

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

October 26, 2022

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:04 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) Teia Greenslit; Director of Products & Services Bill Powell; Member Services Supervisor Susan Golden; and Administrative Assistant Rosie Casciero. Directors Alexander, Allen, and Hamilton; Mr. Powell; and Ms. Greenslit attended remotely. All other participants attended in person.

CONSENT AGENDA

The consent agenda included the minutes of the regular Board meeting held September 28, 2022.

There being no comments, President Knowlton declared the minutes of the September 28, 2022 Board meeting approved.

ADDITIONAL AGENDA ITEMS

An item regarding agreements between Communication Union District (CUD) CVFiber and WEC for the deployment of fiber optic broadband internet infrastructure in WEC territory was added to the agenda for executive session at the request of Attorney Shems and General Manager Porter.

VT TRANSCO EQUITY CALL 2022

President Knowlton introduced the topic, noting that it has historically been an annual task. He noted that WEC receives interest on the equity that is invested. As 2022's equity call is fairly small compared to previous years, minimal financial commitment is involved.

The Finance Administration and Power Planning (FAPP) Committee recommended that the full Board authorize General Manager Porter to execute the agreements.

On a motion by Director Douglas, seconded by Director Rubin, the Board voted unanimously to authorize the General Manager to execute the necessary agreements for the 2022 VT Transco equity call in the amount of \$16,230, as well as WEC's share of any oversubscription.

GENERAL TERMS & CONDITIONS TARIFF UPDATE

General Manager Porter reviewed the proposed changes in the GT&C tariff, which fall into the following categories: suspension of energy assessment fee for new connections; charge for disconnection and reconnection fees; and charges to members for service upgrades. At Director Fox's suggestion, staff incorporated a differential fee for remote and onsite disconnection (\$30 and \$50 respectively). He noted that the fees have no impact on the pending rate increase, as the revenue is insignificant.

On a motion by Director Rubin, seconded by Director Skinner, the Board voted unanimously to approve the filing of the updated General Terms and Conditions tariff.

2023 BOARD MEETING CALENDAR

President Knowlton noted that it was not ideal to have meetings on back-to-back days (i.e., the Members and Markets (M&M) and Power & Operations (P&O) committee meetings). He stated that those dates on the calendar are largely placeholders. He asked that the Board consider whether, in future, the committees should be ad hoc, scheduled, or determined via some other means. He asked that the chairs of those committees also consider how they would like to see their committees function and to what purpose. Two corrections to January meeting dates were noted and accepted.

ANNUAL MEETING ELECTION FORMAT

Staff requested that the Board consider and decide on both the method and vendor for conducting the 2023 director election balloting. A brief discussion followed, during which it was agreed that the Board supported the Policy Committee's recommendation to use print ballots only in 2023. There was discussion about issues with the 2022 election, the outsourcing of vote tabulation, and Members & Markets Committee consideration of electronic voting.

On a motion by Director Rubin, seconded by Director Farnham, the Board voted unanimously that General Manager Porter and staff should exercise their judgement in selecting a vendor to conduct the 2023 Annual Meeting voting.

GENERAL MANAGER'S UPDATE

Winter Disconnections

General Manager Porter requested that the Board support staff's decision to continue performing disconnections consistent with State rules regarding temperatures and members' ages or medical conditions, as WEC does not have a blanket policy in place prohibiting any disconnections during the winter months.

Hiring & Employee Retirement

Mr. Porter again thanked Director of Finance and Administration Greenslit for taking the position. He also informed the Board that long-time WEC employee and Utility Field Technician Steve Hart would be retiring as of November 11, 2022.

Operating & Capital Budgets

Mr. Porter informed the Board that the FAPP Committee and staff had begun crafting both the 2023 Operating and Capital budgets, and that the Board would receive further information in upcoming meetings.

Coventry

Mr. Porter noted that the Coventry gas-to-electricity plant would be shut down for two weeks for a piping upgrade. VPPSA has procured replacement power to cover that period.

Rate Increase

Mr. Porter informed the Board that the Department of Public Service (DPS) had officially opened an investigation into the Co-op's request for a rate increase. He reiterated that this is current common practice for the DPS and was wholly expected.

Tier III Plan

Mr. Porter reviewed the plan to suspend WEC's energy incentives program to help with cash flow in the fourth quarter. He stated that this is a financially prudent decision, as the Co-op has enough banked credits to meet and exceed its requirements set by the Public Utility Commission. The total amount saved would be less than \$100,000 total. President Knowlton noted that co-ops aim to treat every member equitably, and expressed concern over state requirements to do otherwise.

Low-Income Rate Docket

Mr. Porter presented a plan to file comments on the PUC's low-income rate docket, as the percentage of low-income residents and resultant rate impact varies by utility territory. He noted that WEC is currently working with Vermont Electric Co-op (VEC) to implement an income eligible solar program that would utilize federal funding to offset rates for over 400 WEC members.

Director Rubin stated his opinion that it was not staff's prerogative to decide whether the Co-op would file comments, as it is a significant policy issue. He noted that WEC has structured its rates with low-income and low-usage members in mind. Mr. Porter added that the proposed program is similar to net metering but attempts to make community solar generation available to low-income consumers.

Director Rubin, seconded by Director Hamilton, moved that WEC make no comments on the docket with respect to the low-income rate, except to provide information as requested by the PUC. The motion failed, with two in favor, five in opposition, and two abstentions.

Winter Hedge

WEC has been working with VPPSA to find a vendor, but it's been difficult due to pricing and contracts.

Congressionally Directed Spending

Mr. Porter stated that Senator Sanders' office advised Congressionally Directed Spending (CDS) funds would not be available for WEC's use in upgrading Advanced Metering Infrastructure (AMI). The Board discussed efforts to access other grant funding.

EXECUTIVE SESSION

The Board entered Executive Session at 5:51 p.m. to discuss the terms of an agreement between WEC and CVFiber, and to discuss the 2023 Annual Plan.

The meeting reconvened in open session at 6:10 p.m. with the following action reported.

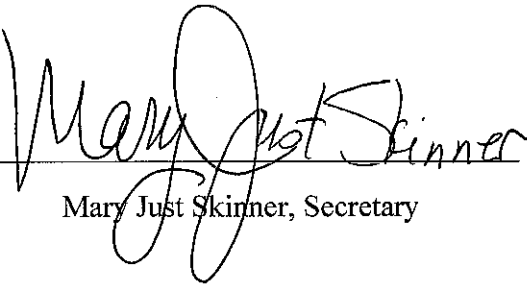
The Board of Directors voted to authorize General Manager Porter to negotiate and execute a license or lease with CVFiber allowing CVFiber to use a portion of the

parcels on which the Moretown and Calais substations are located for construction, operation and maintenance of equipment cabinets and consistent with the term sheet reviewed by the Board. The motion passed with seven votes in favor, one vote against, and one abstention.

There being no further essential business to discuss, the meeting was adjourned at 6:10 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 November 30, 2022, at which meeting a quorum of the Board was present and voting.



Mary Just Skinner, Secretary