving the Board requires some adjustment. He also thanked President Knowlton for taking on his leadership role.

President Knowlton and General Manager Porter then introduced those staff members and Director candidates present.

CONSENT AGENDA

The consent agenda included the minutes of the regular Board meeting held March 30, 2022.

President Knowlton proposed clarifying the section of the General Manager's Update "State Funding to Utilities" to read: "The Vermont State legislature is on track to approve \$5 million for WEC, VEC, and the Vermont Public Power Supply Association (VPPSA) in the deployment of advanced metering technology." There being no objection, he declared the minutes of the regular Board meeting, held March 30, 2022, approved with the noted change.

RENEWAL OF COOPERATIVE FINANCE CORPORATION (CFC) LINE OF CREDIT

President Knowlton explained that WEC applies annually for a line of credit (LOC) from the National Rural Utilities Cooperative Finance Corporation (CFC) from which to draw short-term operating funds throughout the year. WEC has requested for 2022 a \$2.6 million LOC, which is essential for the proper operation of the Co-op. President Knowlton also noted the Board's

responsibility to ensure the Co-op's financial condition is stable enough to maintain its creditworthiness and to remain financially solvent.

On a motion by Director Farnham, seconded by Director Douglas, the Board voted unanimously to approve the proposed resolutions to obtain an uncommitted \$2.6 million line of credit with CFC.

BOARD STATEMENT ON CANDIDATES & THE ELECTION

In light of members' discussions on the online community messaging resource Front Porch Forum regarding the director candidates and the election, President Knowlton recommended that Board members post a statement on their local Front Porch Forum reminding members of the election, where to find information about and from the candidates, and to vote after reading about the candidates and the duties of directors. He requested that a statement he drafted be approved by the Board. Director Fox suggested an amendment to the statement to include that ballots must be received by the Barre Post Office no later than May 4, 2022.

Director Douglas, seconded by Director Skinner, moved that the Board approve the amended statement for posting on local Front Porch Forums. The Board voted unanimously in favor of the motion.

2022 EQUITY DISTRIBUTION PLAN

Board policy requires approval prior to May 1 of an Equity Distribution Plan for the retirement of capital credits to members. President Knowlton explained that capital credits (i.e., equity) are at the heart of what a co-op is—the process is akin to distributing profits in an investor-owned company. Director of F&A Monserrate reviewed the topics discussed at the April 13th Finance, Administration and Power Planning Committee meeting, at which the committee reached an agreement with staff to return \$400,000 to members in 2022. General Manager Porter noted that the check minimum amount for this year's General Retirement would be \$50, instead of \$20, which should decrease staff time devoted to capital credits. It was noted that the proposed distribution was weighted in favor of retiring more of the oldest credits, to avoid extending the retirement cycle further.

On a motion by Director Douglas, seconded by Director Skinner, the Board unanimously voted to approve the proposed 2022 Equity Distribution Plan for the retirement of capital credits in the amount of \$400,000, comprised of \$232,439 FIFO and \$137,561 LIFO for electricity credits, \$15,000 for CIAOC credits, and \$7,500 FIFO and \$7,500 LIFO for REC credits; with the adjusted check minimum amount of \$50.

DISCONNECTIONS & ARREARS

Member Services Supervisor Golden updated the Board on the status of disconnections and members in arrears. The Co-op is continuing to focus on those members owing over \$1,000 for more than 90 days, and will next begin focusing on the 60-day arrears. Member Services Representatives (MSRs) have directed members to the Vermont Emergency Renters Assistance Program (VERAP) and the Vermont Homeowners Assistance Program (VHAP) for financial assistance, and have arranged over 30 long-term payment plans with members, thereby reducing WEC's arrearages by 43%. Ms. Golden reported that members have been ultimately responsive to disconnection notices.

On behalf of the Board, Director Bernstein thanked Ms. Golden for her and her staff's efforts.

ANNUAL MEETING

Administrative Assistant Casciero provided a brief update on the course of the Annual Meeting preparations and election. She noted that due to printing issues, some voting packets were mailed incomplete, but replacement materials have been provided. Additionally, the Ballot Committee has issued two replacement voting packets. All other preparations have been going smoothly.

GENERAL MANAGER'S UPDATE

Covid-19

Mr. Porter reported that one employee has tested positive, but there has been no transmission among employees. The WEC office will remain closed to the public except by appointment.

Coventry Plant Production

General Manager Porter reported that he and Director of E&O Kresock met with representatives from Casella and Archaea to discuss the decreased production at the Coventry plant. It was hoped that production would return to typical levels sooner, but projected production is still 14% lower than 2021. Possible causes of continued poor production were noted.

The financial impacts of regional transmission system constraints were also discussed.

Request for Congressionally Directed Spending

Mr. Porter summarized recent requests he submitted to Senator Bernie Sanders' office, for congressionally directed spending to support Advanced Metering Infrastructure upgrades and for installation of a utility-scale battery system at a WEC substation.

Major Outage

On April 19 – April 20, 2022, WEC experienced a large outage due to heavy, wet snow loading on trees and lines. At peak, roughly 2,700 members were without power. Crews responded quickly to the outages, with the assistance of two mutual aid crews from New Hampshire and Massachusetts, and had restored all power by 4:00 p.m. on April 20.

Mr. Porter noted that reporter Erica Heilman was present during the outage, and Vermont Public Radio is expected to broadcast her account of WEC's recovery efforts.

Hiring

Interviews for the Operations Assistant position and for lineworkers have been conducted, with likely candidates identified. More information will be provided when hires are made.

Vermont Public Power Supply Authority (VPPSA) Power Planning Presentation

President Knowlton reminded the Board that VPPSA representatives will attend the May Board meeting to give a presentation and tutorial on their power planning activities.

Finances

Director Reed voiced concerns about WEC's finances. Director of F&A Monserrate and Mr. Porter reassured her, but noted that WEC will have to closely monitor and possibly adjust certain activities.

Mr. Porter also noted that the informational packets provided to the Board for each meeting will include everything of significance to maintain and encourage transparency and understanding between the Board and staff.

Net Metering

President Knowlton returned to the ongoing discussion of net metering and its impact on WEC. He noted that roughly 10% of the Co-op's electrical load is from net metered power. He

estimated that, to date, \$1.7 million in gross revenue has been lost due to net metering. WEC's priority is to provide electricity to its members at a reasonable cost from sustainable and renewable resources.

Director Bernstein noted that because WEC is winter peaking, we get the least benefit from solar generation at the time when power costs are highest. He recounted WEC's previous efforts to improve the fairness and sustainability of Vermont's net metering program by implementing a system to share benefits and costs equally across all utilities, and by implementing a grid service fee to minimize costs to other electricity consumers. Those proposals were unsuccessful due to opposition from solar developers and installers.

President Knowlton reiterated his conclusion that net metering is, essentially, a system that is dependent on the availability of baseload generation but does not financially support essential resources due to the current State-set rate structure.

EXECUTIVE SESSION

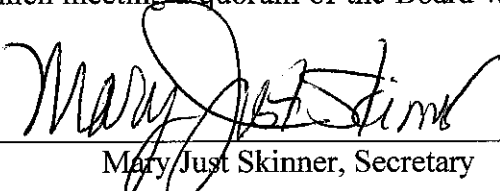
The Board entered Executive Session at 5:47 p.m. to discuss the ongoing meetings with Casella and Archaea regarding the Coventry plant gas supply.

The meeting reconvened in open session at 6:07 p.m.

There being no further essential business to discuss, the meeting was adjourned at 6:07 p.m.

Mary Just Skinner, Secretary

The foregoing record of the minutes was duly accepted by the Board of Directors at a regular meeting held on May 25, 2022, at which meeting a quorum of the Board was present and voting.



Mary Just Skinner, Secretary