

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

January 4, 2023

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:03 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 Douglas, Hamilton, and Skinner; Mr. Kresock; and Ms. Golden attended remotely. All other participants attended in person.

CONSENT AGENDA

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

There being no comments, President Knowlton declared the minutes of the November 30, 2022 Board meeting approved.

2023 CAPITAL & OPERATING BUDGETS

Director of F&A Greenslit noted minor changes to the proposed capital and operating budgets of 2023 based on projected purchased power costs. These projections would likely yield a 1.74 TIER and 1.24 MDSC.

The Board also discussed proposed staffing additions, the likelihood of further rate increases, and the amount the Co-op may expect to be reimbursed should Winter Storm Elliott be declared a FEMA event. Ms. Greenslit stated that the estimated total costs incurred by the storm in damage and labor are roughly \$1.3 million but hopes the final accounting will be closer to \$1 million. Vermont Emergency Management will make a recommendation to Governor Scott upon receipt of all data regarding costs incurred related to the storm. General Manager Porter stated that there are few, if no, other sources of external funding available to help offset these costs.

On a motion by Director Rubin, seconded by Director Farnham, the Board voted unanimously to approve the proposed 2023 capital and operating budgets.

ANNUAL MEETING, BOARD CANDIDATES, & COMMITTEE ON CANDIDATES

Administrative Assistant Casciero reminded the Board of its responsibility to appoint the Committee on Candidates, which approves candidates for participation in the election of Board directors. She also noted that Directors Douglas, Hamilton, and Skinner's terms are up in 2023 and restated the deadlines for submitting materials for candidacy.

OVERVIEW OF WINTER STORM ELLIOTT

General Manager Porter reviewed December 23, 2022's Winter Storm Elliott, which caused significant outages throughout WEC territory and unprecedented damage to the electrical infrastructure. At peak, over 5,000 WEC members were without power and 40 broken poles had

been found thus far and replaced in the restoration process. He stated that staff is in the process of assessing how best to respond to major outages in future, and welcomed input from the Board; a discussion followed.

The Board also discussed how outage data management and communication could be improved, and how the Board could assist during large outages.

On a motion by Director Rubin, seconded by Director Skinner, the Board voted unanimously to pass a resolution thanking Co-op staff and outside crews for their work throughout Winter Storm Elliott. The motion passed.

GENERAL MANAGER'S UPDATE

Coventry

In response to decreased generation throughout 2022 at the Coventry gas-to-electricity plant, WEC may initiate acquisition of power through its existing contract with Hydro-Quebec. WEC currently delegates this power to Vermont Electric Co-op (VEC) through a so-called sleeve arrangement. Mr. Porter reviewed the timeline for informing interested parties of WEC's intent to take power through the Hydro-Quebec contract and when or if a decision would be made. President Knowlton stated that the Co-op seemed unlikely to meet the 97 percent coverage ratio within the appropriate timeframe to avoid taking power through the Hydro-Quebec contract; Mr. Porter concurred.

Director of E&O Kresock reminded the Board that engines at the plant were offline for a period in November and undergoing repairs throughout November through January, which resulted in lower electric production at Coventry.

Miscellany

President Knowlton requested confirmation that the decrease in 90-day accounts receivable balances was both positive and negative. Director of F&A Greenslit stated that some decreases are due to disconnections for non-payment and subsequent write-offs, but more appear to be from recoveries made through full payment or payment arrangements.

EXECUTIVE SESSION


The Board entered Executive Session at 5:12 p.m. to discuss net metering and energy policy.

The meeting reconvened in open session at 5:42 p.m.

There being no further essential business to discuss, the meeting was adjourned at 6:05 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 February 22, 2023, at which meeting a quorum of the Board was present and voting.



Mary Just Skinner, Secretary