

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

November 30, 2022

The regular meeting of the Board of Directors, conducted in person and via video teleconference, was called to order at 4:05 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. Attorney Shems; Directors Douglas, Hamilton, and Rubin; and Ms. Greenslit and Mr. Powell attended remotely. All other participants attended in person. Director Hamilton arrived at 4:24 p.m.

ADDITIONAL AGENDA ITEMS

President Knowlton noted Director Fox's request to add to the agenda a discussion on the timing of winter Board meetings and meeting times in general.

CONSENT AGENDA

The consent agenda included the minutes of the regular Board meeting held October 26, 2022.

There being no comments, President Knowlton declared the minutes of the October 26, 2022 Board meeting approved.

EXECUTIVE SESSION

The Board entered Executive Session at 4:11 p.m. to discuss a contract for monitoring legislative activities, and the 2022-2023 Action Register.

The meeting reconvened in open session at 5:02 p.m. with the following action reported.

The Board of Directors voted unanimously to approve the contract with the firm MMR to monitor the 2023 legislative activities relative to WEC's interests as recommended by General Manager Porter.

2023 CAPITAL & OPERATING BUDGETS

President Knowlton reviewed the timeline and process of drafting the 2023 Capital and Operating budgets, noting that the Finance, Administration and Power Planning (FAPP) Committee had reviewed the current draft at their November meeting. Director of Finance & Administration (F&A) Greenslit then noted that WEC has followed past practices and models in drafting the 2023 budgets. She indicated that the budget's main points regarding Operating and Member revenues were provided, then entertained questions on data compilation and assumptions.

President Knowlton stated that there is considerable uncertainty regarding these budgets, mainly in power prices and labor. General Manager Porter responded that staff are already

creating contingencies within the proposed budgets, including a proposed additional position. He reiterated that winter power purchases dwarf any costs in operations, therefore making it difficult to recoup any excess expenditures in power costs.

Director of Engineering & Operations (E&O) Kresock reminded the Board that the bucket trucks proposed for acquisition in 2024 and 2025 are included on the proposed 2023 budget for the Board's approval now to secure current prices and delivery dates; the costs will be amortized over a number of years, as well. He requested that the Board approve these future purchases, as having new trucks would be beneficial to the Co-op for the safety and efficiency of the line crew.

Mr. Porter reiterated that the complete budget would come before the Board for official approval at the December meeting (to be held January 4, 2023).

HEDGE FOR WINTER POWER SUPPLY

The Board discussed the philosophical underpinnings of hedging for winter power, especially considering the record-high recent and forecasted prices for January and February. Whether the Co-op hedged in the past was largely dependent on former General Manager Patty Richards' expertise in power planning. General Manager Porter stated that he consulted with VPPSA extensively and concluded that WEC will not hedge for winter power at this time but may in the coming weeks or months. He also noted that hedging for power is a conundrum that all Vermont utilities face, particularly winter-peaking ones like WEC.

Director Farnham commented that this task seems purely operational and requires rapid decision making, and the Board should authorize the General Manager through policy to use his or her best judgement to hedge.

Director Rubin suggested that Mr. Porter consult Ms. Richards and VPPSA, as they are experts on the subject. His view was that if they have done their due diligence and analyzed all data, then the Board should trust their decision(s).

Director Alexander noted in particular that she appreciates the guidance and time taken to analyze the data and current pricing thus far.

On a motion by Director Farnham, seconded by Director Allen, the Board voted unanimously to authorize the General Manager, in consultation with the Vermont Public Power Supply Authority (VPPSA), to purchase up to 3 MW of power for January and February.

GENERAL MANAGER'S UPDATE

Hiring

General Manager Porter noted that the Co-op's new Safety & Environmental Compliance Specialist David Young is performing well. He added that an offer has been made for the position of Assistant Director of Finance and that he expects to make an offer for the Manager of Information Systems position within the next week. Mr. Porter stated that he and Ms. Greenslit feel confident about their selections from the pool of candidates.

Winter Load Shedding

Mr. Porter stated that ISO-New England has warned NE utilities that load shedding may occur this winter in the event of insufficient generation availability. WEC staff are currently meeting with other Vermont utilities about communications, operations, etc. to plan for possible load shedding. The Board discussed publicizing this information.

Coventry Plant

Mr. Porter stated that the Coventry gas-to-electricity plant is back to partial operations after being down for repairs. After several minor issues are resolved, the plant will be fully operational.

2023 Annual Meeting

Mr. Porter encouraged Board members to forward suggestions on a guest speaker for the next annual meeting.

Requested Rate Increase & Public Hearing

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.

The Public Utility Commission (PUC) has set a public hearing on January 4, 2023 regarding WEC's requested rate increase. The meeting will be by remote attendance only. Mr. Porter requested that several directors be present for public support.

VEC Board Meeting

Mr. Porter reported on his and President Knowlton's participation in the recent Vermont Electric Co-op (VEC) Board meeting, which included productive discussion for VEC and between the two Co-ops for potential collaboration.

Membership in Central Vermont Chamber of Commerce

Several Board members voiced concerns about WEC's continued membership in the organization. After discussion regarding the renewal of WEC's membership to the organization, it was decided that, before the renewal deadline, Mr. Porter would further research and analyze the benefits or disadvantages membership may present.

Acknowledgement of Donations to the WEC Community Fund

Mr. Porter stated that staff has elected to publish a general message of appreciation to active member donors to the Community Fund in the August/September issue of *Co-op Currents* instead of sending individual letters. Letters from the organizations receiving donations may also be published. Director Fox suggested that active member donors also see an individualized notation on their bill—perhaps November's—thanking them for their donation.


WINTER MEETING TIMES

Director Fox put forth for discussion moving winter meeting times to earlier in the day, considering common seasonal travel conditions and available daylight. The Board elected to continue meeting at 4 p.m.

There being no further essential business to discuss, the meeting was adjourned at 6:13 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 January 4, 2023, at which meeting a quorum of the Board was present and voting.



Mary Just Skinner, Secretary