

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

July 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:

Susan Alexander	Steven Farnham	Stephen Knowlton
Betsy Allen	Roger Fox	Richard Rubin
Don Douglas	Jean Hamilton	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; and Administrative Assistant Rosie Casciero. President Knowlton, Director Douglas, Director Farnham, Mr. Porter, Mr. Kresock, Mr. Monserrate, Ms. Golden, and Ms. Casciero attended in person; all other participants attended remotely via video teleconference. Director Hamilton joined the meeting at 4:25 p.m. and left at 6:10 p.m. Director Skinner joined the meeting at 4:10 p.m. Director Allen left at 6:13 p.m. Director Rubin left at 4:52 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the regular Board meeting held May 25, 2022 and the special Board meeting held June 8, 2022. Director Fox noted several minor clarifications in the minutes of the special Board meeting.

There being no objection, President Knowlton declared the minutes of the May 25, 2022 Board meeting and the June 8, 2022 special Board meeting approved with the noted corrections.

STRATEGIC PLANNING

President Knowlton reiterated the purpose of the strategic planning session of October 2021: to identify the Co-op's strengths, weaknesses, opportunities, and threats that could be incorporated into a relevant and actionable strategic plan. The Board hopes to receive and approve a strategic plan for the Co-op before the end of 2022. President Knowlton invited directors and staff alike to comment on the planning session and its goals, and any other points they wished to mention.

General Manager Porter stated that a strategic plan would require attention to both the quotidian tasks of the Co-op and the main goals developed in the planning session. He and Director Hamilton have been working to produce a strategic plan bringing those goals to conclusion or fruition, and will present the Board with an outline of the Co-op's current tasks and plans and the actions necessary to achieve those goals.

Generally, directors felt that the goals identified in the planning session were still both relevant and possible to achieve. While some goals have been modified since October 2021, a constant is communication—both between the Co-op and members, and among Co-op employees. The Board plans to increase member engagement and education over the next months.

As WEC's involvement in broadband deployment has changed significantly, it was suggested that the Board could find it appropriate to replace that goal. President Knowlton reminded the Board that broadband deployment has thus far been discussed in conjunction with Advanced Metering Infrastructure and Smart Grid, and, therefore, is still a viable goal and project.

Relatedly, it was noted that a critical topic missing from the strategic planning session was net-metering. Proposed ways to incorporate it into a plan included member outreach, lobbying, and changing or developing policy. President Knowlton stated that the Board is currently creating materials for member outreach related to net metering and the Co-op's stance thereon.

Staff described more concrete ways in which the Co-op's current actions align with the strategic planning goals. For example, it was noted that morale and communication within the Co-op has improved over the last year. Human Resources, financial stability, and reliability planning were presented as main foci for staff, with Mr. Kresock and Mr. Monserrate, in particular, speaking to those points.

RATE INCREASE PREVIEW

General Manager Porter presented information on WEC's financial situation and projected revenue requirements. He estimated that a rate increase in the range of 10-15% would be necessary to achieve the required financial ratio for 2023. Director of F&A Monserrate noted that power cost volatility represents the biggest challenge to determining how much revenue will be needed.

UPDATES TO TARIFFS

General Manager Porter stated that many of WEC's tariffs are out of date and/or problematic, and that staff has begun evaluating these tariffs for changes. The Department of Public Service (DPS) recommended that WEC file any changes to its tariffs in conjunction with a rate case. The main updates currently considered are those for a program connecting members with weatherization and efficiency services for new construction, and charges for disconnections, reconnections, and member new construction. Updates to WEC's tariffs will assist the Co-op in recouping costs and remaining financially healthy.

GENERAL MANAGER'S UPDATE

Community Solar Program

Governor Scott's approved budget for Fiscal Year 2022 included \$10 million in seed funding for community solar projects enabling low- and moderate-income Vermonters to access clean distributed energy. Vermont Electric Co-op (VEC) proposes to submit a grant request to receive funds from the DPS in exchange for allocating a portion of the energy generated by their already developed solar projects to low-income members. WEC intends to co-apply with VEC for this grant request and would receive, proportionally, roughly \$350,000 to be used to offset the cost of power for low-income members. To identify income-eligible members, WEC would again contract with Capstone Community Action.

EXECUTIVE SESSION

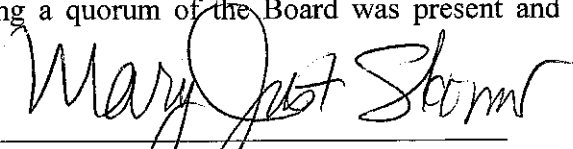
The Board entered Executive Session at 6:11 p.m. to discuss the Kingsbury Companies, LLC and Kingsbury Energy net-metering compensation PUC proceeding.

The meeting reconvened in open session at 6:18 p.m.

There being no further essential business to discuss, the meeting was adjourned at 6:18 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 August 31, 2022, at which meeting a quorum of the Board was present and voting.


Mary Just Skinner, Secretary