

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

February 22, 2023

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:00 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; and Administrative Assistant Rosie Casciero. Directors Douglas, Fox, and Hamilton attended remotely. All other participants attended in person. Director Fox arrived at 5:00 p.m. Mr. Kresock left at 4:30 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the December 2022 regular Board meeting held January 4, 2023.

There being no comments, President Knowlton declared the minutes of the December 2022 regular meeting, held January 4, 2023, approved.

INVENTORY TRACKING & GRID RESILIENCE

Referencing current supply chain constraints and extended lead times, President Knowlton asked whether a system for tracking and limiting the use of transformers was in place. Director of E&O Kresock described the Co-op's system for tracking and determining where best to use its limited inventory member-initiated projects that require increased transformer sizes. The Board also discussed grid resiliency, especially related to restoration after Winter Storm Elliott. Mr. Kresock commented that the Communications Union Districts' (CUD) make-ready work has assisted in hardening the system, in that the thicker and stronger 45- and 50-foot poles used to accommodate multiple pole attachments are more resistant to damage. General Manager Porter noted that, should Winter Storm Elliott be declared a FEMA event, WEC plans to request FEMA mitigation funds in addition to funds allotted by FEMA toward restoration to increase resilience across its system.

CVFIBER LEASE OF JACKSON CORNERS SUBSTATION

General Manager Porter described CUD CVFiber's request to lease the Co-op's Jackson Corners substation to install cabinets of their equipment related to providing broadband internet service to the communities WEC serves. He noted that the Board approved CVFiber's use of both the Maple Corners and Moretown substations in October 2022, and that the newly requested lease will follow the same operative terms as those already executed.

On a motion by Director Rubin, seconded by Director Farnham, the Board moved to authorize the General Manager to execute a lease with CVFiber allowing CVFiber to use a portion of the parcels on which the Williamstown Jackson Corner substation is located for construction, operation, and maintenance of equipment cabinets. The motion passed 7:0.

COOPERATIVE RESPONSE CENTER (CRC) ANNUAL MEETING VOTING DELEGATE

CRC is WEC's after-hours answering service; while a member, WEC has not historically participated in CRC's Annual Meeting. General Manager Porter agreed to President Knowlton's request to serve as voting delegate, replacing previous General Manager Patty Richards. Director Skinner nominated President Knowlton as alternate voting delegate in the stead of Director Fox.

Director Skinner, seconded by President Knowlton, moved that the Board should adopt General Manager Porter and President Knowlton as voting delegate and alternate voting delegate, respectively, for CRC membership business meetings. The motion passed.

CODE OF ETHICS & CONFLICT OF INTEREST POLICIES

Director of F&A Greenslit reminded the Board to annually review of the Co-op's Code of Ethics (Policy 85) and policy on Procurement Conflict of Interest (Policy 91). President Knowlton stated that directors should note any real or perceived conflict of interest related to employment.

CAPITAL CREDITS

The Board reviewed a memo from staff describing possible changes to the current capital credits retirement process. Those changes proposed included: imposition of an administrative service charge, a Bylaw amendment to allow for undeliverable or abandoned capital credits to become donated capital, further solicitation methods for Community Fund donations, and the institution of estate retirements. Staff will provide a complete proposal at a later Board meeting.

FINANCIALS

President Knowlton noted that Director of F&A Greenslit is being requested to provide quarterly updates on the Co-op's financials at board meetings.

BOARD SUCCESSION PLANNING

Following an introduction to the Members & Markets (M&M) Committee's most recent meeting by Committee Chair Director Hamilton and President Knowlton, the Board discussed Board succession planning.

Director Rubin stated that the M&M Committee had suggested term limits as the Board has had difficulty in onboarding new directors because incumbents are consistently re-elected. He further stated that unless the Board has a policy for term limits, he believes the Co-op will never have a successful mechanism for Board succession and turnover. Attorney Shems commented that other co-ops and non-profits commonly have term limits for their governing bodies.

Directors' opinions on the effectiveness of term limits were varied, citing, especially, the need to retain institutional knowledge. Director Hamilton reassured the Board that this was one of the Committee's considerations and that institutional knowledge could reside in policy, where possible and practicable. It was also clarified that the Committee's suggestion of a nomination and development committee was not to encourage quiet and automatic election of favored candidates but to generate interest in Board service among the general membership, as well as create a "bench" of interested candidates who could run when they chose on the encouragement of the Board. It was reiterated that the principle that any eligible member may run for a seat would still be central to the election process.

It was decided that the M&M Committee would conduct further research before potentially drafting a policy or guidelines regarding Board succession planning.

GENERAL MANAGER'S UPDATE

Coventry

Director of E&O Kresock reviewed the recent upgrades to the Coventry landfill plant. He stated that gas volume had increased, but other changes in operations and the landfill itself have recently compromised the quality of the gas. General Manager Porter noted the need of a fifth blower to increase the vacuum in the gas lines from the wells in the landfill, which deliver gas to the plant, as well as drawing more gas from the new phase. He also noted that Casella has been responsive to WEC's requests for maintenance on the well field. Mr. Porter stated that there have been no further formal discussions on plant expansion, and that WEC's current contract with Casella is good until 2036.

Wrightsville & Vermont Wind (Sheffield) Production

General Manager Porter clarified that the Wrightsville hydro-electric plant's low performance in 2022 was caused by a confluence of ice jamming in the intake, poor weather conditions, and other mechanical issues. He reiterated that the plant's production is highly variable and that making assessments based on month-to-month data is rarely entirely accurate.

President Knowlton commented that the power from Vermont Wind (Sheffield) was 25% of the budget value, and asked whether this was the case for wind power throughout northern Vermont; Mr. Porter replied that all wind production in Vermont is dependent on weather.

Winter Storm Elliott

Mr. Porter reiterated the difficulty of judging the total cost of a major storm such as Winter Storm Elliott, and that a more precise amount than roughly \$900,000 would be forthcoming. The Governor's declaration of the storm as a FEMA event is yet to come.

90-day Arrearages

Director of F&A Greenslit explained that 90-day arrearages have been decreasing, largely due to members utilizing assistance programs, keeping payment agreements, and making payments once incentivized by disconnection.

Rate Increase Update

General Manager Porter stated that the Department of Public Service (DPS) plans to recommend a 12.83 percent rate increase, rather than WEC's requested 14.19 percent increase, based on corrected calculations of projected power costs. The Department opined that WEC had not fully considered the financial benefits of net metering balanced with its costs, which would likely decrease projected power costs and justify a lower rate increase. The Co-op agrees with the Department's findings and will accept its recommendation; the DPS will file its comments and final recommendation with the Public Utility Commission supporting a 12.83 percent rate increase for WEC. Shems noted that the PUC would likely make its decision soon. Mr. Porter noted that the PUC may recommend a 12.7% increase, rather than 12.83%.

Bill to Increase Purchased Renewables

Mr. Porter reported that Renewable Energy Vermont (REV) had recently proposed a bill that would significantly increase the amount of renewable energy the Co-op would be mandated to purchase over the next decades. As the Co-op derives its electricity from 100 percent renewable resources and produces up to 70 percent of its total power supply renewably, Mr. Porter indicated the purchase alternate sources of electricity would be counter-productive and expensive. He acknowledged that the bill was proposed to increase the amount of renewable energy produced under Vermont's Renewable Energy Standard, but that it may pose a challenge to utilities with mostly or fully renewable energy portfolios.

Right-of-Way Geofencing

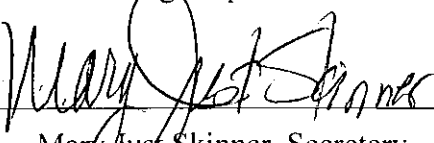
Mr. Porter informed the Board that member Mr. Dan Smith of East Montpelier is currently exploring with legislators certain agricultural technologies that would encourage livestock,

particularly goats, to remain within rights-of-way. His proposal includes use of geo-fencing with shock collars. Mr. Porter stated that WEC would be willing to partner for this experiment. .

There being no further essential business to discuss, the meeting was adjourned at 6:01 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 March 29, 2023, at which meeting a quorum of the Board was present and voting.



Mary Just Skinner, Secretary