

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

November 29, 2023

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; the Cooperative's legal counsel Ron Shems of the law firm Tarrant, Gillies & Shems; Director of Engineering & Operations Dave Kresock; Director of Finance & Administration Teia Greenslit; Director of Products & Services Bill Powell; Member Services Supervisor Susan Golden; and Administrative Assistant Rosie Casciero. The Board was joined by members Pat Barnes of Vershire, Ian Buchanan of East Montpelier, and Olivia Campbell of East Montpelier, all of whom have expressed interest in joining the Board in place of outgoing Vice President Fox. Directors Allen, Farnham, and Hamilton; staff members Powell and Golden; and guests Mr. Buchanan and Ms. Campbell attended remotely. Director Skinner arrived at 4:15 p.m. Barnes left at 4:45 p.m., Campbell left at 5:20 p.m., Buchanan left at 5:25 p.m., and Powell left at 5:25 p.m.

CONSENT AGENDA

The consent agenda included the minutes of the October 25, 2023 regular Board meeting. President Knowlton reviewed minor edits to the minutes.

Hearing no objections, President Knowlton declared the minutes of the regular October 25, 2023 meeting of the Board of Directors approved with the noted amendments.

INTRODUCTIONS & CONGRATULATIONS

Knowlton introduced Barnes, Buchanan, and Campbell to the Board and staff, thanking them for attending the meeting.

Vice President Fox officially submitted his resignation from the WEC Board of Directors, effective at the end of the Board meeting. Directors and staff alike expressed their gratitude for his 32 years of service on the Board and to the Co-op, and gifted Fox with a celebratory cake. A formal resolution by the Board in honor of Fox will be presented at an upcoming meeting.

VT TRANSCO EQUITY CALL

Knowlton introduced the topic, reminding the Board and guests that it has historically been an annual action. WEC receives interest on the equity that is invested in the VT Transco transmission system. VT Transco LLC is managed by VELCO. He noted that the equity call of \$505,930 is larger than in many previous years, and questioned whether, coupled with the recent November storm costs, the call would impact the proposed 2024 budget. Director of Finance &

Administration Greenslit stated that she does not anticipate those costs changing the projected repayment schedule for any money drawn from the Co-op's line of credit.

On a motion by Director Rubin, seconded by Director Douglas, the Board voted to authorize the General Manager to sign the VT Transco 2023 Equity Call in the amount of \$505,930. The motion passed 8 – 0.

2024 CAPITAL BUDGET

Greenslit reviewed the 2024 Capital Budget as presented and supported by the Finance, Administration, and Power Planning (FAPP) Committee, reminding the Board that the bucket trucks listed in the budget were approved for purchase in 2022 with the understanding that payment would occur in 2024 and 2025. Additional large expenditures include a replacement for the Andover control system used at the Wrightsville hydroelectric plant and, potentially, a Ford F-150 Lightning pickup truck.

On a motion by Director Rubin, seconded by Director Skinner, the Board voted to approve the proposed 2024 Capital Budget of \$742,013. The motion passed 9 – 0.

2024 OPERATING BUDGET

President Knowlton reiterated that the 2024 Operating Budget had yet to be finalized and would be presented to the Board for approval at the December meeting. Greenslit reviewed several line items, noting that purchased power will be the Co-op's greatest operating expense. Few other significant changes in operating costs from 2023 to 2024 are expected, with the exception of the normal inflationary rates. She noted that the Right-of-Way budget is slated to remain at \$1,096,097, and that storm expenses are estimated at \$349,000. Greenslit reported that the 2024 Operating Budget draft projects a TIER of 2.05, a CFC Modified Debt Service Coverage (MDSC) ratio of 1.38, and net margins of \$1,215,091. These ratios are healthy for the Co-op's finances, and do not project the need for a rate increase until 2025, barring major impacts from storms or other challenges that may arise. The FAPP Committee will review and, if necessary, revise the proposed 2024 Operating Budget at its December meeting before recommending to the full Board to approve the final version.

THIRD QUARTER FINANCIAL UPDATE

Greenslit presented an overview of the 2023 third quarter financials. She noted that the Co-op's finances were stable through the end of the quarter, and that expenses in the 2023 Operating Budget are under-budget due to the lower cost of purchased power.

WEC CAPITAL CREDITS COMMUNITY FUND REPORT

The Board briefly reviewed the prepared report detailing the 2023 contributions of capital credits to the WEC Community Fund. Roughly \$86,900 will be available for disbursement in 2024.

GENERAL MANAGER'S REPORT

Hiring Updates

Porter reported that JJ Vandette will join WEC as the Director of Special Projects & Innovation in January 2024.

November 27, 2023 Storm

Porter described the storm as unexpectedly damaging, with heavy, wet snow causing widespread damage and outages on WEC's system. He stated that the process of changing communication methods with Co-op members was in progress throughout the storm, and that mutual aid crews were called in the first day of the storm to speed restoration efforts.

EXECUTIVE SESSION

The Board entered Executive Session at 5:25 p.m. to discuss the *Co-op Currents* editor's contract renewal, hiring updates, and the means of filling the vacancy resulting from Fox's resignation from the Board of Directors.


The Board reconvened in open session at 6:00 p.m. and the following actions were reported:

The Board voted to authorize General Manager Porter to offer Editor Katie Titterton the amended contract for WEC communications work. The motion passed unanimously, 9 – 0.

There being no further essential business to discuss, the meeting was adjourned at 6:02 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 3, 2024, at which a quorum of the Board was present and voting.



Mary Just Skinner, Secretary