

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

April 26, 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	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; Director of Products & Services Bill Powell; Member Services Supervisor Susan Golden; and Administrative Assistant Rosie Casciero. Directors Allen and Rubin, and Skinner; and Mr. Powell attended remotely. Mr. Powell left at 5:38 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the March 29, 2023, regular Board meeting. Prior to approving the minutes, the Board discussed general considerations on how detailed the minutes should be to provide a succinct yet informative record of discussions and actions.

Approval of the March minutes was postponed to the May 31, 2023, Board meeting.

2023 EQUITY DISTRIBUTION PLAN

General Manager Porter presented the staff's recommendation for the 2023 Equity Distribution Plan for the retirement of capital credits. The recommendation had been reviewed in the previous meeting of the Finance, Administration, and Power Planning (FAPP) Committee. Director of F&A Greenslit reported the totals for each year being retired and the rationale behind those totals. The Board briefly reviewed the 2023 Equity Distribution Plan for the retirement of capital credits to current and former Co-op members.

On a motion by Director Farnham, seconded by Director Douglas, the Board voted to approve the 2023 Equity Distribution Plan, that represents a total retirement of \$400,000. The retirements are \$240,000 to Electric Members (FIFO \$169,700 LIFO \$70,303 to fully retire year 1998), \$9,996 to REC members (FIFO \$1,240, LIFO \$8,756 to fully retire year 2006) and \$150,000 to CIAOC. The motion passed 8-0.

COOPERATIVE FINANCE CORPORATION (CFC) LINE OF CREDIT (LOC) RENEWAL

Director of F&A Greenslit reviewed the process for the Co-op to renew its uncommitted \$2.6 million line of credit from CFC. She noted that there were no substantive changes from last year's request and proposed resolutions to request an annual renewal of the LOC. The renewal of the LOC had been supported by the FAPP Committee at its April 12 meeting.

On a motion by Director Alexander, seconded by Director Farnham, the Board voted to adopt the proposed resolutions for an uncommitted \$2.6 million line of credit with the Cooperative Finance Corporation (CFC). The motion passed 8-0.

HYDRO-QUEBEC (HQ) POWER TAKEBACK

President Knowlton reminded the Board that the proposed purchase of HQ power defined in its 2012 contract had been discussed at the March Board meeting. The FAPP committee had also carried out a discussion on the subject with Mr. Shawn Enterline of VPPSA and General Manager Porter. Porter reviewed his memorandum to the Board regarding the Co-op's intent to access 2MW of the 4MW of power that had previously been allocated by a sleeve agreement to Vermont Electric Cooperative (VEC). He noted that the power from Hydro-Quebec would improve the match of its purchased power resources to the time profile of WEC's members' present and projected power needs.

Porter added that the engineering firm Control Point has predicted WEC's peak electrical load to grow from 17MW to an estimated 26MW over the next 10 years. The Co-op plans to address this projected growth in its Long-Range and Construction Work Plans.

On a motion by Director Fox, seconded by Director Douglas, the Board voted to approve staff's recommendation, as supported by the FAPP Committee, to take back 2MW of daytime power from Hydro-Quebec currently delivered to Vermont Electric Cooperative under a suballocation agreement. The motion passed 7-0 with one abstention.

84TH ANNUAL MEMBERSHIP MEETING

Porter noted that the Assistant State Fire Marshal inspected the warehouse premises based on a concern raised by a member of the general public. Also discussed was the number of memberships registered to attend.

GENERAL MANAGER'S REPORT

Union Negotiations

General Manager Porter informed the Board that Attorney Josh Diamond of the Dinse law firm and former WEC counsel would be joining WEC counsel Shems to participate in the upcoming union contract negotiations.

COVID & Office Closure

Mr. Porter notified the Board that the Co-op's doors would remain closed to the public for the time being, citing staff's safety in light of threats of violence from several members and households served by WEC over the last two years.

Battery Storage

Accompanying a discussion on battery storage, Mr. Porter stated that he plans to pursue options for substation-sized Cooperative-owned battery storage.

Legislature

Mr. Porter reported on the Co-op's actions before the legislature. WEC and other Vermont utilities recommended that any proposed changes to the Renewable Energy Standard (RES) be subjected to a study of their potential effects. WEC supported a proposed bill that would require all utilities in the state to be 100% renewable by 2030. Renewable Energy Vermont (REV) continued to lobby for a mandated increase in the percentage of new and in-state renewable power sources in utilities' portfolios. Mr. Porter commented that this could pose a challenge to WEC, as many of the Co-op's reliable renewable power resources predate what would be considered a "new" renewable.

Additionally, Mr. Porter testified on a proposed bill that would require utilities to notify landlords when disconnecting power to a building at which the electricity is in the name of the tenant(s). He stated that WEC would support the concept but within narrow parameters: the landlord be notified after disconnection; the landlord be responsible for maintaining up-to-date contact information with the Co-op; and that a waiver between the tenant(s) and landlord be furnished, stating that the landlord will receive notification of possible disconnection. The provisions would assist in protecting property, decreasing the volume of correspondence between utilities and landlords, and safeguarding member confidentiality.

Lastly, Mr. Porter updated the Board on the progress of the Clean Heat Standard bill. Passage of the bill mandates a study to be performed prior to implementing procedures. As currently envisioned, the bill could impact WEC's TIER II program and increase the value of the Coventry landfill gas for heating purposes.

Winter Storm Elliott

Staff met with Vermont Emergency Management representatives to discuss FEMA reimbursement to offset costs incurred during December 2022's Winter Storm Elliott. The amount of money will likely be \$650,000 - \$700,000. The cost of the storm was roughly \$1,000,000.

Work Management System

After a five-month implementation process, the Work Management System (WMS) was deployed on April 17th. The line crew is equipped with iPads, to give them timely access to outage information, GIS maps, and service orders. Service orders can now be processed digitally and submitted back to the office in real time. Thus far, WMS has been successful and largely well-utilized by staff.

FINANCIALS

President Knowlton inquired as to what drives the loss in revenue in the SHEI (Sheffield-Highgate Export Interface) in 2023. Attorney Shems explained that the Public Utility Commission (PUC) instituted a fee for any new projects in the SHEI, which is then distributed between WEC, Vermont Electric Coop (VEC), and Green Mountain Power (GMP).

Director Fox expressed gratitude to the Member Service Representatives for their work with members regarding overdue payments, which has resulted in low write-off amounts in recent months.

NRECA LEGISLATIVE CONFERENCE

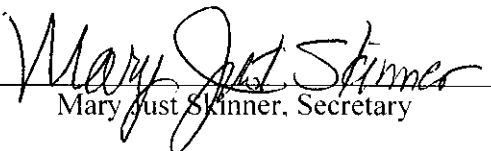
Director Douglas, Vermont's representative on the National Rural Electric Cooperative Association's (NRECA) board, described the recent NRECA legislative conference. He reported that NRECA is currently lobbying Congress to continue the operation of some coal plants in the interest of electrical grid reliability. Director Douglas encouraged his fellow NRECA board members to consider environmental stewardship as well as reliability to more easily garner support from California and New England utilities. He discussed the issues of reliability in New England, stating that new, large-scale electrical generation is needed. Director Rubin commented that there are two projects underway to bring a large amount of power from Hydro-Quebec to southern New England.

Douglas also described a NRECA insurance program to benefit young children of deceased electric co-op employees.

There being no further essential business to discuss, the meeting was adjourned at 5:53 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 May 31, 2023, at which meeting a quorum of the Board was present and voting.


Mary Just Skinner, Secretary