

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

May 31, 2023

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:07 p.m. by President Stephen Knowlton. The following Board members were in attendance:

Susan Alexander	Steven Farnham	Richard Rubin
Betsy Allen	Roger Fox	Mary Just Skinner
Don Douglas	Stephen Knowlton	

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; Member Services Supervisor Susan Golden; Manager of Information Systems Scott Dane; and Administrative Assistant Rosie Casciero. Directors Rubin and Skinner attended remotely, as did Golden. Director Fox arrived at 4:09 p.m. Director Rubin left at 5:30 p.m. Dane left at 5:10 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the March 29, 2023 regular Board meeting and the minutes of the April 26, 2023, regular Board meeting. President Knowlton reviewed additional edits to the March 29, 2023 minutes and those to the April 26, 2023 minutes.

On a motion by Director Douglas, seconded by Director Allen, the Board voted to accept the minutes of the regular March 29, 2023 meeting as amended. The motion passed 7–0.

On a motion by Director Farnham, seconded by Director Allen, the Board voted to accept the minutes of the regular April 26, 2023 meeting as amended. The motion passed with 6 for, none against, and one abstention.

ELECTION OF OFFICERS

On a motion by Director Skinner, seconded by Director Alexander, the Board voted to elect the slate of Stephen Knowlton as President, Roger Fox as Vice President, Don Douglas as Treasurer, and Mary Just Skinner as Secretary. The motion passed 8–0.

INFORMATION SYSTEMS HOSTING SOLUTIONS

Knowlton and General Manager Porter introduced Scott Dane, Manager of Information Systems, who joined WEC in December 2022. Dane described his relevant personal and professional experience, presented an overview of IT issues facing WEC as detailed below, and invited questions and comments from the Board.

In discussing the need for allocating resources to WEC's information systems, Dane presented information on potential cloud hosting solutions for WEC data, and related information on cybersecurity measures. He also noted that IT resources would be increasingly necessary to safeguard many of the Co-op's information assets. The key aspects of cybersecurity (the ability to protect operational data and maintain operational continuity) that were cited were maintaining communication and control during all facility outages, protecting against actions of malicious or negligent staff, and external threats of hacking and ransomware. Additionally, Dane reviewed WEC's critical systems and their protections, including operational technology, perimeter (firewall) testing, encryption of Co-op and member data, a review of company data protection policies, and proper management of employee cyber-practices and the devices they use.

QUARTERLY FINANCIALS REPORT

Director of F&A Greenslit reviewed the 2023 first-quarter financial report, particularly the effects of refunds to be issued for excess revenue collected since the effective date of the requested 14.19 percent rate increase in November 2022. Greenslit reported on the key ratios of the Co-op's margins, NTIER, OTIER, and MDSC—both with the estimated rate refund and without. Keeping in mind that only first-quarter results are

available, Greenslit indicated that the Co-op's 2023 finances appear healthy at present but there remain three more quarters of the year.

NORTHEAST ASSOCIATION OF ELECTRIC COOPERATIVES (NEAEC) BUSINESS MEETING

Director Fox reported on the NEAEC Annual Business Meeting's proceedings. He mentioned a call for nominations for the Aiken Award and noted the need to replace himself on the NEAEC officer-nominating committee. Fox noted the NEAEC budget for the organization's 2023-2024 fiscal year includes increased funds to subsidize the National Rural Electric Cooperative Association (NRECA) Annual Youth Tour, an educational excursion for high schoolers from cooperatives' households. Directors Fox and Douglas suggested that WEC might participate, possibly using funds from the Community Fund to sponsor a student from cooperatives' households. Douglas added that members' participation could increase perception of the benefits of belonging to a cooperative.

Douglas also discussed NRECA International, which works to bring first-time access to electricity to 45 countries in Latin America, Southeast Asia, and Sub-Saharan Africa, and increase utilities' sustainability in their communities. Established in 1962, NRECA International is funded by over 300 U.S. electric cooperatives and many private organizations. Work is conducted by volunteers. Douglas reminded the Board of NRECA International's request for donations, roughly \$1,000 per cooperative in 2023.

BOARD CONTINUING EDUCATION & CONFERENCES

Knowlton reminded the Board of upcoming training opportunities and conferences through NRECA and NEAEC in June and October respectively. Administrative Assistant Casciero provided further details.

GENERAL MANAGER'S REPORT

Rate Increase Filing Status

Porter reported that the Vermont Public Utility Commission (PUC) issued a Rate Order on May 19, 2023, approving a rate increase of 12.83 percent for Washington Electric Cooperative. As required by the Order, the Co-op has submitted a plan for refunding the excess revenue collected since November 2022 when the proposed 14.19 percent increase went into effect. With final approval of the new rate, WEC will proceed to file updates to its General Terms & Conditions tariff for a range of services as discussed in earlier meetings.

Energy Action Network

The Co-op was asked to be a sponsor of Energy Action Network's (EAN) fall summit on September 28, 2023. Porter explained that he believes EAN is a respected and reliable clearinghouse of data and analysis regarding energy usage and associated greenhouse gas emission in the state, and their dissemination efforts merit our support. WEC has been invited to the summit and some staff and/or Board members may attend.

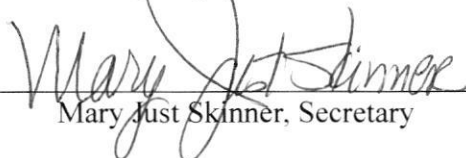
On a motion by Director Douglas, seconded by Director Farnham, the Board voted to authorize General Manager Porter to donate \$500 to Energy Action Network for its fall 2023 summit. The motion passed 7-0.

The Board entered Executive Session at 5:51 pm to discuss procedural matters related to WEC's legal representation.

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 June 28, 2023, at which meeting a quorum of the Board was present and voting.



Mary Just Skinner, Secretary